

In Confidence

Office of the Minister for Sport and Recreation

Cabinet Social Wellbeing Committee

Strengthening and protecting the integrity of the sport and active recreation system

Proposal

- 1 This paper seeks agreement in principle to establish a new, standalone entity with primary responsibility for strengthening and protecting the integrity of the sport and active recreation system.

Relation to government priorities

- 2 The proposals in this paper relate to the Government's wellbeing priorities. Lifting the physical activity levels of all New Zealanders will have a positive impact on their physical and mental wellbeing. The proposals in this paper will aim to help achieve that by providing New Zealanders with a safe, fair, and inclusive environment for being active, including those involved in high performance sport programmes.

Executive Summary

- 3 Strengthening and protecting the integrity of the sport and active recreation system is vital to ensuring all participants are safe, competing on a level playing field and feel included. As part of this, it is vital to ensure that when issues arise that impact the integrity of the system, these are dealt with promptly and appropriately and that participants have trust and confidence in the systems in place and feel safe when speaking up.
- 4 Both here and overseas, there have been numerous recent examples integrity in sport and recreation has been compromised. These cases have arisen across all aspects of integrity, from doping, corruption, and match-fixing, to abuse, bullying, and harassment. These issues have not been confined to professional and elite sport either, having sadly occurred at all levels and impacting a wide range of participants, including recreational athletes, children, parents, and other volunteers.
- 5 In December 2020, Sport New Zealand (Sport NZ) established an independent Integrity Working Group comprised of sport and recreation integrity experts and sector stakeholders. The Working Group was tasked with making recommendations to myself as Minister for Sport and Recreation and the Board of Sport NZ as to the appropriate institutional arrangements to manage the various integrity elements across the sport and recreation system.
- 6 The Working Group has now presented its final report and recommends that a new standalone integrity entity is established with the primary responsibility for protecting and enhancing the integrity of New Zealand's sport and recreation system. After extensive consultation with relevant stakeholders, the Working Group has concluded that a new entity is the appropriate course of action to achieve a simpler, more accessible, independent, and participant-focused approach to protecting and enhancing the integrity of sport and recreation in New Zealand.

- 7 Having considered the Working Group's report, I am seeking Cabinet's in-principle agreement to the establishment of this new entity, subject to a report back to Cabinet later this year with further detail on the scope, functions, and cost of the new entity. The development of this further detail will be overseen by an Integrity Transition Committee, to be appointed by the Board of Sport NZ and comprised of relevant experts. The Transition Committee will be complemented by a Māori Advisory Committee to ensure that this next phase of work is undertaken in a bi-cultural manner.
- 8 This two-stage approach will enable clear direction to be given as to the Government's response to the Working Group's recommendation, ahead of the development of further detail as to the new entity's scope and functions, which will be done in consultation with the sport and recreation sector and relevant government agencies.
- 9 Should Cabinet agree to this approach, I intend to publicly announce this decision and the further work to be undertaken. It is also intended that the Working Group's report itself will also be released publicly (subject to any necessary redactions) at the same time as this announcement.

Background

- 10 Protecting and enhancing the integrity of the play, active recreation and sport system is one of my key priorities as Minister for Sport and Recreation. Sport NZ's Integrity Framework sets out the key areas of the integrity of the sport and active recreation system, these are: organisational culture, child safeguarding, member protection (e.g., protecting against bullying, harassment, and abuse), anti-discrimination, anti-doping, match-fixing and competition manipulation and corruption.
- 11 In recent years, issues have arisen across all the above areas that have impacted the integrity of New Zealand's sport and active recreation system. Many of these issues have arisen in high performance sport environments, which has led to several high-profile reviews into sports such as football,¹ cycling,² and hockey.³ There have also been several New Zealand athletes sanctioned by the New Zealand Sports Tribunal for taking prohibited substances, and some instances of New Zealand athletes being approached to fix sporting contests.
- 12 While issues within high performance sport attract national media attention, there are similar issues arising daily across all levels of the system, from elite to grassroots. At the community level, many administrators are volunteers who lack the time, expertise, and capability to prevent, handle and resolve these increasingly complex issues appropriately. The recent review of Gymnastics New Zealand highlighted the fact that these issues are not confined to elite sport only.⁴
- 13 Overseas, there has also been numerous cases involving allegations of bullying, sexual harassment, and abuse, often made by athletes against coaches or those in positions of power. This is in addition to the multitude of match-fixing and doping scandals that have occurred around the world in sports such as cricket, football, and cycling.

¹ <https://www.sporty.co.nz/asset/downloadasset?id=3c273e4a-ccfe-4648-8cb1-f65440730857>.

² <https://hpsnz.org.nz/content/uploads/2018/10/CNZ-Review-Final.pdf>.

³ <https://hockeynz.co.nz/wp-content/uploads/2019/03/Summary-of-Review-Findings-PDF.pdf>.

⁴ <https://www.gymnasticsnz.com/category/independent-review>.

Sport NZ undertook a wide-ranging Integrity Review in 2018/19 to better understand the integrity landscape and associated issues

- 14 As a kaitiaki of the play, active recreation, and sport system (the system), Sport NZ has a primary responsibility for strengthening and protecting integrity. As part of this role, in 2018, Sport NZ undertook a wide-ranging review of the integrity of the system, including a full public consultation on what the associated issues were [SWC-18-MIN-0144 refers].
- 15 The findings and recommendations of this review were released in September 2019. One of the key findings identified was a genuine lack of capability across the sport and recreation sector to prevent, identify, handle, and resolve integrity issues when they arise. The Integrity Review found that many organisations, particularly smaller ones, were struggling to keep up with what is an increasingly complex and multi-dimensional area.
- 16 The Integrity Review recommended the establishment of an independent complaints management service for the sport and recreation sector. Improper handling of complaints was a common issue raised by submitters, caused primarily by a lack of capability, particularly among smaller organisations, but also by a lack of independence in the complaints process. Often, this meant participants did not have the trust and confidence to raise complaints via the available avenues.
- 17 This service, the Sport and Recreation Complaints and Mediation Service (SRCMS) was established by Sport NZ in February 2021. The SRCMS is operated independently from Sport NZ and sport and recreation bodies, clubs, and organisations. Its purpose is to ensure those with issues related to sport and recreation have a place to make complaints and have them resolved fairly.
- 18 During the establishment of this service, it was recommended that a working group be convened, comprised of representatives actively providing leadership and service in relation to integrity issues in New Zealand sport and recreation. The working group would consider whether a national, government-funded, sport and recreation integrity unit was required to (among other duties): develop policies; provide education and resources; oversee the independent complaints service; and be aligned to international human rights and integrity standards in sport and recreation.

The Play, Active Recreation and Sport Integrity Working Group was established to recommend the most appropriate arrangements to manage integrity across the system

- 19 In December 2020, Sport NZ established the Play, Active Recreation and Sport Integrity Working Group (IWG) to evaluate a range of options and make recommendations to myself as Minister for Sport and Recreation and the Sport NZ Board as to the most appropriate arrangement(s) and/or structure(s) to manage the various integrity elements across the system. The IWG was chaired by sports lawyer Don Mackinnon and comprised a wide range of representatives from across the sport and recreation sector.
- 20 As per the IWG's Terms of Reference, this process involved an assessment of the current institutional arrangements relating to integrity. These include Drug Free Sport New Zealand (DFSNZ), the New Zealand Sports Tribunal, Sport NZ's current integrity functions (for example, education, development of policies and resources and building sector capability) and independent services funded by Sport NZ, such as the SRCMS.

- 21 The IWG began by developing a definition of integrity on which to base its considerations, informed by and aligned with overseas definitions of integrity, but captured key elements of the New Zealand context, including Te Tiriti o Waitangi.
- 22 This paper seeks Cabinet's agreement to endorse this definition as the official definition of integrity in the New Zealand sport and recreation context. Putting such a definition in place will ensure a consistent and shared understanding of what is meant by integrity in such a context. The IWG's definition of integrity is:

The integrity of the New Zealand play, active recreation and sport system encompasses personal, organisational and competition integrity, and ensures the safety, security, wellbeing, and inclusion of all participants in a manner consistent with internationally recognised human rights and the three principles of Te Tiriti o Waitangi, participation, protection, and partnership.

It rejects competition manipulation, discrimination, harassment, cheating, violence, abuse, corruption, doping and any other crime or fraud and promotes fairness, transparency, accountability, and a right for participants to be heard.

- 23 The IWG then met with a wide range of key stakeholders from both the sport and recreation sector and government to gain a deeper understanding of the integrity issues facing the system and the current approach to addressing these issues.
- 24 The IWG soon discounted retaining the status quo arrangements as a viable option due to perceptions among stakeholders that the current arrangements lack independence due to the funding relationship between Sport NZ and High Performance Sport NZ (HPSNZ) and national sport organisations (NSOs) and national recreation organisations (NROs). Further, stakeholder believe the current arrangements are overly complicated, with multiple institutions and organisations having a role in integrity. The IWG subsequently developed two primary options to be more thoroughly assessed.

IWG Option A – an evolutionary model

- 25 This option recognises that change is necessary but builds on and enhances the existing arrangements within the system. The underlying rationale for this option is that the current arrangements can be adapted to deliver the type of safe, fair, and inclusive system needed in New Zealand.
- 26 The key aspects of Option A are:
- Sport NZ retains its integrity related functions as a kaitiaki of the system, but receives a separate appropriation to support the running of a specialised internal integrity unit, but with a degree of independence through a Statutory Director of Integrity;
 - this integrity unit would work with national organisations to raise integrity capability;
 - expanding the remit of DFSNZ to include competition manipulation;
 - expanding the SRCMS to undertake a broader range of dispute resolution services, including the performance of investigations and disciplinary panels; and
 - utilising Sport NZ's compliance levers, such as funding and recognition of national sport and recreation organisations to drive change, without requiring substantial legislative change.

IWG Option B – standalone integrity organisation (recommended option)

- 27 This option represents significant change and would see a new entity created operating independently of Sport NZ, focused solely on integrity. The underlying rationale for this option is that it is not possible to achieve the desired outcomes and raise the standard of integrity across the system unless a truly independent agency with a singular focus on advocating for the safety and fundamental human rights of athletes and participants is created.
- 28 The new entity would be athlete and participant-centred and would focus on education and harm prevention, while also offering a comprehensive dispute resolution service, including the continuation of Māori dispute resolution practices implemented by the SRCMS.
- 29 The key aspects of Option B are:
- DFSNZ would be disestablished, with its current functions transferred over to the new entity;
 - Sport NZ's existing integrity functions (e.g., education and sector capability) and the SRCMS would all be folded into the new entity; and
 - the establishment of a Disciplinary Panel and Participant/Athlete Commission.
- 30 In addition to the key aspects of each option outlined above, both options are predicated on the introduction of a National Code of Sport Integrity (NCSI), which would set minimum standards for the sector relating to all aspects of integrity and the mechanism for holding individuals and organisations to account when they fail to meet those standards. Both options also include New Zealand becoming a signatory to the Council of Europe Convention on the Manipulation of Sports Competition (the Macolin Convention).

Both options were subjected to a feasibility assessment

- 31 The IWG engaged a consultancy firm to undertake a full feasibility assessment of both options, including an estimation of costs and assessment against a range of objectives as outlined in the IWG's Terms of Reference. The assessment concluded that both Option A and B are feasible and that both options would require legislative change to be implemented. The assessment also recommended that, for either option, a transition unit be established to plan the transition, undertake detailed design, support policy decisions and legislative change and lead the development of and consultation on the NCSI.
- 32 For Option A, the transition cost is estimated to be between s 9(2)(f)(iv)
s 9(2)(f)(iv) The regular operating costs of years three to five (following the transition period) are estimated to be between s 9(2)(f)(iv)
- 33 For Option B, the transition cost is estimated to be between s 9(2)(f)(iv)
s 9(2)(f)(iv) The regular operating costs of years three to five are estimated to be between s 9(2)(f)(iv)
- 34 s 9(2)(g)(i)

The IWG's strong recommendation is that a standalone integrity entity be established

- 35 Following this process, the IWG recommended to the Sport NZ Board and myself as Minister for Sport and Recreation that Option B should be implemented. The IWG's report notes that members were unanimous in their support for Option B. Similarly, there was widespread support for Option B among the sport and recreation sector stakeholders, including DFSNZ and the Sports Tribunal.
- 36 The IWG's report describes Option B as a far simpler, more accessible system for all levels of the sector, from community participants through to elite athletes. Further, if established correctly, the IWG believes this system could be truly participant centred and therefore trusted and would provide actual and perceived independence from Sport NZ and HPSNZ.
- 37 This perceived lack of independence was identified as one of the key failings of the current system with many stakeholders expressing the view that Sport NZ and HPSNZ are not sufficiently independent from NSOs and NROs as many of these organisations receive funding and other support from Sport NZ and HPSNZ, with the relationships between NSOs and HPSNZ being particularly close. The IWG believes the additional independence that Option B would provide is key to achieving widespread sector buy-in to the new arrangements.

Establishing a standalone integrity entity is the appropriate course of action and further work should be undertaken on the design, scope, and cost of such an entity

- 38 Having considered the IWG's report and recommendations, and having received advice from Sport NZ, I agree in principle that a standalone integrity entity (Option B) should be established in New Zealand. This recommendation is the culmination of work undertaken over a number of years, not only by the IWG, but also by Sport NZ and HPSNZ, to better understand the integrity landscape in New Zealand and globally and what needs to be done to ensure New Zealand has a world-leading system in place to protect and uphold the integrity of sport and recreation.
- 39 It is clear from the work of the IWG and the extensive consultation undertaken with the sport and recreation sector that there would remain a perceived lack of independence should the majority of sport and recreation integrity functions be retained within Sport NZ, even with a statutorily independent Director of Integrity. I agree with the IWG and those they consulted that this perceived lack of independence would have a detrimental impact on buy-in from the sector and trust and confidence in the system if a new entity is not created.
- 40 I am therefore seeking Cabinet's agreement in principle to establish a new entity that, at minimum, would:
- 40.1 assume responsibility for all functions currently performed by DFSNZ;
 - 40.2 develop and implement a Code of Integrity for the sport and recreation sector; and
 - 40.3 assume responsibility for some or all of Sport NZ's existing integrity functions, such as education and overall responsibility for the SRCMS.
- 41 Should Cabinet agree, I intend to report back in September of this year with further detail on the design, scope, cost, and funding arrangements of the new entity and seek final approval for its establishment. The report back will include full details on the

organisational form of the new entity, the functions it will undertake, including anything over and above the minimum functions outlined above at paragraph 39 and any powers required by the new entity to undertake its functions, particularly in relation to the enforcement of the National Code of Integrity for sport and recreation.

42 The September paper will also seek Cabinet's approval for legislation to be drafted disestablishing DFSNZ and establishing the new entity, to be introduced to Parliament in early 2023, for enactment later that year.

43 This two-stage approach will enable an initial decision now to provide direction before more detailed work is undertaken, including consultation with the sport and recreation sector and relevant government agencies. An in-principle decision will also give some clarity to the sport and recreation sector as to the Government's intended response to the IWG's report and recommendations.

44 As part of the next phase, a significant amount of further work is needed on the scope and scale of the new entity to ensure what is established is appropriate for the New Zealand environment. In particular, the role and design of the National Code of Integrity and the new entity's role in relation to its enforcement. The National Code of Integrity would set minimum standards for the sector relating to all aspects of integrity and the mechanism for holding individuals and organisations to account when they fail to meet those standards.

45 The careful transition of DFSNZ into the new entity will be an important aspect of the next phase of work. DFSNZ is a well-respected organisation, not only within New Zealand, but also internationally. It is vital that their high level of service is maintained and that their in-house expertise is not lost during their disestablishment.

46 The establishment of both the Disciplinary Panel and Athlete/Participant Commission proposed by the IWG, the management of complaints and whether New Zealand becomes a signatory to the Macolin Convention will also be important considerations in the transition stage.

47 Finally, as noted in the IWG's Report, the role the new entity will have in relation to the integrity of school-based sport and recreation will require careful consideration.

48 This next phase of work will be undertaken by Sport NZ, in consultation with the sector and relevant government agencies, over the coming months.

49 The development of more precise costings and the exploration of possible funding sources will be critical aspects of the next phase of work and will be included in the September Cabinet paper. As mentioned above, the annual operating cost of the new entity has been estimated at between s 9(2)(f)(iv)

50 I expect the final costs will be closer to s 9(2)(f)(iv) and I intend to direct officials undertaking the next phase of work to focus on findings areas where costs can be reduced without reducing the effectiveness of the new entity and the quality of service it provides.

51 It is important to note that the current annual operating costs relating to integrity functions across both Sport NZ (including the SRCMS and Sports Tribunal) and DFSNZ are \$9.8 million. DFSNZ currently receives annual funding of \$5.1 million, of which \$1.7 million is funded from Sport NZ's COVID-19 Recovery Package, until 2024 only. All of Sport NZ's integrity functions are funded from Lotto NZ funding, meaning only \$4 million of the \$9.8 million is currently Crown funded.

Should Cabinet agree in principle to the establishment of a standalone integrity entity, an Integrity Transition Committee will be appointed to guide the next phase of work

- 52 Should Cabinet agree in principle to the establishment of a new integrity entity, the first step will be to appoint an Integrity Transition Committee (the Committee) to guide and oversee the next phase of work.
- 53 The Committee will be established as a Sport NZ Board Committee with members appointed by the Sport NZ Board, in consultation with myself as Minister for Sport and Recreation. To provide of independence from Sport NZ, no current members of either the Sport NZ or HPSNZ Board will be appointed to the Committee. Members will be identified to ensure athlete/participant and wider sector representation. The Committee will report to the Sport NZ Board but will also have some direct reporting requirements to me as Minister for Sport and Recreation.
- 54 The Committee will be complemented by a separate Māori Advisory Board that will ensure the next phase is undertaken in a bi-cultural manner.
- 55 On a day-to-day level, the next phase would be led by the Integrity Transition Director, to be appointed by the Committee. The Integrity Transition Director would be supported by an Integrity Transition Project Team (the Transition Team) of approximately eight to ten people, working closely with Sport NZ's Policy team, who will lead the development of the necessary legislative change and a bid for Budget 2023 seeking a new appropriation to fund the balance of the establishment costs and the ongoing operational costs of the new integrity entity.

Financial Implications

- 56 The proposals in this paper do not have any direct financial implications, however, should the new entity be established there will be associated financial implications and a Budget Bid in 2023 will likely be required to fund some of the establishment and ongoing operating costs of the new entity.
- 57 It is expected that the establishment of a standalone integrity entity will require additional funding of up to approximately ^{s 9(2)(f)(iv)} [REDACTED]
- 58 The next phase of work will involve the development of detailed costings and explore a range of options of funding sources for the new entity. Budget 2022 includes \$4.8 million of initial funding for the transition phase [CAB-22-MIN-0129 refers].

Legislative Implications

- 59 Should Cabinet to establish a new integrity entity following my report back later in September 2022, a bill will be required to disestablish DFSNZ and create the new entity and outline its various functions and any powers required to undertake these functions.
- 60 This paper seeks Cabinet's agreement to add this bill to the 2022 Legislation Programme with a Category 5 priority (instructions to be provided to Parliamentary Counsel in the year).

Impact Analysis

Regulatory Impact Statement

- 61 As this paper includes policy proposals that involve the potential introduction of new legislation, a Regulatory Impact Statement (RIS) has been prepared and is attached to this paper.
- 62 A RIS Quality Assurance Panel at Manatū Taonga has reviewed the Regulatory Impact Statement: A new sport and recreation integrity entity, and considers it partially meets the quality assurance criteria.
- 63 The RIS makes a high-level case for change, based on relatively clear evidence of a structural issue that is not easily addressed by non-regulatory intervention. The RIS identifies that the proposed two-phase approach to decision-making, with the detailed design and functions of the new entity not yet considered, means that some of the analysis is necessarily not fully informed. This is particularly evident when it comes to quantifying the preferred option's costs, benefits, and overall impacts, and planning its implementation and evaluation. Nevertheless, the Panel considers the RIS provides enough information to inform an in-principle decision. The next phase of more detailed design and analysis, including stakeholder consultation, should support robust final decisions.

Climate Implications of Policy Assessment

- 64 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 65 At a broad population level, the establishment of the new integrity entity will have a positive impact on all New Zealanders who participate in active recreation and sport by ensuring they are participating in a safe, trusted, and inclusive environment.
- 66 The safety of children and young people participating in sport and active recreation is vitally important. The role of the new entity in relation to the protection of children and young people in sport and active recreation will be a key consideration in the next phase of work and will require close consultation with other relevant agencies such as Oranga Tamariki and the New Zealand Police.
- 67 The design of the new integrity entity will also need to include the development of specific and appropriate approaches to ensuring the safety and inclusion of other population groups, including Māori, Pacific communities, and disabled people.

Consultation

- 68 The following agencies have been consulted on this paper: Public Service Commission; the Treasury; Ministry for Culture and Heritage; the Department of the Prime Minister and Cabinet; Ministry for Primary Industries; New Zealand Customs Service; Ministry for Women; Ministry for Pacific Peoples; Department of Internal Affairs; Ministry of Justice; New Zealand Police; Ministry of Foreign Affairs and Trade; Ministry of Education; Ministry of Health; Oranga Tamariki; Te Puni Kōkiri; and Te Arawhiti.

Public Service Commission comment

- 69 We concur with the intent to bring together and strengthen the sport integrity functions. Some of the proposed changes could be progressed sooner, non-legislatively, by transferring functions currently in Sport NZ to Drug Free Sport NZ through Ministerial direction under section 112 of the Crown Entities Act.
- 70 Sport NZ is unique among Crown entities in leading both operational and strategic policy across its sector, including legislative responsibility. Although this issue was outside the Integrity Working Group's brief, Sport NZ's policy role in integrity becomes problematic if a key reason for establishing the integrity entity is to achieve separation of integrity functions from Sport NZ. While Sport NZ should continue to lead on operational policy relating to encouraging participation in sport and active recreation, we consider that the monitoring department for each entity should hold the related strategic policy overview and legislative responsibilities.
- 71 For similar reasons, we consider that the Minister for Sport and Recreation, not the board of Sport NZ, should appoint any further committees overseeing this work.

Communications

- 72 Should Cabinet agree in principle to the establishment of a standalone integrity entity, I intend to announce this decision, and the further work to be undertaken, at the earliest possible opportunity following Cabinet's decision. This will provide the sport and recreation sector with some certainty as to the direction the Government is intending to take in response to the IWG's report.
- 73 It is intended that the IWG report itself will also be released publicly (subject to any necessary redactions) at the same time as this announcement.

Proactive Release

- 74 I intend to proactively release this paper within 30 business days of decisions being confirmed by Cabinet, in accordance with Cabinet Office Circular CO (18) 4.

Recommendations

The Minister for Sport and Recreation recommends that the Committee:

Background

- 1 **note** that in recent years there has been a significant amount of work undertaken on protecting and enhancing the integrity of New Zealand's play, active recreation, and sport system to ensure it is safe, fair, and inclusive for all participants;
- 2 **note** this work has included Sport NZ's Integrity Review in 2018 and 2019 which included a full public consultation on the integrity landscape and associated issues [SWC-18-MIN-0144 refers], and a range of independent reviews of high performance programmes in sports such as cycling, football and hockey.
- 3 **note** Sport NZ established the Play, Active Recreation and Sport Integrity Working Group in December 2020 to evaluate a range of options and make recommendations to the Minister for Sport and Recreation and the Board of Sport New Zealand as to the most appropriate arrangement(s) and/or structure(s) to manage the various integrity elements across the play, active recreation, and sport system;

- 4 **note** the IWG presented its final report to the Minister for Sport and Recreation and the Board of Sport New Zealand in April 2022 following extensive consultation with key stakeholders from the sport and recreation sector;

Definition of integrity for sport and recreation

- 5 **agree** to adopt the following definition of integrity for sport and recreation:

The integrity of the New Zealand play, active recreation and sport system encompasses personal, organisational and competition integrity, and ensures the safety, security, wellbeing, and inclusion of all participants in a manner consistent with internationally recognised human rights and the three principles of Te Tiriti o Waitangi, participation, protection, and partnership.

It rejects competition manipulation, discrimination, harassment, cheating, violence, abuse, corruption, doping and any other crime or fraud and promotes fairness, transparency, accountability, and a right for participants to be heard.

Recommendations of the Integrity Working Group

- 6 **note** the Integrity Working Group has assessed a range of options and recommends that a new integrity entity be established;

- 7 **note** the new entity will be responsible for protecting and enhancing the integrity of the play, active recreation, and sport system to address a lack of capability across the sector to deal with integrity issues and to create an entity that is truly independent of Sport NZ and High Performance Sport NZ which will build trust and confidence in the system;

- 8 **note** as part of the establishment of a new entity, the Integrity Working Group also recommends the following:

8.1 Drug Free Sport New Zealand (an independent Crown entity) be disestablished and its existing functions and powers be transferred to the new entity;

8.2 some or all integrity-related functions currently undertaken by Sport NZ be transferred to the new entity;

8.3 a National Code of Sport Integrity be introduced that would set minimum standards across the play, active recreation, and sport system in relation to integrity;

8.4 the establishment of an Athlete/Participant Commission and a Disciplinary Panel; and

8.5 New Zealand becomes a signatory to the Council of Europe Convention on the Manipulation of Sports Competitions (the Macolin Convention);

- 9 **note** Integrity Working Group members were unanimous in their recommendations and there was widespread support for the recommendations among sport and recreation stakeholders;

Proposed response to the Integrity Working Group's recommendations

- 10 **note** having read and considered the Integrity Working Group's report and received additional advice from Sport NZ, I agree in principle with the Integrity Working Group's recommendations and believe further work should be undertaken on the creation of a new integrity entity to ensure it is appropriately designed and scoped for the New Zealand environment;
- 11 **agree** in principle, subject to the report back referred to in recommendation 16, to the establishment of a new standalone integrity entity that would, at a minimum:
- 11.1 undertake all functions currently performed by Drug Free Sport New Zealand (to be disestablished);
- 11.2 undertake some or all integrity related functions currently performed by Sport New Zealand; and
- 11.3 establish a National Code of Sport Integrity;
- 12 **note** recommendation 11 is subject to further policy work being undertaken by Sport NZ, in consultation with the sport and recreation sector and relevant government agencies, as to the final scope and scale of the new integrity entity, including consideration of an Athlete/Participant Commission and a Disciplinary Panel, and the form and status of the National Code of Sport Integrity, including detailed costings;
- 13 **invite** Sport NZ and the Department of Internal Affairs to undertake, in consultation with the Ministry of Foreign Affairs and Trade, a national impact analysis in relation to New Zealand becoming a signatory to the Convention on the Manipulation of Sports Competitions (the Macolin Convention);
- 14 **note** an Integrity Transition Committee, comprised of relevant experts, will be appointed by the Board of Sport NZ to oversee the next phase of work and report regularly to the Minister for Sport and Recreation and Board of Sport NZ;
- 15 **note** in addition to the Integrity Transition Committee, a Māori Advisory Committee will be established to ensure the next phase of work is undertaken in a bi-cultural manner;
- 16 **note** I will report back in September 2022 on the outcome of this next phase of work and seek final approval from Cabinet to establish the new entity, including the associated establishment arrangements;
- 17 **note** I expect the annual operating cost of the new entity to be between s 9(2)(f)(iv) [REDACTED]
- 18 **note** I intend to transfer \$9.8 million of existing funding for integrity functions currently undertaken by Drug Free Sport NZ and Sport NZ to the new entity once established;
- 19 **note** the remaining funding required for the new entity will be sought through Budget 2023;
- 20 **note** Cabinet approved \$4.8 million in Budget 2022 to fund the transition to a new integrity entity [CAB-22-MIN-0129 refers];

IN CONFIDENCE

- 21 **agree** to including the legislation required to establish the new integrity entity on the 2022 Legislation Programme with a Category 5 priority (instructions to be provided to Parliamentary Counsel this year);
- 22 **note** I intend to seek Cabinet's approval in early 2023 to introduce a bill to Parliament establishing the new entity, to be passed by July 2023;
- 23 **note**, subject to Cabinet's agreement to the above recommendations, I intend to release the Integrity Working Group's report publicly (subject to any necessary redactions) and announce the Government's proposed initial response to the report's recommendations.

Authorised for lodgement

Hon Grant Robertson

Minister for Sport and Recreation

RELEASED BY SPORT NZ UNDER OUR COMMITMENT TO OPEN GOVERNEMENT



Cabinet Social Wellbeing Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Strengthening and Protecting the Integrity of the Sport and Active Recreation System

Portfolio Sport and Recreation

On 1 June 2022, the Cabinet Social Wellbeing Committee:

Background

- 1 **noted** that in recent years there has been a significant amount of work undertaken on protecting and enhancing the integrity of New Zealand's play, active recreation, and sport system to ensure it is safe, fair, and inclusive for all participants;
- 2 **noted** that this work has included Sport NZ's Integrity Review in 2018 and 2019 which included full public consultation on the integrity landscape and associated issues [SWC-18-MIN-0144], and a range of independent reviews of high performance programmes in sports such as cycling, football and hockey;
- 3 **noted** that in December 2020 Sport NZ established the Play, Active Recreation and Sport Integrity Working Group (IWG) to evaluate a range of options and make recommendations to the Minister for Sport and Recreation and the Board of Sport New Zealand as to the most appropriate arrangement(s) and/or structure(s) to manage the various integrity elements across the play, active recreation, and sport system;
- 4 **noted** that in April 2022 the IWG presented its final report to the Minister for Sport and Recreation and the Board of Sport New Zealand following extensive consultation with key stakeholders from the sport and recreation sector;

Definition of integrity for sport and recreation

- 5 **agreed** to adopt the following definition of integrity for sport and recreation:

The integrity of the New Zealand play, active recreation and sport system encompasses personal, organisational and competition integrity, and ensures the safety, security, wellbeing, and inclusion of all participants in a manner consistent with internationally recognised human rights and the three principles of Te Tiriti o Waitangi, participation, protection, and partnership.

It rejects competition manipulation, discrimination, harassment, cheating, violence, abuse, corruption, doping and any other crime or fraud and promotes fairness, transparency, accountability, and a right for participants to be heard.

- 6 **noted** that the Minister for Sport and Recreation will ask the Board of Sport New Zealand to consider whether racism should be explicitly added to the above definition;

Recommendations of the IWG

- 7 **noted** that the IWG has assessed a range of options and recommends that a new integrity entity be established;
- 8 **noted** that the new integrity entity will be responsible for protecting and enhancing the integrity of the play, active recreation, and sport system to address a lack of capability across the sector to deal with integrity issues and to create an entity that is truly independent of Sport NZ and High Performance Sport NZ which will build trust and confidence in the system;
- 9 **noted** that, as part of the establishment of a new integrity entity, the IWG also recommends the following:
- 9.1 Drug Free Sport New Zealand (an independent Crown entity) be disestablished, and its existing functions and powers be transferred to the new integrity entity;
 - 9.2 some or all integrity-related functions currently undertaken by Sport NZ be transferred to the new integrity entity;
 - 9.3 a National Code of Sport Integrity be introduced that would set minimum standards across the play, active recreation, and sport system in relation to integrity;
 - 9.4 the establishment of an Athlete/Participant Commission and a Disciplinary Panel;
 - 9.5 New Zealand becomes a signatory to the Council of Europe Convention on the Manipulation of Sports Competitions (the Macolin Convention);
- 10 **noted** that IWG members were unanimous in their recommendations and there was widespread support for the recommendations among sport and recreation stakeholders;

Proposed response to the IWG recommendations

- 11 **noted** that, having read and considered the Integrity Working Group's report and received additional advice from Sport NZ, the Minister for Sport and Recreation agrees in principle with the Integrity Working Group's recommendations and believes that further work should be undertaken on the creation of a new integrity entity to ensure it is appropriately designed and scoped for the New Zealand environment;
- 12 **agreed in principle**, subject to the report back referred to in paragraph 17 below, to the establishment of a new standalone integrity entity that would, at a minimum:
- 12.1 undertake all functions currently performed by Drug Free Sport New Zealand (to be disestablished);
 - 12.2 undertake some or all integrity related functions currently performed by Sport New Zealand;
 - 12.3 establish a National Code of Sport Integrity;
- 13 **noted** that the above is subject to further policy work being undertaken by Sport NZ, in consultation with the sport and recreation sector and relevant government agencies, as to the final scope and scale of the new integrity entity, including consideration of an Athlete/Participant Commission and a Disciplinary Panel, and the form and status of the National Code of Sport Integrity, including detailed costings;

- 14 **directed** Sport NZ and the Department of Internal Affairs, in consultation with the Ministry of Foreign Affairs and Trade, to undertake a national impact analysis in relation to New Zealand becoming a signatory to the Convention on the Manipulation of Sports Competitions (the Macolin Convention);
- 15 **noted** that an Integrity Transition Committee, comprised of relevant experts, will be appointed by the Board of Sport NZ to oversee the next phase of work and report regularly to the Minister for Sport and Recreation and Board of Sport NZ;
- 16 **noted** that in addition to the Integrity Transition Committee, a Māori Advisory Committee will be established to ensure the next phase of work is undertaken in a bi-cultural manner;
- 17 **invited** the Minister for Sport and Recreation to report back in September 2022 on the outcome of the next phase of work and seek final Cabinet approval to establish the new entity, including the associated establishment arrangements;
- 18 **noted** that the annual operating cost of the new entity is expected to be between [REDACTED] and [REDACTED];
- 19 **noted** that the Minister for Sport and Recreation intends to transfer \$9.8 million of existing funding for integrity functions currently undertaken by Drug Free Sport NZ and Sport NZ to the new entity once established;
- 20 **noted** that the further funding required for the new entity will be sought through Budget 2023;
- 21 **noted** that in Budget 2022, Cabinet approved \$4.8 million to fund the transition to a new integrity entity [CAB-22-MIN-0129];
- 22 **agreed** that the legislation required to establish the new integrity entity be added to the 2022 Legislation Programme with a Category 5 priority (instructions to be provided to Parliamentary Counsel this year);
- 23 **noted** that the Minister for Sport and Recreation intends to seek approval for the introduction of a Bill establishing the new entity in early 2023, with the intention it be passed by July 2023;
- 24 **noted** that the Minister for Sport and Recreation intends to publicly release the IWG report and announce the government's proposed initial response to the report's recommendations.

Rachel Clarke
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for SWC