

SPORT NZ GROUP

Statement of Performance Expectations

—

2020/21

Contents

Statement of Authorisation	PAGE 02
About the Sport NZ Group	PAGE 03
Sport NZ Group Strategic Direction 2020-2032	PAGE 08
Sport NZ Group focus for 2020/21	PAGE 19
Output Expense: Sport and Recreation Programmes	PAGE 38
Output Expense: High Performance Sport	PAGE 41
Output Expense: Prime Minister's Sport Scholarships	PAGE 45
Prospective Financial Statements (consolidated)	PAGE 47
Statement of Accounting Policies	PAGE 50
Significant Accounting Policies	PAGE 51

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

Statement of Authorisation

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

We consider that the Financial Statements and Statement of Performance fairly reflect the organisation's expected financial position and performance results for the year ending 30 June 2021, in accordance with the Crown Entities Act 2004.

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



Bill Moran, MNZM

Chair, Sport NZ and High Performance Sport NZ
18 June 2020



Jason Shoebridge

Board Member, Sport NZ
Chair, Audit Finance and Risk Committee
18 June 2020

About the Sport NZ Group

Who we are

Sport NZ is the kaitiaki of the play, active recreation and sport system in Aotearoa New Zealand. We develop and nurture the strength, capability and integrity of this system in order to improve participation and high performance outcomes. As a crown agency, we promote and support quality experiences in play, active recreation and sport (including elite sport), to increase levels of physical activity and, through this, ensure the greatest impact on wellbeing for all those living within New Zealand.

The Sport NZ Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ), and its wholly owned subsidiary High Performance Sport New Zealand (HPSNZ). Together, we provide end-to-end leadership of the system.

At the time of writing this SPE we are in the midst of the COVID-19 pandemic, which is having significant impacts on our play, active recreation and sport system. The full magnitude of these effects and any downstream impacts are impossible to gauge at this stage.

Our immediate focus has been on supporting the play, active recreation and sport sector as well as the wider system, in dealing with the impacts of the COVID-19 pandemic. Circumstances beyond our control such as the cessation of organised sport at all levels and restrictions on the public in response to COVID-19 alert levels has impacted, and will continue to do so, both our immediate deliverables and the direction of our short and medium-term strategy. For the first time in Olympic history, the 2020 Tokyo Olympic and Paralympic Games have been postponed until July and August 2021.

As a result, whilst we strongly believe the new 2020-32 Strategic Direction and 2020-24 Strategic Plan will endure, our short term priorities will likely change. For this reason, this SPE covers both our COVID-19 response and recovery efforts and our current view on our reprioritised work programme.

We are initially focusing on support, response and recovery packages for the entire system, and this will continue to dominate much of 2020/21, delaying many of the programmes and initiatives we were planning on implementing during this time. We have included details of these priority activities in this SPE, but the extent to which they will be rolled out is currently not known.

Our immediate goal is to work collaboratively with our partners, stakeholders and Government to mitigate the pandemic implications as much as possible and to reset and rebuild the long-term sustainability of the play, active recreation and sport system. This includes a broader pastoral care role of the health and wellbeing of our sector and the people within it.

For HPSNZ, this also means a focus on supporting athletes in re-planning their Olympic programmes so that they can reach their peak performance for the postponed Tokyo Olympic and Paralympic Games. Unlike other Olympiads, this will require new thinking with international competitions and offshore training camps leading up to the games being unlikely.

There will also be opportunities for the system to reimagine and recreate as a result of COVID-19, and to look at innovative approaches to sustainably deliver play, active recreation and sport into the future.

The System

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

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

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

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

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

Who we work with

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

Sport NZ works closely with partners who can make the biggest difference to our play, active recreation and sport system for the greatest number of people, and particularly in those communities with significant deprivation challenges where people are missing out.

We also work closely with partners who have potential to win and excel on the world stage. We have a responsibility to be partners, connectors, enablers and champions in the communities we work with and invest in.

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

- National Sport Organisations (NSOs) that are the peak organisations for their sport in Aotearoa New Zealand, such as Netball New Zealand or Cycling New Zealand
- Regional Sports Trusts (RSTs) that deliver community-level ('grassroots') sport, recreation and physical activity initiatives. RSTs form a network of community-based organisations with 17 RSTs located around Aotearoa New Zealand, from Sport Northland to Sport Southland
- National Recreation Organisations (NROs), including the Mountain Safety Council and Recreation Aotearoa
- National Education Organisations
- Local and regional councils
- Iwi who promote Māori participation in sport and active recreation as Māori
- Disability sport and recreation organisations including, Halberg Foundation, Special Olympics New Zealand and others
- Paralympics New Zealand
- New Zealand Olympic Committee
- Women In Sport Aotearoa (WISPA).

Increasingly, our relationships are extending to other organisations across our sector that are contributing to our strategic priorities.

Collectively, we work across government to ensure there is a strong legislative and regulatory framework that supports physical activity, participation and winning, which in turn strongly supports the Government's well-being approach. We also partner with government agencies in the pursuit of common outcomes. Most recently this has included the Ministry of Education and the Ministry of Health.

Legislation and Governance

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

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

Te Tiriti o Waitangi

Sport NZ is committed to upholding the mana of Te Tiriti o Waitangi and the principles of Partnership, Protection and Participation.

We are committed to partnership with tangata whenua and the protection of Māori culture and taonga. We value the distinctiveness that tangata whenua bring to physical activity and our success on the world stage. We believe a strong bi-cultural foundation is critical to our national identity and wellbeing.

We honour our commitment through the principles of:

- Partnership – Sport NZ is committed to partnership with tangata whenua. We will through joint action, agree on a partnership approach and kaupapa that mutually benefit the partnership, to improve the wellbeing of tangata whenua and all New Zealanders.
- Protection – Sport NZ is committed to the active protection of Māori tikanga, te reo, taonga, and matauranga Māori. Through our partnerships and relationships with tangata whenua, we will support the realisation of Tangata Whenua tinorangatiranga.
- Participation – Sport NZ is committed to equitable and accessible opportunities for tangata whenua and all New Zealanders. We value the need for culturally distinctive pathways that enable tangata whenua and all New Zealanders to participate and succeed as themselves.

Managing risk

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

How we're funded

The Sport NZ Group receives \$95.771m from Vote Sport and Recreation as 'core' revenue. Sport NZ is allocated \$29.329m to fund Sport NZ operations, the Kiwisport Partnership Fund and Healthy Active Learning Programme. HPSNZ receives \$66.442m, which funds high performance sport including direct investment in NSOs, the New Zealand Olympic Committee, Paralympics New Zealand, individual athletes and coaches, and HPSNZ's sector facing activity.

In addition, Sport NZ receives approximately \$55m each year from the New Zealand Lottery Grants Board. We invest this across our play, active recreation and sport partners, focusing on outcomes to achieve our strategy.

Through Budget 2020, Sport NZ and HPSNZ received an additional \$264.6m investment into the Sport and Recreation sector over four years to support our response and recovery from Covid-19. Support via the Recovery Package will be focused on organisations that can demonstrate they can rebuild strongly and deliver relevant positive play, active recreation, community and high performance sport outcomes for tangata whenua and all New Zealanders in line with Sport NZ and HPSNZ strategic goals.

Sport NZ Group Strategic Direction 2020-2032

The Sport NZ Group strategic frameworks are based on a common purpose:

To contribute to the wellbeing of everybody in Aotearoa NZ by leading an enriching and inspiring play, active recreation and sport system.

We believe that growing the quality of participation opportunities helps to maximise wellbeing; in particular, improved physical and mental health, creation of social connections, reflection of cultural identity and improved knowledge and skills. Quality participation also feeds the pathway to elite sport, and our success on the world stage in turn helps to inspire participation.

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

Sport NZ

We are guided by the government's wellbeing approach, an intergenerational approach that seeks to maintain and improve New Zealanders' living standards over the long-term. Play, active recreation and sport have a valuable contribution to make. Our research has told us that being physically active creates healthier, happier people, better connected communities and a stronger Aotearoa New Zealand.

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

Our Vision: Every Body Active

'Every Body Active' means:

1. All tamariki (children aged 5-11) rangatahi (young people aged 12-18) and adults are being physically active through play, active recreation and sport.
2. No one is missing out on the benefits of play, active recreation and sport, regardless of factors such as gender, disability, ethnicity, sexual orientation or where in Aotearoa New Zealand they live.
3. Every New Zealander is able to access a quality experience at home, within their neighbourhood and across their community.
4. Communities are collaborating, generating ideas, and owning the creation and promotion of opportunities for all New Zealanders to be active.

As kaitiaki of the system, we have a wider responsibility to ensure its strength and sustainability. We will do this by focusing on whole-of-system issues like funding, integrity, diversity and inclusion, research, reporting, and reflecting Te Tiriti o Waitangi through embedding Treaty Principles.

2020/21 Strategic Reporting Framework

Our updated Strategic Reporting Framework is for 2020/21 only, due to the unprecedented COVID-19 environment. The framework provides a line of sight between our vision, purpose, our four long-term outcomes, and what we're seeking to achieve over the 12 months of this SPE.

We have retained our core set of performance measures in this SPE, but due to the impacts of COVID-19 it is unknown how successful we will be in achieving the performance standards.

The Strategic Reporting Framework is derived from a larger array of measures we use to assess our performance against long term measures such as participation via Active NZ, investment performance via partner reporting and wider 'impact measurement', which involves evaluation of our work from multiple perspectives and using multiple sources of information.

Active NZ surveys around 30,000 children and adults per year to measure nationwide participation in play, active recreation and sport. Active NZ will be in its fourth year in 2020/21 and is now sufficiently mature for us to be able observe and report trends. Active NZ is pivotal for us to measure our progress against our long-term outcomes, particularly levels of physical activity.

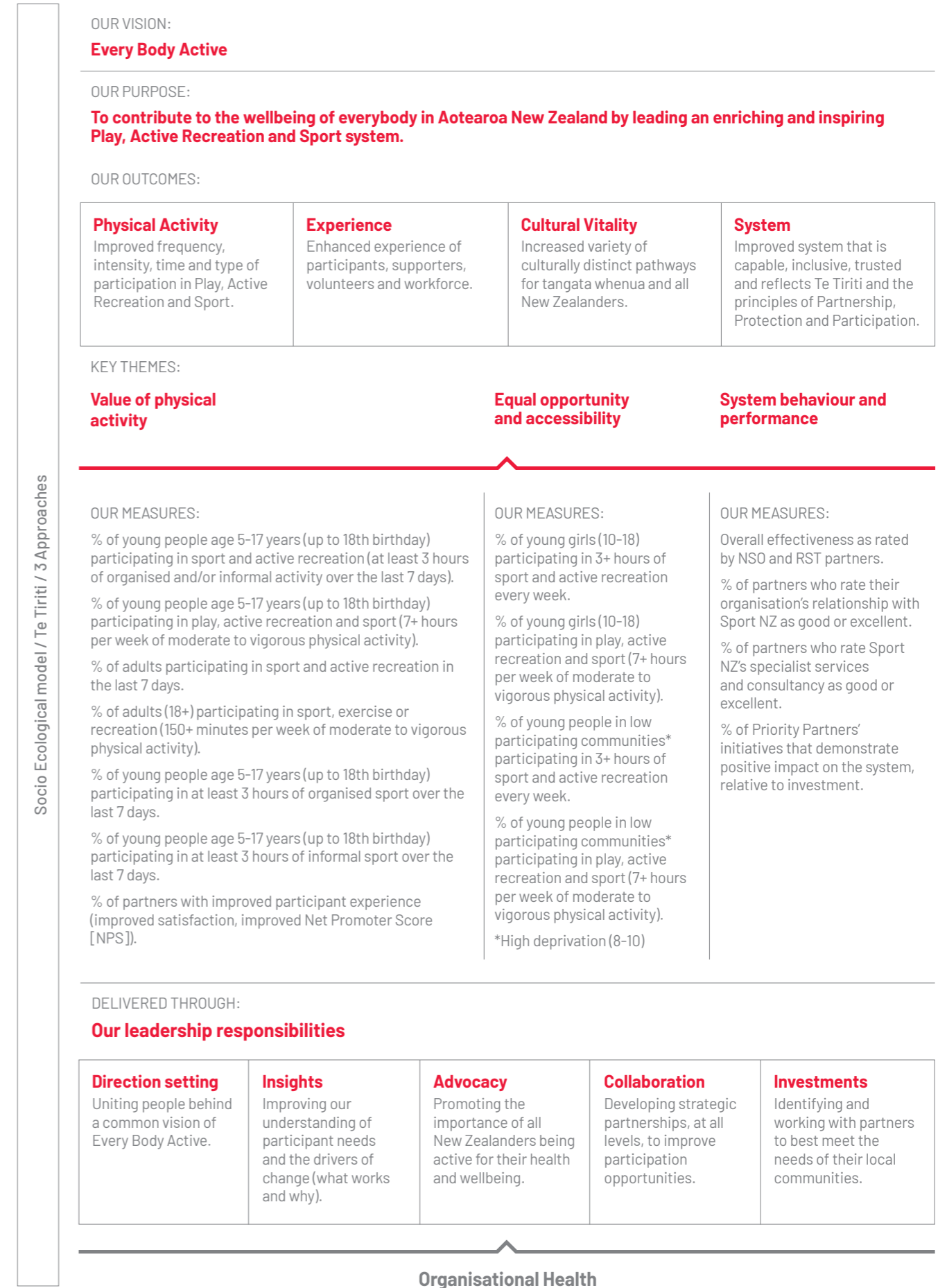
We continue to measure the impact of our partners' initiatives relative to our investment in areas of focus. Our partners report against a Results Based Accountability™ (RBA) framework. RBA helps us to keep the focus on who or what we are targeting and what we want to achieve, and it insists on us answering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

In addition, our wider impact measurement uses qualitative and quantitative information to capture information at multiple levels, including targeted surveys of our partners and participants, evaluations, case studies and focus groups.

To support this wider impact measurement, we are continuing to develop the 'Sport Social Value Bank' containing wellbeing values, with an associated Social Return on Investment measurement component.

We will also develop specific measures as part of the funding criteria for allocation of the new Budget 2020 investment funding.

FIGURE 1
Sport NZ Strategic reporting framework



Socio Ecological model / Te Tiriti / 3 Approaches

High Performance Sport New Zealand

Background

As a wholly owned subsidiary of Sport New Zealand, High Performance Sport New Zealand's (HPSNZ's) role is to enable and empower world class performance in an environment that values wellbeing.

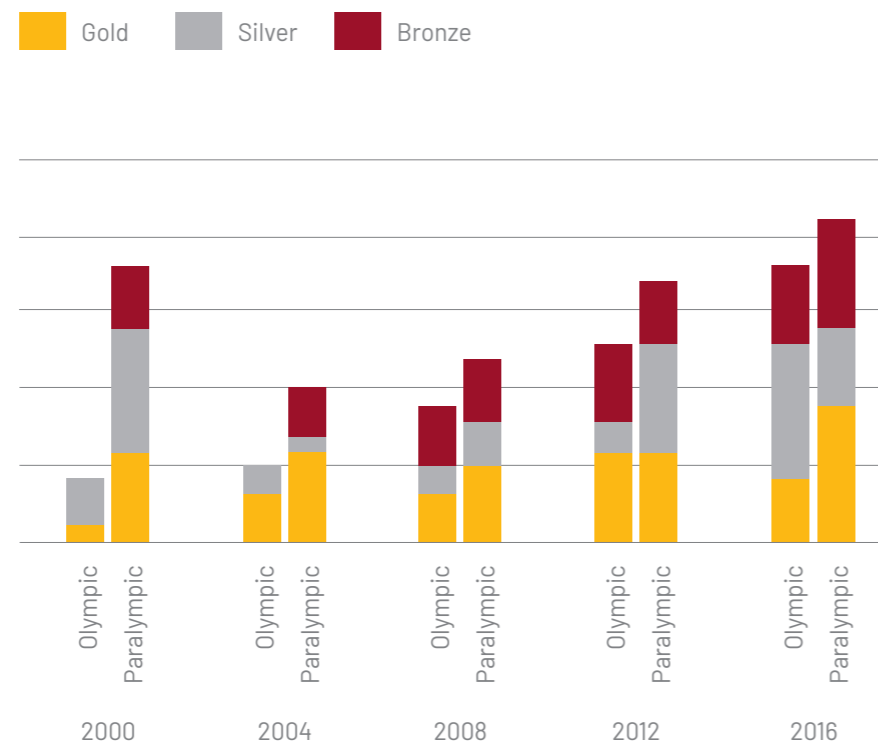
Working in partnership with National Sport Organisations (NSOs), it provides strategic investment and contributes specialist resources and expertise to enhance success on the world stage. HPSNZ also provides support to the wider high performance sport system (non-Olympic and Paralympic sports) with independent advice and knowledge.

A World-Leading High Performance Sport System

Aotearoa New Zealand has a world-leading high performance sport system that supports our elite athletes. The increase in our international sporting success over the past 20 years is clear evidence of this.

New Zealand athletes made history at the 2016 Olympic Games in Rio winning 18 medals – a 38% increase on London 2012 and four above the Olympic target. At the Rio Paralympics, New Zealand athletes won 21 medals – three above the Games target.

FIGURE 2
Medals 2000 – 2016 Olympic and Paralympic



The 2018 Winter Games in PyeongChang, South Korea, were the most successful for New Zealand, with two bronze medals won by two 16-year-olds, who became the nation's youngest Olympic medalists.

New Zealand's Olympic and Paralympic success is complemented by an incredible international record in non-Olympic sports at world championships and the Commonwealth Games.

Results at World Championships / Other Pinnacle Events (Non-Olympic Investment)

Cricket (Black Caps)

2015: World Cup Silver
2016: T20 Bronze
2019: ODI World Silver

Cricket (White Ferns)

2016: T20 Bronze

Rugby League (Kiwis)

2013: World Cup Silver

Rugby League (Kiwi Ferns)

2013: World Champions Bronze
2017: World Cup Silver

Rugby (Black Ferns)

2017: World Cup Gold
2018: World Cup Gold

Softball (Black Sox)

2013: World Champions Gold
2015: World Champions Silver
2017: World Champions Gold

Netball (Silver Ferns)

2015: World Cup Silver
2019: World Cup Gold

Surf Lifesaving (Black Fins)

2016: World Champions Gold

Bowls (Black Jacks Men)

2016: Team World Champions Gold
2016: Single World Champions Gold
2016: Fours World Champions Gold

Bowls (Black Jacks Women)

2016: Team World Champion Bronze
2016: Pairs World Champion Silver

Squash (Men)

2016: World Double Champions Bronze

Squash (Women)

2016: World Double Champions Gold

Squash (Mixed)

2016: World Double Champions Gold
2019: World Champions Gold

Our sporting performances aim to inspire New Zealanders by making them proud of the results and the way they are achieved. In doing so they connect people and communities across the country and in turn inspire future success.

HPSNZ's partnerships with sports, the existing trust and relationships across the high performance sport system and our ability to be agile and act decisively are the key elements of our competitive advantage.

The Challenge

The immediate challenge is how we evolve our system to remain competitive and improve wellbeing in the face of COVID-19 and its impacts.

The COVID-19 pandemic has forced most events around the world (including the Tokyo Olympic and Paralympic Games) to be postponed or cancelled. This creates a highly compressed pinnacle event calendar from 2021-2024. We must balance the importance of success in Tokyo (2021) with the need to prepare for Paris in 2024.

Athletes and coaches are faced with the need to prepare and peak for pinnacle events while travel restrictions remain in place, at least during the build up to Tokyo. This will impact international competition and training opportunities, pathways and the wellbeing of athletes and coaches.

Global trends towards inactivity are well documented. The way people choose to engage in sport is changing. New Zealand's demographics are changing significantly, with implications for the types of sports New Zealanders want to engage in. Globally and in New Zealand we have also seen increased attention on matters relating to gender equality, culture, wellbeing and athlete voice that are critical for sustainable success on the world stage.

In short, we must evolve the system to empower world class performances that resonate with all New Zealanders in an environment that values wellbeing, while leading high performance sport's recovery from the impacts of COVID-19.

2032 High Performance System Strategy

The 2032 High Performance System Strategy builds on our successful sporting past to redefine the future.

New Zealand's sporting heritage is proud, and our system has delivered world class results in recent years. But it is stretched and stressed in the face of current demands, let alone emerging trends and the impacts of the COVID-19 pandemic.

With these challenges in mind we need a high performance sport system that is innovative, sustainable, can adapt to change as well as leverage and enhance New Zealanders' unique sense of identity.

If we fail to invest in and evolve our high performance sport system, we will go backwards in all aspects of high performance sport, as we are overtaken by global and national trends, and competing nations. Our ability to inspire the nation and its communities, through more New Zealanders winning on the world stage, will be reduced.

This strategy aims to deliver a world-leading system that generates sustainable success on the world stage, and leverages that success to inspire the nation and its communities, with outcomes that are both aspirational and achievable.

It has been developed in consultation with the country's high performance sport sector, supported by independent experts, to capture what we must strive to achieve between now and 2032 to drive repeatable success by more New Zealanders in more sports.

At its core is the need to invest in the wellbeing of all people within the system and to be smart with our resources. This will deliver excellence within our system and contribute to broader government outcomes by positively impacting the wellbeing of all New Zealanders.

The High Performance System Vision

A sustainable world-leading high performance sport system.

By 2032 the high performance sport system in New Zealand will be integrated, competitive, sustainable and agile. It will emphasise wellbeing of all our people and will work collaboratively to ensure more New Zealanders achieve sporting excellence on the world stage.

Strategic Goals

Taking action to enhance the way we work across the high performance sport system will allow us to:

- Deliver repeatable and sustainable success
- Enhance our competitive advantage by creating pathways for athletes and coaches
- Ensure a healthy balance between wellbeing and the requirements of elite sport
- Achieve excellence in sports that inspire and unite all New Zealanders
- Provide a greater contribution to Brand New Zealand.

Making a Difference

We need to nurture and protect the current strengths of our system and help it grow into a system that delivers repeatable success.

Our high performance sport system needs to showcase our talent, our technology, and our unique cultural identity.

The three key system shifts to deliver the transformation are:

- Performance pathways
- Funding and investment
- Wellbeing and engagement.

The critical enablers are:

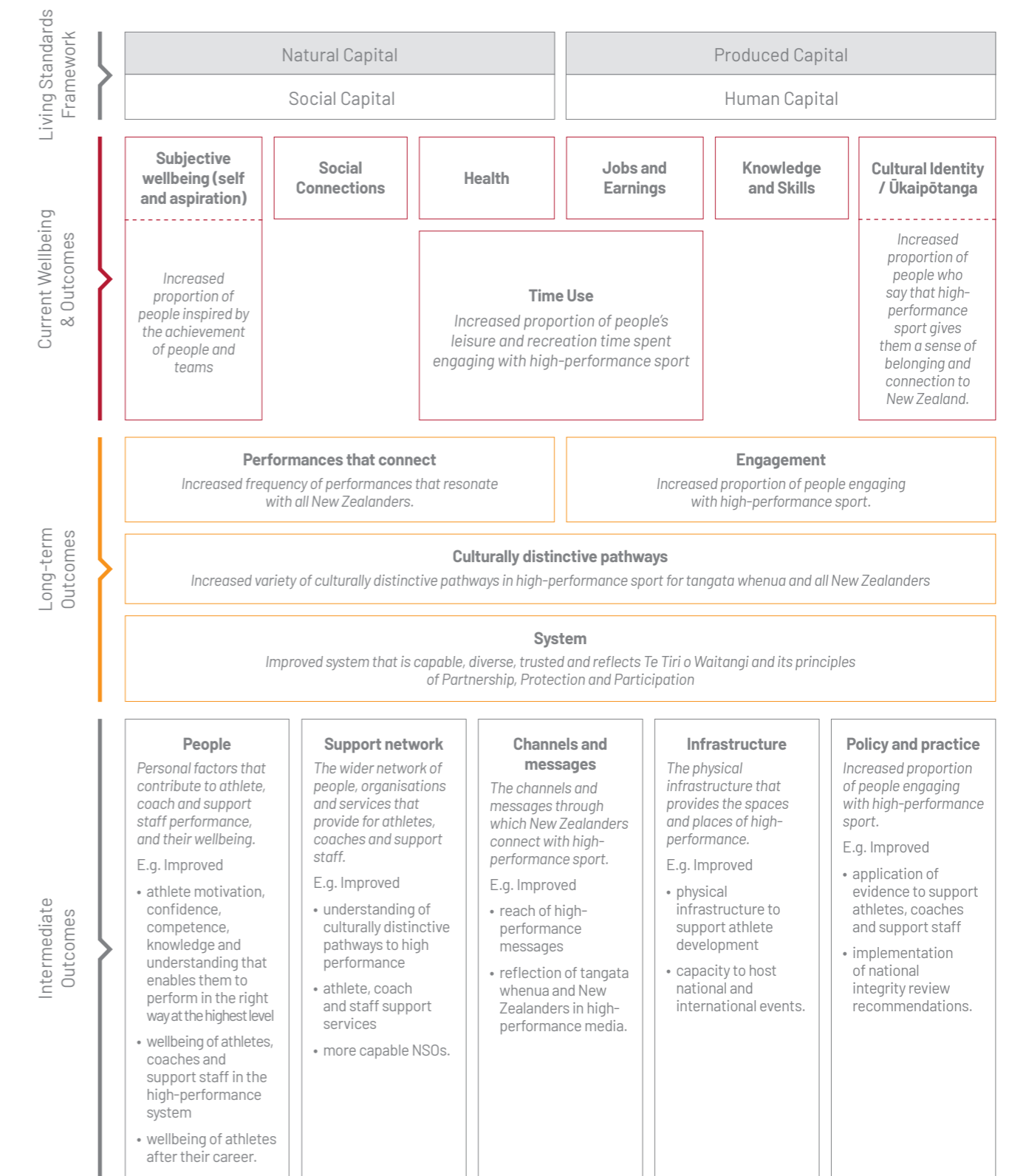
- Performance support
- Intelligence and performance solutions
- NSO capability.

Contribution of High Performance Sport to the Wellbeing of New Zealanders

The work done within the Sport NZ Group to apply the Living Standards Framework to high performance sport has identified that sporting success does contribute to the wellbeing of New Zealanders. This work has also highlighted that while winning and excellence are important, how we win is as important.

HPSNZ's goal is to support our athletes and sporting teams to inspire all New Zealanders through winning on the world stage.

FIGURE 3
High performance sport wellbeing outcomes framework



HPSNZ 2024 Strategy - Priorities

HPSNZ's 2020-2024 Strategy will be released in the second quarter of 2020/21. Consistent with the objectives of the 2032 High Performance System Strategy over the next four years, there will be increased investment in:

- Athlete and coach development pathways
- The wellbeing of all in the high performance system, with a particular focus on a revamp of the Performance Enhancement Grants model and Prime Minister's Scholarship Scheme
- A broader range of sports in which we can win and excel on the world stage.

HPSNZ's appropriated baseline funding¹ is now confirmed at \$66.25m per annum for the next four years. In order to ensure there is sufficient resourcing to advance the three system shifts in the 2032 High Performance System Strategy, HPSNZ will use reserves to supplement the baseline funding. HPSNZ will need to make intelligent and impactful strategic choices regarding:

- The level of investment in elite athletes peaking in the current Olympic cycle versus investment in talent development for future performance
- The size of programmes we can support including the number of athletes, and levels of athlete performance support
- Our relative investment in innovation, research and development
- Capability programmes for priorities such as growing the number of, and capability of women working in high performance sport.

The 2024 Strategy will contain the detail on HPSNZ's strategic investment decisions.

¹ Excluding Recovery Package funding from Budget 2020

Sport NZ Group focus for 2020/21



Sport NZ: focus in 2020/21

In 2020/21, our kaitiaki role has never been more important as we support our sector and the wider system. We must respond to the challenges posed by COVID-19 and to lead the reset and rebuild of a play, active recreation and sport system in a way that makes it stronger and more resilient into the future. To enable the success of this work we have developed plans to drive our response and recovery efforts.

Response Plan Objectives

The purpose of the Response Plan is to maintain the health of the play, active recreation and sport sector as it responds to the challenges and opportunities presented by COVID-19, and to sustain the physical activity levels of all New Zealanders.

Maintaining the health of the play, active recreation and sport sector:

- Support current Sport NZ and HPSNZ investment partners within the play, active recreation and sport sector to maintain their viability and critical capacity, and to continue to deliver their services and support to their networks
- Retain and build important partner capability including their strategic leadership and connectivity function, investment into their networks and people development
- Helping sector partners to 'reinvent' themselves, and their networks, to be better equipped for the future.

Sustaining physical activity:

- Provide support to enable Every Body within New Zealand to be Active
- Respond to the challenge of supporting the physical activity of all New Zealanders through targeted play, active recreation and sport solutions and messaging, primarily focusing on home and community settings and on individuals and whanau
- Working with sector partners to support innovative, locally-led responses.

Success looks like:

- The Aotearoa New Zealand play, active recreation and sport sector is stable, recovery-focused and able to respond to new realities within an ongoing COVID-19 environment and beyond, informed by Sport NZ's strategic direction to 2032.
- Physical activity rates of all New Zealanders are maintained, or enhanced, through proactive and innovative solutions and messaging.

Relief Package

An immediate relief package was announced by the Minister on behalf of Sport NZ in April 2020 valued at \$30m. This provided funding certainty to our current investment partners out to 30 June 2021, cash advances to some and access to additional support and advice.

Subsequently, a \$25m Relief Package was launched in May 2020, which provides targeted support to help sector organisations to sustain their most critical functions and related workforce through the immediate challenges presented by COVID-19.

Within this needs-based package we have introduced four new investment funds:

a) Community Resilience

Keeping local/regional organisations viable where strategically relevant

b) Partner Support

Keeping current investment partners viable where strategically relevant

Business Capability

Ensuring good business practice to deliver everything we need

c) Physical Activity

Activity provision and innovation for those that need it most

d) Exceptional system support

Keeping key organisations viable where strategically relevant

The success of this funding will be predominantly reported on in the upcoming 2019/20 Annual Report.

Recovery Workstream

The purpose of the recovery workstream is to ensure that New Zealanders have 'quality' play, active recreation and sport opportunities in the long-term recovery from the disruption caused by COVID-19.

Objectives:

- Develop and recommend critical planning assumptions to support operational decisions being made over the next 12 months
- Recommend the focus and emphasis for recovery investment as it relates to a future play, active recreation and sport system
- Understand what has changed due to COVID-19 (with the system, partners, and population behaviours), the nature of changes and implications now and into the future
- Describe what the future of Aotearoa New Zealand looks like that is contextually relevant to the play, active recreation and sport system
- Define what the future play, active recreation and sport system could look like
- Identify opportunities that support an agreed future play, active recreation and sport system
- Recommend a pathway for enabling a future play, active recreation and sport system
- Review the Strategic Plan 2020-2024 for implementation within an agreed future play, active recreation and sport system.

Success looks like:

The future play, active recreation and sport system supports our purpose 'Every Body Active' and strategic goals of creating an all-inclusive, equitable system, responsive to the needs of New Zealanders in a fragile and volatile world recovering from the COVID-19 pandemic.

Recovery Package

Through Budget 2020, a separate Recovery Package has been announced, valued at \$264.6m spread over four years. The scope of the Recovery Package is deliberately broader than the shorter-term Relief Package, which focuses on our existing investment partners and their constitutional networks.

This recognises the fact that as Aotearoa New Zealand recovers from COVID-19 we may wish to invest in a wider, or narrower, set of organisations to take advantage of the opportunities that may emerge.

Support via the Recovery Package will be focused on organisations that can demonstrate they can rebuild strongly and deliver relevant positive play, active recreation and community and high performance sport outcomes for tangata whenua and all New Zealanders in line with Sport NZ and HPSNZ strategic goals.

The purpose of the Recovery Package is to:

- Support physical activity, cultural vitality and high performance outcomes that contribute to the wellbeing of tangata whenua and all New Zealanders in the post-pandemic environment
- Replace (in part or in full) disrupted revenue streams where these are beyond Sport NZ or HPSNZ's financial means
- Identify and support future opportunities to redefine and influence the system providing play, active recreation and sport opportunities to the people of Aotearoa.

We will work through how and where it is targeted by collaborating with our current partners and wider stakeholders in the sector. The investment is seeking three broad investment outcomes:

Reset and Rebuild (\$83m, 30%)

Providing relief, advice and support to help the system get back on its feet.

Since the COVID-19 lockdown Sport NZ has provided significant financial relief to national, regional and local bodies across the sector, however there is still a need to provide more relief to ensure bodies at all levels remain viable for their communities. This funding also seeks to address current imbalances in the sector, including the under-representation of women and girls, Māori, people with disabilities and low socio-economic groups.

Strengthen and Adapt (\$104m, 40%)

Building the capacity, capability and resilience of our system.

COVID-19 has highlighted for many of our partners areas in which their organisations are vulnerable and ways in which they can make them stronger. This funding will assist with that, and also identify and maximise commonalities across the sector. This future-focused funding is something we will work through in collaboration with our partners and others.

Different and Better (\$78m, 30%)

Re-imagining the future. New approaches, ideas, technologies for improved wellbeing through play, active recreation and sport.

Because this is a once-in-50-years opportunity, we have to make the most of this chance to re-imagine how the sector might look in the future and what will best enable it to meet the needs of all New Zealanders, including those who are currently under-represented. The funding will also include a series of contestable funds to support new and innovative ways to create opportunities for New Zealanders to be active. Within these funds there will be a focus on under-represented groups such as women and girls, Māori, people with disabilities and low socio-economic groups. This funding is a future-focused fund and we will work through what this looks like in more detail over the first six months of this SPE, in consultation with the wider sector.

Over the duration of this SPE we will be developing specific measures as part of the funding criteria for allocation of the Recovery Package funds. This will include developing measures for each fund, and identifying specific funds where we can develop measures of wellbeing.

Progressing Strategy

In addition to our focus on COVID-19 response and recovery, there are a number of strategic priorities which we will continue to be focused on throughout 2020/21. We are still uncertain about the extent to which these priorities will be achievable, in full or part, within a COVID-19 environment. This will require continued flexibility and innovation from ourselves and our partners along the way as we re-frame these priorities.

We continue to focus our work on tamariki (5-11) and rangatahi (12-17²). For tamariki we will focus our effort on play and physical education (PE) in primary schools and kura. For rangatahi we will focus our effort on active recreation and sport. We will also continue our work on 'whole of system' changes and activities to promote play, active recreation and sport more broadly.

² Up to 18th birthday

Tamariki (age 5-11)

These are key formative years for the development of the skills, known as physical literacy, that encourage being active for life.

Play

Play is a vital part of physical and cognitive development for our tamariki. It is the foundation, alongside physical education, of physical literacy. Sport NZ's Principles of Play recognise, value and aim to protect the right of young New Zealanders to play.

During 2020/21 we will increase our effort in active/unstructured play for tamariki. We will support and increase visibility of play at a national level, informed through diverse partnerships and working collaboratively. We will also continue with and grow regional play development and networks, focused on greater reach and play sufficiency.

Healthy Active Learning programme

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

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

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

Sport NZ's focus is on the 'workforce' component.

¹ Up to 18th birthday

Rangatahi (age 12-17)

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

Balance is Better

Our Balance is Better programme is designed to ensure that tamariki and rangatahi receive quality experiences in sport and are therefore better prepared to reach their future potential.

Balance is Better is the philosophy which underpins Sport NZ's effort (in sport) over the medium-term, including investments into NSOs, RSTs, College Sport organisations and School Sport NZ, as well as the wide range of support we will provide to these partner organisations to enable them to drive the required change.

The programme underpins the four areas in which our partners are being asked to make an impact via Sport NZ investment and support:

- Sport sector leadership
- Coach development
- Participation and development opportunities
- Parent education.

Most critically the programme is about the sport system leading behavioural and attitudinal change amongst the enablers of sport experiences (parents, coaches, administrators and leaders).

Balance is Better is an evidence-based approach. The focus of the philosophy is on why tamariki and rangatahi play sport – to have fun, be challenged, develop and improve, be part of a team or group, and enjoy time with friends.

Sport NZ works with the sector to provide quality experiences in sport for all tamariki and rangatahi, including for those who enjoy competition as well as those who just want to have fun. Balance is Better has now become a broader conversation underpinning Sport NZ's overall approach to youth sport for the dual purpose of developing talent and maximising participation.

We will continue to support and build the capability of our partners to provide quality experiences and strengthen the sport system overall. We will provide coach developer training, foundation, development and performance coaching, and innovation leadership programmes.

Whole of System

System behaviour and performance

We want to be part of an innovative, agile and connected play, active recreation and sport system that understands tamariki and rangatahi, and puts their needs and voices at the centre of the work undertaken across the system.

We have increased our focus on the use of insights and research, and will establish standards and practices that will safeguard the integrity of the play, active recreation and sport system for all the tamariki and rangatahi who participate in it.

We support leadership which focuses on the needs of tamariki and rangatahi as well as capable delivery of play, active recreation and sport by organisations who collaborate and align their work to improve the lives of tamariki and rangatahi.

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

We also want to see a system-wide shift aligned to the aspirations within our response to the Government's Women and Girls in Sport and Active Recreation Strategy and supporting disabled people through our Disability Active Recreation and Sport Strategy.

Women and Girls in Sport and Active Recreation Strategy

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

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

1. Participation

More women and girls are leading, working, coaching and volunteering in sport and active recreation, at all levels.

2. Leadership

More women and girls are physically active through play, active recreation and sport.

3. Value and visibility

Women and girls in sport and active recreation are valued and visible.

Sport NZ's commitments and the corresponding measures are detailed in the document, *Women and Girls in Sport and Active Recreation, Sport NZ Commitments*³.

³ <https://sportnz.org.nz/assets/Uploads/Women-and-Girls-Sport-NZ-Commitments.pdf>

In 2020/21 our work will include:

- Working with boards to support them to reach the Board Gender Diversity target of at least 40% by 2021
- Developing and launching a nationwide campaign to support the vision of enabling women and girls to realise their potential in and through sport and active recreation
- Develop and publish a media audit and social media index related to the portrayal of women and girls in the media.

Disability Active Recreation and Sport Strategy

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

Sport NZ has developed a Disability Plan to transform opportunities in play, active recreation and sport for disabled people. The Disability Plan seeks to improve the wellbeing of disabled New Zealanders by addressing inequalities in play active recreation and sport

The plan includes:

- Training to develop a workforce that understands the needs of tamariki and rangatahi with a range of impairments
- Advocacy for fit for purpose and accessible playgrounds and parks
- A more inclusive approach to strategy, policy and communication within Sport NZ and partner organisations
- A new role at Sport NZ to lead delivery of the plan.

During 2020/21 we will also:

- Work with other Sport NZ initiatives to ensure they are inclusive of disabled tamariki and rangatahi
- Develop relationships with Government departments to promote the value of participation
- Scope roles and responsibilities in the disability sport sector
- Launch investment in Disability Plan funds.

Working with Māori

The Māori-Crown relationship underpins our work with Māori. We will work to promote play, active recreation and sport in a way that is appropriate for Māori.

Sport NZ is committed to upholding the mana of Te Tiriti o Waitangi (Te Tiriti) and the principles of partnership, protection and participation. In 2018/19, Sport NZ created Te Tuarā Te Tiriti, a working group with representatives from the Board, Senior Leadership and Te Rautaki Māori teams who provided guidance, knowledge, experiences and learnings from Te Tiriti. Te Tuarā developed a Te Tiriti commitment statement, and interpretations of the Treaty principles partnership, protection, and participation specific to our sector. They give guidance to how our play, active recreation and sport system reflects Te Tiriti.

Our key priorities include:

- Te Reo me ona Tikanga strategy – to continue both the Sport NZ and sector journey to improved cultural capability
- MaraeFit Aotearoa – launch and roll-out of this new investment
- He Oranga Poutama Programme – a continuation and expansion of this successful investment approach.

During 2020/21, our work with Māori will include a Kaupapa Māori Response Plan to sit alongside Sport NZ's broader COVID-19 response effort. The purpose of this plan is to:

- Give effect to Sport NZ Treaty Principles, with a focus on the Protection principle
- Enable the Kaupapa Māori Response Team to engage Whānau, Hapū, Iwi, Māori in te reo Māori through a tikanga Māori framework
- Support Māori to be physically active throughout self-isolation and physical distancing during and beyond the COVID-19 pandemic
- Create a virtual environment where Whānau, Hapū, Iwi, Māori can engage and experience manaakitanga, rangatiratanga, wairuatanga, kaitiakitanga
- Uphold the values of pono, tika and aroha.

Integrity in Sport

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

The integrity of sport is increasingly threatened both globally and here in Aotearoa New Zealand by issues such as match-fixing, corruption, doping, and abusive behaviour. We are committed to ensuring a level playing field for all participants within our nation.

In late 2018, Sport NZ commissioned a broad review of sport integrity in Aotearoa New Zealand to determine whether existing measures are fit for purpose and to identify any gaps. Following public consultation, a set of findings and recommendations were released in September 2019. Sport NZ is committed to implementing these recommendations with strong progress being made to date.

In 2020/21 our work will include:

- Completing the feasibility study into a 'Complaints mechanism and/or dispute resolution service for Aotearoa' (CMDRS), reaching a final recommendation
- Launching an integrity website with increased content and resources available over the course of the year
- Establishing child protection guidelines, policies and procedures.



HPSNZ: focus in 2020/21

To mitigate the disruption caused by COVID-19 across the sport sector, an immediate reset is required to ensure a successful transition to the 'new normal' and to continue to enhance Aotearoa New Zealand's competitive advantage.

Our partner NSOs have experienced significant hardship as a result of COVID-19 impacts and we have put in place ways of supporting them. HPSNZ has confirmed core investment for all NSOs at 100% of current levels to the end of 2021 and for tier 1 and 2 Olympic and Paralympic sports at a minimum of 70% from 2022-2024. Performance Enhancement Grants are also confirmed at 100% of current levels for the remainder of their current term.

Key Focus Areas

HPSNZ will progress initiatives across three key areas of the high performance sport system:

- Leading the system's recovery from the disruption of COVID-19 to support preparation for the rescheduled Tokyo Olympic and Paralympic Games in 2021
- Evolving the system to generate greater performance outcomes and wellbeing
- Ensuring HPSNZ's organisational structure, systems and processes are fit for purpose.

Preparing for Tokyo 2021

FY20/21 Initiatives	Deliverables
Tokyo Performance Focus	<ul style="list-style-type: none"> Identify and deploy the required support into NSO 2021 campaigns.
Pathway Development (Reset and Recovery)	<ul style="list-style-type: none"> Target coach and athlete support to facilitate pathways that deliver performances and enhance system sustainability.
Regional Performance Pods (Reset and Recovery)	<ul style="list-style-type: none"> Enhance national daily training environments to enable Covid-19 restrictions to be turned to a competitive advantage for NZ athletes.
Innovation and Research	<ul style="list-style-type: none"> Accelerate development and performance through applied system learnings across all targeted sports. Replicate the competition environment through an innovative and experimental approach with sports.

Evolving the High Performance Sport System

FY20/21 Initiatives	Deliverables
Women in High Performance Sport	<ul style="list-style-type: none"> Provide additional Women in High Performance Sport Residency positions to retain or redeploy women leaders and coaches currently working in the high performance sport system.
Wellbeing and Sport Integrity	<ul style="list-style-type: none"> Implement initiatives that support the wellbeing of all participants in the system, while taking a leadership role in sporting integrity and promoting diversity and inclusion. Support NSOs through the impacts of COVID-19 and in their preparations for Tokyo 2021.
Athlete Voice	<ul style="list-style-type: none"> Build on the Sport NZ Group's 2019/20 review of mechanisms implemented to enable the athlete voice within NSO environments. Explore, develop and implement additional means of sourcing athlete voices and views.
Prime Minister's Scholarships	<ul style="list-style-type: none"> Review the Prime Minister's Scholarships (PMS) to ensure support aligns to achievement of tertiary and vocational qualifications while pursuing excellence in sport.

Fit for Purpose HPSNZ

FY20/21 Initiatives	Deliverables
Operating Model	<ul style="list-style-type: none"> Develop a fit for purpose business model and sequence of implementation. The model will identify how HPSNZ's services, processes and activities will be delivered, to which customers, and via what channels, the fundamental capabilities and competencies required, and where key operational decisions will be made.

HPSNZ Draft Strategic Reporting Framework

HPSNZ's new strategic reporting framework is based on the Living Standards Framework and is driven by the vision of high performance sport inspiring the nation.

FIGURE 4
HPSNZ Draft Strategic Reporting Framework

OUR VISION:

Everybody Inspired Every Day

OUR PURPOSE:

To contribute to the wellbeing of everybody in Aotearoa New Zealand by leading an enriching and inspiring Play, Active Recreation and Sport system.

OUR OUTCOMES:

<p>Performances that connect</p> <p>Increased frequency of performances that resonate with all New Zealanders.</p>	<p>Engagement</p> <p>Increased proportion of people engaging with high-performance sport.</p>	<p>Cultural Vitality</p> <p>Increased variety of culturally distinct pathways for tangata whenua and all New Zealanders.</p>	<p>System</p> <p>Improved system that is capable, inclusive, trusted and reflects Te Tiriti and the principles of Partnership, Protection and Participation.</p>
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KEY THEMES:

Performance

Engagement

Equal opportunity and accessibility

System behaviour and performance

OUR MEASURES:

% of NSOs that meet performance expectations
% of people who agree that "New Zealand national and international athletes and teams compete in a way that is in line with my values."

OUR MEASURES:

% of New Zealanders (18+) that agree (a little and a lot) that they are interested in high performance sport.
% of New Zealanders (18+) who engaged with high performance sport through at least three different media in the last seven days.

OUR MEASURES:

TBD

OUR MEASURES:

Summary statistics for gender, ethnicity, disability, and age distribution of staff, HP coaches and athletes at NSOs.
% of trust that high performance sport integrity issues are handled effectively and appropriately in New Zealand.
% of athletes and coaches that agree (a little and a lot) that [NSO] has a ... [e.g. dedicated high performance pathway].

This SPE contains some initial baseline measures. During 2020/21, we will develop and refine these measures for inclusion in the 2021-24 Statement of Intent (SOI).

Output Expense: Sport and Recreation Programmes

What is intended to be achieved

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

How we will assess performance

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

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

Value of physical activity

Measure	2017/18 result	2018/19 result	2020/21 Target
Percentage of young people age 5-17 years (up to 18th birthday) participating in sport and active recreation (at least 3 hours of organised and/or informal activity over the last 7 days).	82%	81%	>82%
% of young people age 5-17 years (up to 18th birthday) participating in play, active recreation and sport (7+ hours per week of moderate to vigorous physical activity).	New measure		Exceeds baseline (63%)
Percentage of adults participating in sport and active recreation in the last 7 days.	73%	72%	>73%
% of adults (18+) participating in sport, exercise or recreation (150+ minutes per week of moderate to vigorous physical activity).	New measure		Exceeds baseline (48%)
Percentage of young people age 5-17 years (up to 18th birthday) participating in at least 3 hours of organised sport over the last 7 days.	51%	51%	>51%
Percentage of young people age 5-17 years (up to 18th birthday) participating in at least 3 hours of informal sport over the last 7 days.	59%	60%	>59%
% of partners with improved participant experience (improved satisfaction, improved Net Promoter Score [NPS]).	New measure		Exceeds baseline (TBC)

Equal opportunity and accessibility

Measure	2017/18 result	2018/19 result	2020/21 Target
% of young girls (10-18) participating in 3+ hours of sport and active recreation every week.	81%	80%	>81%
% of young girls (10-18) participating in play, active recreation and sport (7+ hours per week of moderate to vigorous physical activity).	New measure		Exceeds baseline (55%)
% of young people in low participating communities* participating in 3+ hours of sport and active recreation every week.	75%	78%	>75%
% of young people in low participating communities* participating in play, active recreation and sport (7+ hours per week of moderate to vigorous physical activity).	New measure		Exceeds baseline (60%)

*High deprivation (8-10)

System behaviour and performance

Measure	2017/18 result	2018/19 result	2020/21 Target
SNZ (excl. HPSNZ) Overall effectiveness as rated by NSO and RST partners. (Partners' views of Sport NZ's ability to increase participation as measured in the Partner Confidence Survey)	All Partners 76% Priority partners 92%	All Partners 75% Priority partners 84%	80% of partners rate as 'Good' or higher
% of partners who rate their organisation's relationship with Sport NZ as good or excellent.	84%	86%	80%
% of partners who rate Sport NZ's specialist services and consultancy as good or excellent.	80%	81%	80%
% of Priority Partners' initiatives that demonstrate positive impact on the system, relative to investment. ⁴	Amended measure		>70%

⁴ Impact assessments are based on annual partner reporting, which consists of written reports and face to face meetings attended by an independent observer. Sport NZ uses a Results Based Accountability™ (RBA) approach to reporting, with partners providing details of all investment initiatives and their outcomes undertaken during the year. A rubric assessment is undertaken which assesses the initiative, how it was delivered and what difference it made, relative to the amount invested. Assessments rated 'very good' or 'good' are deemed to have a positive impact on the system.

Prospective Output Class Allocation Appropriation: Sport and Recreation

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
REVENUE		
Crown funding	22,793	25,649
Other operating revenue	58,563	58,446
Total revenue	81,356	84,095
LESS EXPENSES		
Sector investments and grants	49,769	49,004
Covid-19 relief fund	25,500	-
Programme management	6,819	9,647
Technical advice and resources	10,964	15,571
Policy advice	2,609	2,537
Knowledge and information	5,155	5,804
Total expenses	100,816	82,563
Net operating (deficit)/ surplus	(19,460)	1,532

Prospective Output Class Allocation Appropriation: COVID-19 Response and Recovery Packages

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
REVENUE		
Crown funding	4,600	143,750
Total revenue	4,600	143,750
LESS EXPENSES		
Sector investments and grants	4,600	143,750
Programme management	-	468
Total expenses	4,600	144,218
Net operating surplus / (deficit)	-	(468)

Output Expense: High Performance Sport

What is intended to be achieved

By supporting athletes in their pinnacle events, this aims to inspire every New Zealander through more Aotearoa New Zealand athletes winning on the world stage in a manner that makes them proud.

How we will assess performance

We assess performance across the following main areas:

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

We use methods of evaluation such as case studies, Living Standards Framework measures and surveys (including NSO, athlete and Active New Zealand surveys). Where available, we monitor Aotearoa New Zealand's position within the international environment, for example, the virtual Olympic medal table⁵.

Performances that connect

Measure	Baseline	2020/21 Target
% of people who agree that "New Zealand national and international athletes and teams compete in a way that is in line with my values."	New Measure	Baseline to be established

Engagement

Measure	Baseline	2020/21 Target
% of New Zealanders (18+) that agree (a little and a lot) that they are interested in high performance sport.	New Measure	Baseline to be established
% of New Zealanders (5+) who engaged with high performance sport through at least three (3) different media in the last seven days.	New Measure	Baseline to be established

System Behaviour and Performances

Measure	Baseline	2020/21 Target
% of trust that high performance sport integrity issues are handled effectively and appropriately in New Zealand.	New Measure	Baseline to be established

⁵ The virtual Olympic medal table predicts the number of medals that will be won by each country, based on current performance: <http://www.gracenote.com/virtual-medal-table/>

Performance Measures

Key Activity	Key Output	Target
Investment to support NSO high performance initiatives.	<p>High performance system programme goals are achieved, which include:</p> <ul style="list-style-type: none"> Podium Performances World Class Athletes, World Class Leaders, Coaches & Support Staff World Class Planning and Execution, World Class Daily Training Environments Athlete Development Effective partnerships between National Sport Organisations, New Zealand Olympic Committee, Paralympics New Zealand and HPSNZ 	<p>At least 80% high performance system key performance indicators achieved:</p> <p>2019: 87% 2018: 80% 2017: 89%</p> <p>At least 85% of total high performance funding will be invested in high performance programmes and initiatives⁶:</p> <p>20019/20: 94% 2018/19: 94% 2017/18: 93%</p>

Capability and Expertise

Key Activity	Key Output	Target
Technical advice for high performance expertise	HPSNZ provides expert advice, guidance and assistance to national sport organisations to improve the delivery of their high performance programmes and athlete development	<p>At least 80% partner satisfaction with quality of consultancy provided⁷:</p> <p>2018/2019: 93% 2017/18: 91% 2016/17: 93%</p>

Athlete Performance Support

Key Activity	Key Output	Target
High performance athlete support services	HPSNZ directly supports athletes through the allocation of grants and the provision of specialist and expert services ⁸ .	<p>At least 80% of coaches and athletes say that HPSNZ's support and training environment positively impacts performance</p> <p>2019: Athletes 84%, Coaches 82% 2018: Athletes 86%, Coaches 80% 2017: Athletes 89%, Coaches 86%</p> <p>Performance Enhancement Grants (PEGs) allocated to at least 200 high performance athletes</p> <p>2018: 228 2017: 312</p> <p>400 athletes receive funding and/or access to services through the high performance system</p> <p>2019: 486 2018 442 2017: 527</p>

⁶ Programmes and initiatives include: Investment to targeted sports, Performance Enhancement Grants, Technology and Innovation, High Performance Events and direct costs associated with the provision of Technical Advice, Resources and Athlete Services to targeted sports/athletes/coaches.

⁷ Partners receiving targeting investment. This indicator remains the same as 2018/19 and recognises the unsettling effects of intended changes on our partner organisations may result in a reduced score from previous years.

⁸ For example, exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life, and medical services.

High Performance Sport (M64)

Assessment of Performance	2019/20	2020/21	
	Final Budgeted Standard	Estimated Actual	Budget Standard
Medals at Olympic Summer Games	Tokyo 2020: 16+ (see Note 1)	Tokyo 2020: 16+ (see Note 1)	Tokyo 2020: 16+ (see Note 1)
Number of Aotearoa New Zealand athletes placed in the top 3, top 5, and top 8 in the world in Olympic disciplines in their pinnacle events benchmarked against the annual results for the comparative year in the previous Olympic cycle, i.e., 2019 is compared to 2015 as both are 1 year before the Olympic Games	Top 3: 16, Top 5: 24, Top 8: 32 (see Note 2)	Top 3: 16, Top 5: 24, Top 8: 32 (see Note 2)	Top 3: 5, Top 5: 8, Top 8: 15 (see Note 2)
Gold medals at Paralympic Summer Games	Tokyo 2020: 10-14	Tokyo 2020: 10-14	Tokyo 2020: 10-14
Number of Aotearoa New Zealand athletes in the top 3 and top 5 in the world in Paralympic disciplines in their pinnacle events benchmarked against the annual results for the comparative year in the previous Olympic cycle, i.e. 2019 is compared with 2015 as both are 1 year before the Olympic Games	Top 3: 18, Top 5: 24 (see Note 2)	Top 3: 18, Top 5: 24 (see Note 2)	Top 3: 1, Top 5: 1 (see Note 2)
Number of Aotearoa New Zealand athletes in the top 3 and top 8 in the world in their pinnacle events.	Top 3: Top 8	Top 3: Top 8	Top 3: Top 8
Number of Aotearoa New Zealand Teams in the Top 3 in World Cup or World Championship Events	Top 3 - 5:	Top 3 - 5:	Top 3 - 5:
Number of Aotearoa New Zealand teams in the Top 8 in World Cup or Championship events	Top 8 - 2:	Top 8 - 2:	Top 8 - 2:
Expert advice, guidance and assistance provided to national sport organisations, rated as 'Good' or above	80%	80%	80%
Direct support including grants and specialist services to athletes and coaches positively impacts their performance, rated as 'Good' or above	80% athlete, 80% coach	80% athlete, 80% coach	80% athlete, 80% coach

Note 1: With a greater focus on gold medal conversion.

Note 2: All Top 3, 5 and 8 positions are provisional results only and will be reviewed and adjusted once results are announced from pinnacle events. The timing of pinnacle events varies from sport to sport.

The budget standards relating to world sporting events will only be able to be achieved if these world sporting events are able to be held, they are currently at risk due to the COVID-19 pandemic.

Prospective Output Class Allocation Appropriation: High Performance Sport

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
REVENUE		
Crown funding ⁹	62,192	63,442
Other operating revenue	7,745	3,956
Total revenue	69,937	67,398
LESS EXPENSES		
Sector investments and grants	44,427	47,141
Infrastructure investment	572	2,855
Programme management	4,805	4,344
Technical advice and resources	7,368	5,671
HP athlete services	15,673	14,009
Total expenses	72,845	74,020
Net operating deficit	(2,908)	(6,622)

⁹ Contains \$1,250,000 in Covid-19 Response and Recovery Funds

Output Expense: Prime Minister's Sport Scholarships

What is intended to be achieved

This is intended to achieve elite sport development through targeted scholarships, supporting elite athletes, coaches and officials, and supporting team members' concurrent pursuit of tertiary study and elite sport development.

How we will assess performance

We assess performance using the following perspectives

- Talent is developed (athletes, coaches, officials and support staff)
- Efficient administration
- The programme is monitored and reviewed to ensure it is best placed to cater for the needs of the system.

Key Activity	Key Output	Performance Standard
Investment	High performance athletes, coaches, officials and support personnel balance their sports development by pursuing educational and personal development opportunities.	<p>Administration costs are less than 4% of the total funding</p> <p>2019/20: 2018/19: 4% 2017/18: 3.1% 2016/17: 2.4%</p> <p>At least 300 athlete scholarships are awarded</p> <p>2019/20: 354 2018/19: 337 2017/18: 313 2016/17: 312</p> <p>Athlete scholarship recipients are surveyed twice yearly with at least a 90% response rate.</p> <p>When surveyed at the end of the academic year 90% of athlete recipients indicate that they have progressed further towards completing a chosen qualification (graduation).</p> <p>When surveyed at the end of the academic year 90% of athlete recipients say the qualification has been of value to a future role after sport.</p> <p>90% of graduates are placed in internships, apprenticeships or full-time employment and/or pursuing higher qualifications.</p> <ul style="list-style-type: none"> • the number of scholarships to be awarded. • the number of athletes expected to graduate. <p>At least 100 coach, official and support team scholarships are awarded</p> <p>2019/20: 192 2018/19: 194 2017/18: 143 2016/17: 139</p> <p>100% of reporting requirements for all coach, official and support team scholarships are met.</p> <p>90% of professional certification in chosen development is attained (e.g. IOC Masters, FIFA coaching licence, UCI coach qualification, ISAK).</p>

Prospective Output Class Allocation Appropriation: Prime Minister's Sports Scholarships

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
REVENUE		
Crown funding	4,250	4,250
Total revenue	4,250	4,250
LESS EXPENSES		
Sector investments and grants	4,250	4,250
Programme management	157	72
Total expenses	4,407	4,322
Net operating surplus / (deficit)	(157)	(72)

Prospective Financial Statements (consolidated)

Prospective Statement of Revenue and Expenditure

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
REVENUE		
Crown funding	93,835	237,091
NZ Lottery Grants Board	62,476	58,477
Interest revenue	1,179	530
Sundry revenue	2,653	3,395
Total revenue	160,143	299,493
SECTOR INVESTMENTS		
Sector investment	97,446	98,506
Covid-19 relief package	25,500	-
Recovery package in response to the Covid-19 pandemic	4,600	145,000
Infrastructure investment	570	2,775
Investment consulting	1,001	639
Total sector investments	129,117	246,920
OPERATING EXPENDITURE		
Board members' remuneration	214	218
Personnel costs	28,844	27,866
Professional and technical services	10,256	11,590
Leased property	2,543	2,536
Depreciation and amortisation	1,481	1,488
Other operating costs	10,213	14,505
Total operating expenditure	53,551	58,203
Total expenditure	182,668	305,123
Net operating surplus / (deficit)	(22,525)	(5,630)
Other revenue and expenditure	-	-
Total revenue and expenditure	(22,525)	(5,630)

Prospective Statement of Financial Position

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
ASSETS		
Current assets		
Cash and cash equivalents	917	829
Trade and other receivables	18,425	15,330
Prepayments	260	200
Investments	11,000	10,200
Total current assets	30,602	26,559
Non-current assets		
Property, plant and equipment	3,648	3,198
Intangible assets	878	1,893
Total non-current assets	4,526	5,091
Total assets	35,128	31,650
LIABILITIES		
Current liabilities		
Trade and other payables	4,890	7,209
Revenue received in advance	1,112	1,001
Employee benefits	1,929	1,873
Provisions	18	18
Total current liabilities	7,949	10,101
Total liabilities	7,949	10,101
Net assets	27,179	21,549
Public equity	49,704	27,179
Total Revenue and Expenditure	(22,525)	(5,630)
Shareholder's equity	27,179	21,549

Prospective Statement of Changes in Equity

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
Opening Public Equity	49,704	27,179
Total comprehensive revenue and expenditure	(22,525)	(5,630)
Closing Public Equity	27,179	21,549

Prospective Statement of Cash Flows

For the year ended 30 June 2021

	ESTIMATE 2020 \$000	BUDGET 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflows		
Receipts from Crown revenue	93,981	237,091
- New Zealand Lotteries Grants Board	54,902	65,177
- Sundry revenue	3,741	790
Interest received	1,063	980
Goods and services tax (net)	1,570	-
Total cash inflows	155,257	304,038
Cash outflow		
Payments to suppliers		
- Sector investments and grants	(131,618)	(242,796)
- Other payments	(22,861)	(30,488)
Goods and services tax (net)	-	(1,450)
Total payments to suppliers	(154,479)	(274,734)
Payments to employees	(28,972)	(28,140)
Total cash outflows	(183,451)	(302,874)
Net cash inflow / (outflow) from operating activities	(28,194)	1,164
CASH FLOW FROM INVESTING ACTIVITIES		
Cash inflows		
Investments maturing	24,000	-
Total cash inflows	24,000	-
Cash outflow		
Purchase of property, plant and equipment	(720)	(580)
Purchase of intangible assets	(261)	(1,473)
Acquisitions of investments	-	801
Total cash outflows	(981)	(1,252)
Net cash inflow / (outflow) from investing activities	23,019	(1,252)
Net increase / (decrease) in cash held	(5,175)	(88)
Opening cash balance as at 1 July	6,092	917
Closing cash balance as at 30 June	917	829
MADE UP OF		
Cash and cash equivalents	917	829
Total cash and cash equivalents	917	829

Statement of Accounting Policies

Purpose

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

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

Reporting entity

These prospective financial statements are for the Sport NZ Group for the year ending 30 June 2021. The Sport NZ Group comprises the parent entity, Sport and Recreation New Zealand (trading as Sport NZ), and its wholly-owned subsidiary High Performance Sport New Zealand Limited (HPSNZ).

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

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

These prospective financial statements were approved by the Sport NZ Board on 18 June 2020.

Basis of preparation

Statement of Compliance

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

Measurement base

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

Presentation currency and rounding

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

Consolidation

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

Significant Accounting Policies

Basis of consolidation

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

Revenue

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

Crown funding

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

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

Revenue from the New Zealand Lottery Grants Board

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

Grants and donations

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

Interest

Interest income is recognised using the effective interest method.

Sector investments and grants (expenditure)

To meet its primary objectives, the Group provides investment and grant funding to various organisations in the sport and recreation sector. This expenditure is recognised as an expense in the Statement of Comprehensive Revenue and Expenditure, under 'sector investments and grants'. Investment with substantive conditions is expensed at the earlier of the grant payment date or when the grant conditions have been satisfied. Grants and investment awarded to organisations that meet criteria, and without substantive conditions that need to be subsequently filled, are expensed at the payment date.

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

Leases

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

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

Cash and cash equivalents

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

Trade and other receivables

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

Investments

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

Bank deposits

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

Loans

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

Property, plant and equipment

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

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

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

Additions

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

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

Disposals

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

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

Depreciation

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

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

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

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 longer than 12 months are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

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

Amortisation

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

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

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

Trade and other payables

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

Employee entitlements

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

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

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

Superannuation schemes

Defined contribution schemes

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

Provisions

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

Goods and Services Tax (GST)

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

Income Tax

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

Cost allocation

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

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

Critical accounting estimates and assumptions

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

The basis and appropriateness of the estimates and assumptions used in preparing the prospective financial statements are those which the Sport NZ Board reasonably expect to occur in respect of those actions the Sport NZ Board and HPSNZ Board reasonably expects to take as at 18 June 2020, the date on which the prospective financial statements have been authorised for issue by the Sport NZ Board.

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

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

Significant Assumptions

New Zealand Lottery Grants Board funding has been estimated for the 2020/21 year based on projected profits of Lotto NZ available at the time of preparing the prospective financial statements and Sport NZ Group's agreed share of them.

It is assumed that Sport NZ Group's business model and staffing levels will not significantly change during the 2020/21 financial year, beyond normal staff turnover. All significant assumptions surrounding expenditure have been based on historical data, existing business practices or actual business plan projections for each financial year.

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

Management has exercised the following critical judgements in applying the Sport NZ Group's accounting policies for the year ending 30 June 2021:

Impairment of loans and advances

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





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