

Briefing for Incoming Minister

Sport and Recreation
portfolio

November 2023



SPORT
NEW ZEALAND
IHI AOTEAROA



HIGH PERFORMANCE
SPORT NEW ZEALAND

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Introduction

Congratulations on your appointment as the Minister for Sport and Recreation. As the lead policy agency for the Sport and Recreation portfolio, Sport New Zealand looks forward to working closely with you.

This Briefing is focused on the Sport New Zealand Group comprising Sport and Recreation New Zealand (Sport NZ) and its wholly owned subsidiary High Performance Sport New Zealand Limited. Together, our work touches everything from playing sport at the weekend, playing on the way to school, exercising in the outdoors to striving to win a medal at the Olympic or Paralympic Games.

This briefing provides a high-level overview of our work and priorities across Sport NZ and High Performance Sport NZ. It also outlines the challenges we and the sector are facing. We will also provide you with Supplementary briefings on key topics to complement the following overview.

We will be seeking your preferences on how you wish to be briefed in more detail over the coming weeks.



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What does Sport NZ do?

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

Under the Act, Sport NZ's purpose is to "promote, encourage and support physical recreation and sport in New Zealand". Sport NZ's statutory functions cover investment, promotion of participation, support for capability development and provision of policy advice.*

Sport NZ's functions include developing and implementing national policies and strategies for physical activity and sport. It is unique amongst Crown Entities in having a full in-house policy function.

Sport NZ supports the sector (comprising those organisations and individuals that support and deliver play, active recreation and sport opportunities across New Zealand) in a variety of ways to develop happier, healthier people, better connected communities and a stronger New Zealand.

This happens through:

- Direction setting
- Providing insights and evidence (at a national, regional and local level (including for schools))
- Advocacy
- Collaboration
- Targeted investment

*A full list of Sport NZ's and High Performance Sport NZ's functions can be found [here](#).

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High Performance Sport NZ is Sport NZ's wholly owned Crown entity subsidiary

High Performance Sport NZ was established by the Sport NZ Board in August 2011 to lead the high performance sport system

High Performance Sport NZ's key function is "making New Zealand the most successful sporting nation in the world by developing high performance sport".

- To achieve this, High Performance Sport NZ works in partnership with National Sports Organisations and others to enable world class performances in an environment that supports athlete wellbeing.
- Success is measured in sporting performances that inspire New Zealanders, and more New Zealanders winning on the world stage at Olympic and Paralympic Games, and World Championships. High performance sporting performances aim to inspire New Zealanders by making them proud of the results and the way they are achieved, connecting people and communities across the country, and in turn inspiring future participation and success.

High Performance Sport NZ works closely with the NZ Olympic Committee and Paralympics NZ to enable our elite athletes to achieve on the world stage

- Recent events have been very successful. New Zealand achieved record medal hauls at the Tokyo Summer Olympics and the Beijing Winter Olympics, followed by the most successful overseas Commonwealth Games in Birmingham. Strong results and outstanding performances were also delivered in the most recent Summer and Winter Paralympic Games. High Performance Sport NZ is now fully focused on delivering further successful and inspiring performances at the Paris 2024 Olympics and Paralympics.



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Our key people - Governance



The Sport NZ and High Performance Sport NZ Boards are chaired by Raewyn Lovett ONZM who was appointed to the dual role in July 2023

Raewyn is a partner at Duncan Cotterill specialising in commercial law. She has experience in a variety of governance roles in the sport, commercial and not for profit sectors



Taumata Māori was established in March 2023 to advise on strategic decision making and investment in relation to Te Tiriti o Waitangi commitments across the Sport NZ Group

Taumata Māori is chaired by Karen Vercoe MNZM. Karen has held various leadership roles in business and governance and is Deputy Chief Executive, Māori Strategy and Performance at Te Tari Taiwhenua (Department of Internal Affairs). She is a former New Zealand double international sportswoman in rugby and touch.

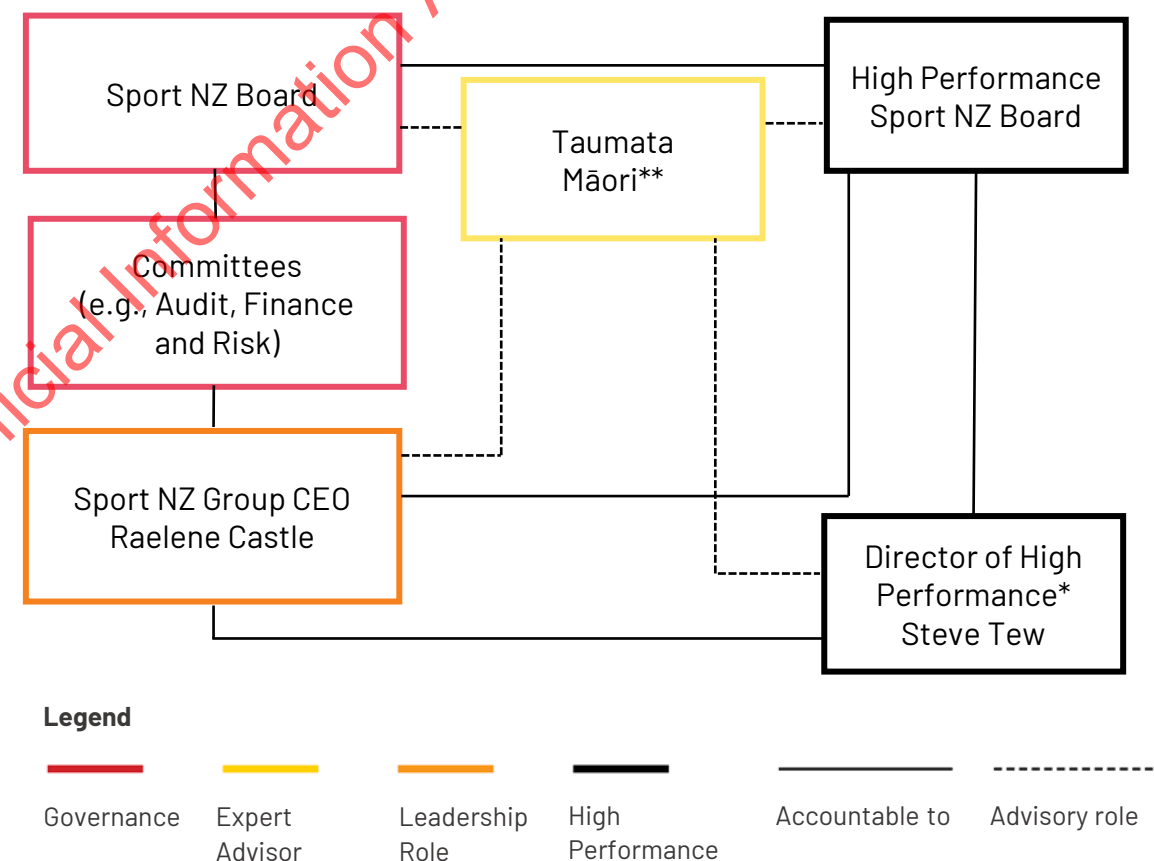
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How do we function and operate?

The Sport NZ Board is appointed by the Minister for Sport and Recreation

- The Board is responsible for setting the Sport NZ Group’s strategic direction, providing governance and leadership, and approving investment decisions.
- Section 10 of the Act restricts the Minister for Sport and Recreation from providing directions in relation to the allocation of investment.
- The Board is accountable for the functions of the Sport NZ Group, its work in relation to the play, active recreation and sport system, and ministerial engagement.
- The High Performance Sport NZ Board focuses on performance and is made up of two Sport NZ Directors, one nominated NZOC Director and four independent advisors.
- Taumata Māori supports the Sport NZ and High Performance Sport NZ Boards and the Group CEO at a governance level on Te Tiriti, Māori sport, strategy, investment, and Māori outcomes.
- Sport NZ's engagement with you and other Ministers is led by the Sport NZ Board Chair and Sport NZ Group Chief Executive, with the Sport NZ Policy Team providing policy advice and ministerial servicing support for the Group.

The diagram below shows the Sport NZ Group Governance Structure



*High Performance Sport NZ is a subsidiary organisation of Sport NZ with the Director of High Performance reporting to the Sport NZ Group CEO.

**Taumata Māori advises and provides support to the Boards, Group CEO and Director of High Performance.

Our key people - Management



The Sport NZ Group Chief Executive is Raelene Castle ONZM who was appointed to the role in December 2020

Raelene is one of Australasia's leading sports administrators who previously held the positions of CEO at Rugby Australia, the Canterbury-Bankstown Bulldogs and Netball New Zealand. She has also held several governance roles in sport. She moved into sports administration after a fifteen-year commercial career and was made an Officer of the New Zealand Order of Merit (ONZM) in 2015 for services to Business and Sport.



The Director of High Performance is Steve Tew ONZM

Steve is an internationally renowned sports administrator. He previously held the position of Chief Executive Officer for New Zealand Rugby from 2008 to 2019 and the Crusaders from 1996 to 2001. He previously worked for the Hillary Commission and holds a number of Board directorships in the sector.

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Sport NZ Summary

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We want tamariki and rangatahi to value being active and establish lasting habits

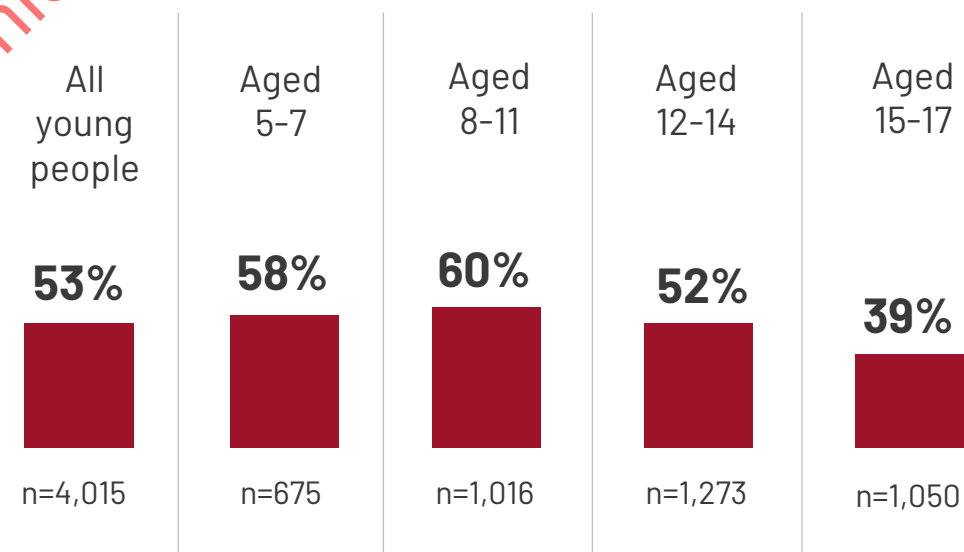
There is overwhelming evidence about the physical and mental health benefits from physical activity for individuals, whānau and communities.

But research shows that some people are missing out on all these benefits.

- For young people rangatahi, Sport NZ Active NZ research shows that the first decline in time spent, level of intensity and frequency of being active, occurs around age 15. For most rangatahi these metrics will never recover across their lifetime.
- For tamariki, these are key formative years for the development of the skills, known as physical literacy, that encourage being active for life.
- Improving the quality of experiences that tamariki and rangatahi have increases the chance of them establishing a life-long involvement in play, active recreation and sport.
- Sport NZ can achieve maximum impact with its resources by focusing on these age groups, whilst other organisations and Government agencies continue to address the needs of early childhood and older age groups.

ACTIVE Meeting guidelines of at least 7 hours per week

2022 Active NZ data shows the drop off in physical activity participation from age 15:



Results are from 2022 / Base: All young people aged 5 to 17

Sport NZ's vision is simple - 'Every Body Active' by 2032

Sport NZ's strategy is focused on increasing access to quality physical activity across play, active recreation and sport for tamariki (children aged 5-11) and rangatahi (young people aged 12-18), and people who are less active, such as people with disabilities, lower socio-economic groups, and women and girls.

Three strategic goals, known as 'Key Result Areas' (KRAs), are in place to achieve the strategy:

KRA1 Improve activity levels for all tamariki and rangatahi in 2020-2024. We do this by balancing targeted initiatives with actions to deliver longer term system change.

KRA2 Improve the activity levels of tamariki and rangatahi who are less active. We prioritise communities experiencing high levels of deprivation, and others missing out.

KRA3 To be successful with KRA 1 and 2 we are working to strengthen the capability, sustainability and integrity of the system. We do this by focusing on the likes of integrity, diversity and inclusion, research, reporting, and meeting our Te Tiriti commitments.

The KRAs have had a considerable impact on how Sport NZ has prioritised its work programme and structured its investments.

Sport NZ focuses on five key areas to deliver its strategic vision

Sport NZ is uniquely placed to lead national change through the play, active recreation and sport sector. We work across the following five areas to deliver our strategy:

DIRECTION SETTING

Sport NZ unites people behind a common vision of 'Every Body Active' and leads and champions collective action across the play, active recreation and sport system to ensure all New Zealanders can realise their potential.

INSIGHTS

Improve the understanding of participant needs and the drivers of behavioural change (what works and why).

Sport NZ insights (e.g. Active NZ and Voice of the Participant) are shared with partners to help them make better decisions for New Zealanders.

ADVOCACY

Sport NZ promotes the importance of all New Zealanders being active for their health and wellbeing. Sport NZ champions cultural capability, and diversity and inclusion, including for women and girls, those with disability and all ethnicities.

COLLABORATION

Sport NZ develops strategic partnerships at regional, national and international levels, aimed at improving participation opportunities.

A collaborative approach is epitomised by Healthy Active Learning, a joint government initiative with the Ministries of Health and Education to improve the lives of tamariki (aged 5-11) through healthy eating and drinking and quality physical activity.

INVESTMENTS

Sport NZ identifies and works with partners who can influence the participant-focused initiatives that best meet the needs of their local communities.

Investments are through:

- Partnerships
- Funds, and
- Programmes

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Our 2020–2024 priorities help focus resources on the most impactful areas

OUR STRATEGIC THEMES

Our focus for this strategic period

2024 PROGRAMME OUTCOMES

What we will achieve by the end of the strategic period

A BETTER FUTURE

We are seeking to create a relevant, responsive, inter-generational and sustainable system.

Futures Project

Futures pou are widely used as criteria for decisions by sector organisations, and futures thinking is an integral part of policy and planning approaches.

Spaces and Places

Spaces and places meet the need of the communities they serve, are utilised to their full potential, are fully accessible, multi-use, flexible and sustainable.

Recovery Investment

The sector has recovered from the disruption of the pandemic and investment delivered to enable the sector to remain relevant and fit for purpose.

National Physical Activity and Play Plan

The benefits of physical activity are understood and promoted as part of a shared commitment across government agencies.

HONOURING TE TIRITI

We are seeking to advance the principles of partnership, protection and participation.

Te Tiriti Partnerships

Sport NZ will have partnerships with Māori organisations who will have access and support to work with Sport NZ Ihi Aotearoa in a manner that reflects the principles of partnership in Te Tiriti.

Māori cultural competency

Sport NZ Ihi Aotearoa cultural capability reflects Te Tiriti principles of partnership, protection and participation.

Bi-cultural processes and plans

Sport NZ Ihi Aotearoa internal process, systems and plans are bi-cultural, where appropriate.

Outcomes framework and activation plan

Both Treaty partners agree that Te Tiriti and the Principles are being upheld and honoured. Increased opportunities for whanau to participate in culturally distinctive pathways.

EQUITABLE OPPORTUNITY AND ACCESSIBILITY

We are seeking to create an equitable, inclusive and accessible system.

Women and girls

Key indicators show that women and girls are having quality and equitable opportunities in and through sport and active recreation.

Disability

There are quality and equitable participation opportunities for disabled tamariki and rangatahi, of their choice. The sector is more capable of including disabled tamariki and rangatahi in participation opportunities.

Tū Manawa Active Aotearoa

Quality experiences provided that are accessible and create a life-long love of being active for tamariki and rangatahi, focusing on groups that are less active or missing out on opportunities.

VALUING PHYSICAL ACTIVITY

We are seeking to lead the confident, safe, and principled delivery of play, active recreation and sport.

Healthy Active Learning

Schools and kura support and promote quality play, sport and physical activity opportunities and a healthy food and drink environment. Teachers and kaako are confident and capable in delivering the health and physical education and hauora curriculum.

Integrity

Organisations place greater value on integrity issues, and people trust them to handle issues appropriately and effectively. Improved system: safe, fair, inclusive and trusted.

Sport Development

Increased understanding of Balance is Better across partner networks, and culture change in views on sport for rangatahi. More rangatahi receiving quality sport experiences that meet their needs and wants.

Active Recreation

There is a clear strategic direction on the value of active recreation for rangatahi, with effective regional and national leadership, to engage, educate and support rangatahi, influencers and other organisations.

Play

Play is recognised and accepted as a foundational part of tamariki lives. Local authorities have play plans, implement play activities and the Aotearoa play system is visible and connected.

Priority initiatives are designed to deliver our strategy

Sport NZ works across government to support the delivery of government priorities and improve the lives of New Zealanders...

Healthy Active Learning and Mātaiao

- Healthy Active Learning is a key element of our cross Government work and is supported by government investment of \$47.6m between 2020-2024.
- Sport NZ works with the Ministries of Health and Education to improve the wellbeing of tamariki through healthy eating and drinking and quality physical activity.
- The implementation of Healthy Active Learning and Mātaiao in more than 900 primary schools and kura has demonstrated the value of cross government collaboration in improving the wellbeing of children and young people.



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Priority Initiatives continued

Strengthening the national play, active recreation and sport system is a key aspect of Sport NZ's kaitiaki role...

<p>Play</p>	<ul style="list-style-type: none"> • In 2022, Sport NZ finalised its Play Plan - Kia Hīanga, which sets out how it will advocate for, influence and lead change in play that is inclusive and equitable for all tamariki. • One of the key initiatives is delivering 'Play Streets' across the country - Play Streets are all about providing a safe environment for children and parents to play and be active in their neighbourhood and socialise with their neighbours. Sport NZ and Waka Kotahi have been working closely together alongside councils, Regional Sports Trusts and other partner organisations, to make Play Streets happen.
<p>Active Recreation</p>	<ul style="list-style-type: none"> • Sport NZ provides resources and funding to help provide quality and accessible active recreation opportunities (activities like walking, swimming, cycling and yoga) to meet the diverse needs of rangatahi. • A three-year Active Recreation plan (2021-2024) includes four commitments to support the sector to deliver a broader range of opportunities; honouring Te Tiriti o Waitangi, increasing understanding of best practice, incorporating youth voice and supporting youth leadership, and establishing new partnerships.
<p>Sport - 'Balance is Better'</p>	<ul style="list-style-type: none"> • Teenage participation in sport is declining for multiple reasons, including the professionalism of sport from a young age. A major focus for Sport NZ is ensuring young people develop a lifelong love of sport and continue participation into their adult years. • Amongst other initiatives, Sport NZ is working with the sport sector to deliver the 'Balance is Better' philosophy, which focuses on skill development and maximising participation across a range of different sports and underpins Sport NZ's overall approach to youth sport (12-18).

“
The focus on fun
should be front and
centre at all times
in youth sport.”

Tom Abercrombie
Basketball



BALANCE IS BETTER



Priority Initiatives continued

Sport NZ works with partners on initiatives to address inequalities and provide safe and fair opportunities for all New Zealanders...

Māori Activation Plan (Te Aho a Ihi Aotearoa) and Māori Outcomes Framework (Te Pākē o Ihi Aotearoa)

- Māori are significantly under-represented in leadership and management across the sport and recreation sector. Māori are also under-resourced and, for the most part, unable to participate in physical activities that are culturally appropriate for them.
- Sport NZ is establishing a number of strategies to engage with and cater for whānau, hapū and iwi in; 'bicultural' pathways, where Māori are able to participate as Māori and non-Māori are able to experience a Māori environment in physical activity and; 'for and by Māori' pathways, which enable Māori to participate and succeed 'as Māori'.
- Sport NZ's flagship Kaupapa Maori programme, He Oranga Poutama, provides culturally distinctive pathways for whānau Maori to participate 'as Māori'.
- The Te Ihi Fund and associated \$1.1m investment is empowering communities to improve wellbeing through Te Ao Māori approaches. Te Whare Tū Taua o Aotearoa was the first to receive investment in 2022.
- Te Tiriti-led partnership between Sport NZ and Te Huinga Tākaro o Aotearoa to support capability and strengthen Māori advocacy in the sector. Signed by nine Māori NSOs, the Mana Ōrite agreement enables a culturally-distinctive pathway by Māori, for Māori.



Priority Initiatives continued

Sport NZ works with partners on initiatives to address inequalities and provide safe and fair opportunities for all New Zealanders...

<p>Women and Girls Action Plan</p>	<ul style="list-style-type: none"> • Sport NZ has developed a Women and Girls Action Plan that sets out a roadmap for how, working together with the sector, we will continue making progress towards three outcomes in the women and girls’ strategy – leadership, participation and value and visibility. • Sport NZ has a number of integrated campaigns which contribute to the plan. The “It’s Time” campaign was launched in September 2022 to raise interest and engagement in elite women’s sport. We also developed #ItsMyMove to raise awareness of the barriers stopping young women participating in physical activity and provide a platform to empower them to be active on their own terms.
<p>Disability Action Plan</p>	<ul style="list-style-type: none"> • Sport NZ’s Disability Action Plan aims to support the development of an equitable and inclusive play, active recreation and sport system that provides quality opportunities for disabled tamariki and rangatahi of their choice. • Sport NZ’s Disability Action Plan aims to support the development of an equitable and inclusive play, active recreation and sport system that provides quality opportunities for disabled tamariki and rangatahi of their choice.
<p>Integrity</p>	<ul style="list-style-type: none"> • The Integrity Sport and Recreation Act received the Royal Assent on 23 August. The Act establishes the Integrity Sport and Recreation Commission which will strengthen and protect the integrity of sport and recreation in New Zealand. This new Integrity entity is described in further detail on slide 37. • Sport NZ is also delivering several integrity initiatives, including the Sport and Recreation Complaint and Mediation Service (SRCMS), e-learning material and a community guidance portal.



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HIGH PERFORMANCE
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High Performance Sport NZ Summary

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Inspiring Performance Every Day

High Performance Sport NZ enables and empowers world class sporting performances that inspire New Zealanders, while putting a greater emphasis on supporting athlete wellbeing, providing platforms for athlete voice, and designing sustainable sport pathways.

There are four long term outcomes High Performance Sport NZ is seeking to achieve by 2032:

- Increasing the frequency of winning performances that resonate with all New Zealanders
- Increasing the proportion of people engaging with high performance sport
- Increasing the variety of culturally distinctive pathways in high performance sport for all tangata whenua and all New Zealanders
- Delivering an improved high performance system that is capable and diverse is trusted and acts with integrity, and reflects Te Tiriti o Waitangi.

Over the four-year strategic cycle to 2024, there are three areas fundamental to delivering the transformation required to create a sustainable and improved high performance system:

Performance Pathways - High Performance Sport NZ focuses on clear, consistent and connected sport-led pathways.

Wellbeing and engagement - The requirements of high performance sport, and those of wellbeing, co-exist without compromise

Funding and investment - Creating a sustainable funding framework that enables athletes to excel on the world stage.

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High Performance Sport NZ priority initiatives

Priority Area	What we are doing
Wellbeing	<ul style="list-style-type: none"> High Performance Sport NZ has learned from the wellbeing issues that have surfaced in recent times and listened to those in the system. The beginning of 2022 was the start of a new three-year investment into sports to support both performance and wellbeing outcomes. Initiatives are focused on creating enriching performance environments that empower and support individuals to thrive both in and out of sport. High Performance Sport NZ is investing \$19m in performance support services (e.g. specialist practitioners), most of which support athlete mental and physical wellbeing, with a further \$7.4m into wellbeing specific initiatives. The Wellbeing Programme was developed in consultation with athletes, coaches and several National Sporting Organisations.
Coaching	<ul style="list-style-type: none"> High Performance Sport NZ partners with NSOs to identify cohorts of high performance coaches. Flexible and adaptable initiatives are provided to support coaches as they navigate their performance pathways. Initiatives are aimed at coaches who are working in the early pathway stages of high performance coaching, through to those nearing the end of their coaching careers.
Women in High Performance	<ul style="list-style-type: none"> Women are under-represented in high performance sport leadership and coaching roles. To address this, in October 2018, High Performance Sport NZ announced that \$2.7 million would be provided to fund the 'Women in High Performance Sport' pilot project, designed to address systemic gender equity issues. This work is delivering initiatives to increase the number of women in leadership and coaching roles. The pilot was successful, and High Performance Sport NZ has committed to ongoing initiatives such as delivering a 'Women in High Performance Sport Residency Experience'.



High Performance Sport NZ priority initiatives

Priority Area	What we are doing
Pathways	<ul style="list-style-type: none"> • High Performance Sport NZ is focussed on creating clear, consistent and connected sport-led pathways that see athletes, and their support networks, perform, thrive, and experience sustainable careers in sport. • The team works closely with National Sporting Organisations to identify talent and ensure athletes and coaches understand where they are on the performance pathway, what it will take to achieve their goals, and what support is available to them.
Athlete Voice	<ul style="list-style-type: none"> • High Performance Sport NZ is ensuring that good mechanisms are in place to provide athletes with the ability to have a voice in high performance sport. • Initiatives are in place that involve both top-down and bottom-up approaches to enable athlete voice to influence at all levels, from daily training environments right through to consultation on strategic decisions. • The Athlete Leaders Network was established in October 2022 as an independent athlete voice mechanism. The Athlete Leaders Network includes athlete leaders from Olympic, Paralympic and Commonwealth Games sports and was established to empower athletes, support athlete wellbeing, develop leaders and advocate for change from within the sporting system. The Athlete Leaders Network Board is chaired by Olympic heptathlete Sarah Cowley Ross.

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Funding and Investment

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Investment in sport and physical activity benefits society

Sport NZ research shows that for every \$1 invested in recreational physical activity, \$2.12 worth of social impacts are generated for New Zealand.

Research commissioned by Sport NZ and completed to rigorous international standards demonstrates that recreational physical activity generates significant value for society across multiple domains and outcomes, including health, wellbeing and work, care and volunteering domains.

In 2017, Sport NZ published a study exploring The Value of Sport to New Zealand.

The study concluded that sport and physical activity creates happier, healthier people, better connected communities and a stronger New Zealand. The table on the right summarises the findings of this study.



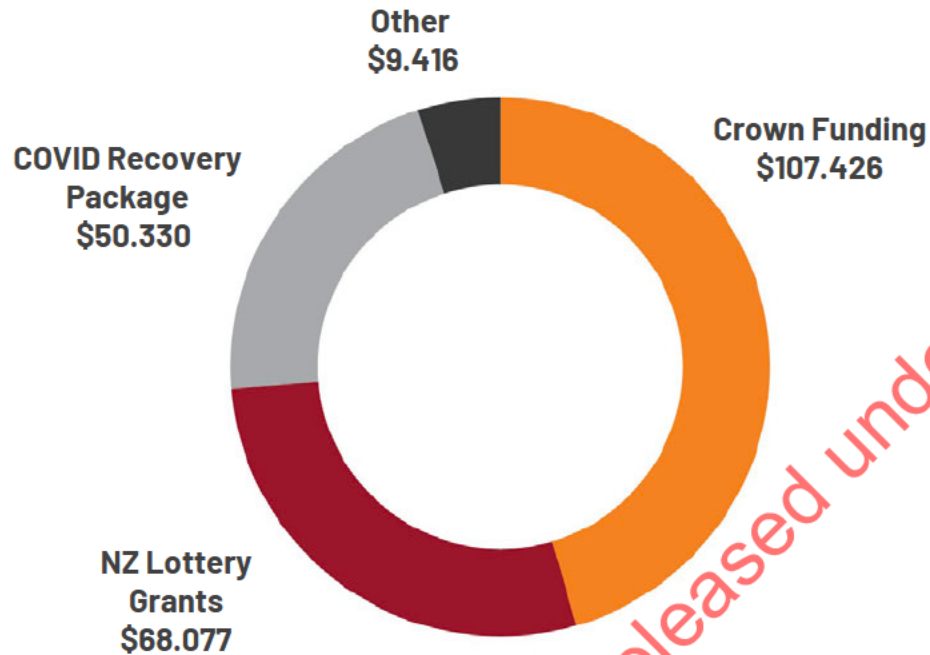
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How are we funded?

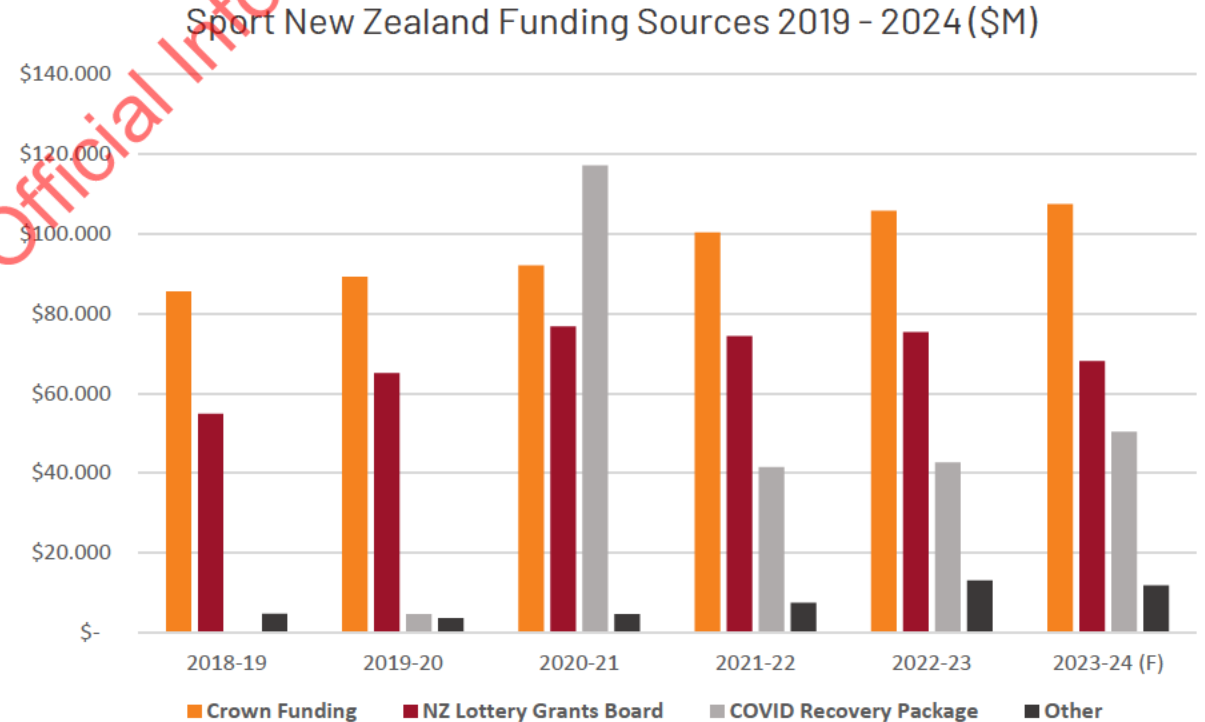
The Sport NZ Group is forecast to receive approximately \$235 million in 2023/24 to achieve outcomes for high-performance sport, and community level play, active recreation, and sport.

Our funding comes primarily from Government appropriations and the NZ Lotteries Commission:

Sport NZ Group funding 2023-24 (\$M)



The following graph shows the breakdown of funding for the Sport New Zealand Group over the financial years ending 2019 – 2023 and forecast funding for the financial year ending June 30, 2024:



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* Note that the majority of the Covid Recovery Package funding ends in the 2023/24 financial year

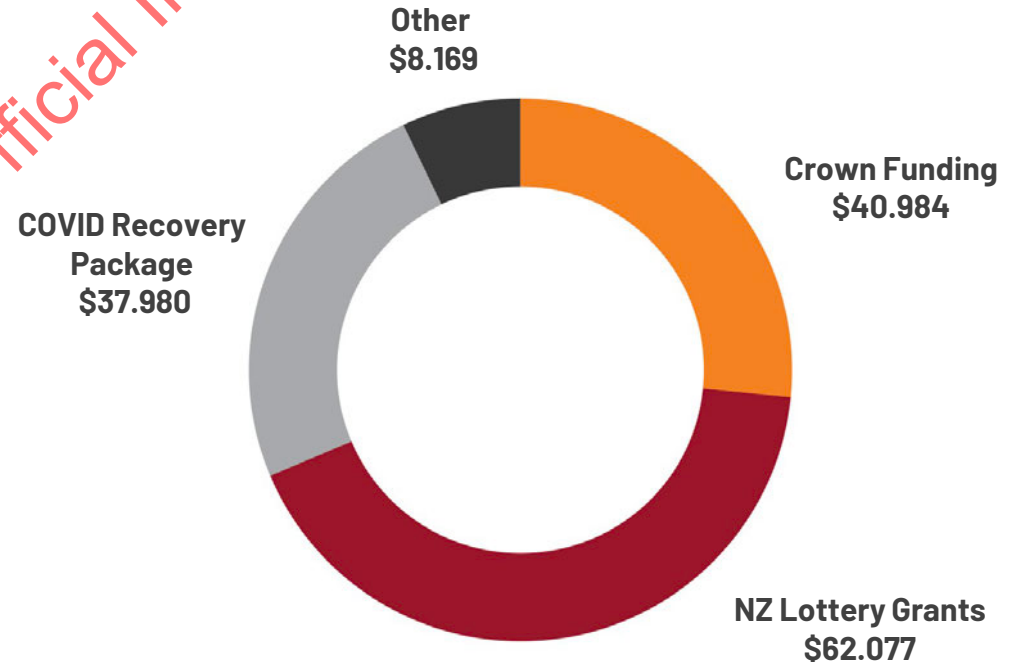
Sport NZ is forecast to receive approximately \$149 million (of the \$235m Group funding) in 2023/24 and has a focus on tamariki and rangatahi

Sport NZ funds the sector to provide physical activity opportunities for tamariki and rangatahi in a number of ways including:

- funding to support National Sport Organisations, National Recreation Organisations, Regional Sports Trusts and Disability and Education Partners to provide leadership and ensure quality physical activity experiences for tamariki and rangatahi.
- funding for the delivery of specific programmes to promote physical activity such as Healthy Active Learning and He Oranga Poutama.
- funding that is directly available to support organisations or individuals with the costs of being active such as the Tū Manawa Active Aotearoa fund, Disability Inclusion fund, Women and Girls Activation fund, and Individual Hardship Funds.

The following diagram shows the makeup of Sport NZ's 2023/24 revenue:

Sport New Zealand funding 2023-24 (\$M)



Sport NZ investments are mainly split across partnerships, programmes and funds

The below diagram shows a focus across Sport NZ's investment portfolio on improving physical activity levels of tamariki and rangatahi and specifically those who are missing out.



Partnerships ~\$25m p.a.

We invest in 91 partners - examples include:

NZ Hockey, Football etc

Recreation Aotearoa

Halberg Foundation

Sport Canterbury

School Sport NZ



Programmes ~\$25m p.a.

Examples include:

Healthy Active Learning

Local Play Workforce

He Oranga Poutama

Regional Sport Directors



Funds ~\$25m p.a.

Examples include:

Tū Manawa

Disability Inclusion Fund

Outdoor Activity Fund (He Puna Korikori)

Women & Girls Activation Fund

Strategic Leverage Fund

Rural Travel Fund



Recovery \$264m total across 2020-2024

Examples include:

Strengthen and Adapt National Partner Programme

Individual Hardship Funds

Kaupapa Māori Response Plan

Hawaiki Hou

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From the \$235m Group funding, High Performance Sport NZ is forecast to receive \$86 million in 2023/24 to achieve success on the world stage

In January 2022 High Performance Sport NZ announced a new three-year investment package under the new Targeted Investment Framework.

The investment package is aimed at continuing international success for New Zealand athletes, while also increasing support for the wellbeing of everyone in the high-performance system.

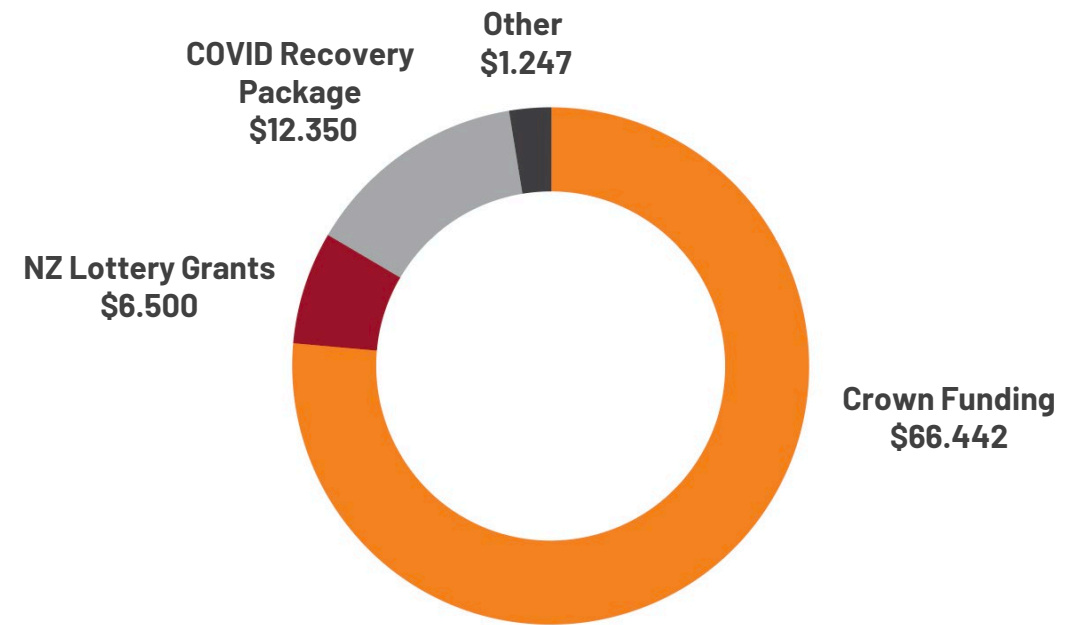
\$63.5 million per annum is being directly invested into 44 National Sporting Organisations. The \$63.5 million is made up of:

- \$39 million investment into 44 National Sporting Organisations
- \$10 million investment into TAPS (athlete payments)
- \$11 million for specialised athlete support
- \$3.5 million for National Sporting Organisations wellbeing initiatives including Women in Sport.

The National Sporting Organisations investment is being directed to 10 Podium Sports and 34 Aspirational Sports*, some of which have never received High Performance Sport NZ funding before, such as climbing, badminton, e-sports, touch rugby and motorcycling. Support for Para disciplines in canoe, waka ama and shooting is also provided through the increased investment. By confirming investment through to Paris 2024, we were able to provide National Sporting Organisations and their athletes with more financial certainty.

The following diagram shows the makeup of High Performance Sport NZ's 2023/24 revenue:

HPSNZ funding 2023-24 (\$M)



*Podium Sports' are those most likely to succeed at pinnacle events and 'Aspirational Sports' are growing in interest and potential to achieve podium performances in the future.



Challenges

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Our biggest key strategic issue is the proposed changes to our Lottery Grants Funding

- Lottery funding makes up more than 60% of Sport NZ's revenue and is the primary funding source for investments into our partners. Currently 42% of annual lotteries net profits is distributed to four organisations (Sport NZ, Creative New Zealand, New Zealand Film Commission and Ngā Taonga Sound and Vision) by the Lottery Grants Board with Sport NZ receiving 20% of annual lotteries net profits.
- Following a recent funding review, the LGB is considering changes to the way lotteries funds are allocated. We have two concerns:
 - the Lottery Grants Board is yet to finalise the basis for future allocations. This creates uncertainty around funding which will impact on our ability to give multi-year funding certainty to our sector partners.
 - under the current system, the four statutory agencies share the benefits of any upsides as well as managing any downsides from lotteries profit variations. The Lottery Grants Board is proposing a change in which the four statutory agencies would be expected to manage any downside risks from lower profits but with no guarantee of sharing any upside if profits are higher than forecast.
- We are in discussion with the Department of Internal Affairs (which advises the Lottery Grants Board) and Ministry for Culture and Heritage about these proposals and have advised it of our concerns which are shared by the other statutory agencies.
- We will provide you with more information about this issue in the coming weeks.



We are heading into a more constrained financial period...

- Sport NZ Group (both Sport NZ and High Performance Sport NZ) has committed the bulk of its reserves to current priorities, programmes and investments within the 2024 strategic cycle.
- Surplus reserves are expected to decrease over the next 2-4 years as these commitments are delivered.
- Lotteries funding is expected to have peaked (\$70m) and Sport NZ has been advised to anticipate a 5% decline from FY24 and in future years.
- Cost pressures across both Sport NZ and High Performance Sport NZ are significant (more than \$116m across the period) and cannot be met within existing funding envelopes.
- Any increase to core funding across the Group will be determined by the appetite of the Crown to increase funding through future Budgets.
- We recognise the opportunities to partner more closely with other government agencies that have mutually beneficial outcomes, acknowledging that all agencies are operating in an increasingly constrained environment.
- The 2024-2028 Strategy will need to be underpinned by a financially sustainable operating model delivered within core funding envelopes.
- The balance between spend on core operating costs, programmes and investment will be a critical challenge.

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...and cost pressures are a key feature of Budget Bid decisions

Significant cost pressures mean additional funding will be needed in Budget 2024 to continue to deliver the same level of high-performance and community outcomes.

Cost pressures across the sector were identified but not funded through Budget 2023.

Issues such as the increasing costs of goods and services, and ageing infrastructure are placing increasing pressure on organisations to deliver on the outcomes they are funded for.

This is particularly evident in high-performance sport where the cost of travelling and participating in international events has risen sharply in recent years. Notably, in high-performance we have also experienced increased costs from a greater emphasis on prioritising athlete wellbeing. Continuing current levels of investment and programme activity across the Group into 2025-2028 would place High Performance Sport NZ in an unsustainable financial position.

The table on the right shows potential 2024 Budget initiatives. A full briefing on funding pressures and possible Budget 2024 priorities will be provided in coming weeks.

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The sector is also facing increasing funding challenges

Sport NZ is reviewing the funding system to identify how it could be strengthened.

A recent NZIER study shows that the play, active recreation and sports system receives almost \$4 billion each year but this funding is under severe pressure with a real term decline (accounting for inflation) of approximately \$570m (15%) between 2018 and 2022.

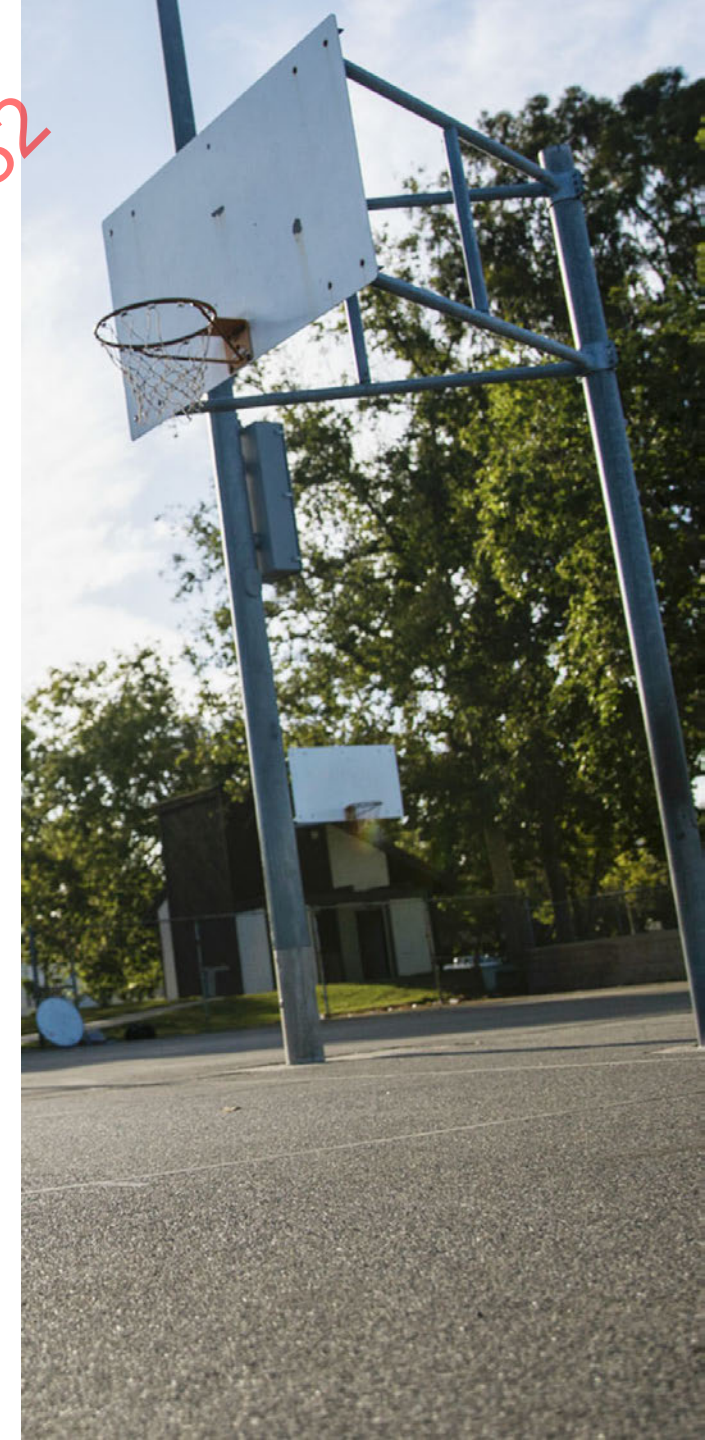
The biggest decline in revenues have come from membership, participation, sponsorship and commercial activities and this has led to an increasing reliance on funding from central and local government, and Class 4 gaming (e.g. revenue from pokies). Reliance on these sources of funding is a concern given the increased pressure that both central and local government budgets are under. The situation is exacerbated by the fact that the central government funding noted in the NZIER study was boosted by Covid-19 related funding, the majority of which was time-limited and has now concluded.

Funding comes from a wide range of sources, including, but not limited to:

- Participants (from membership, subscription and event entry fees)
- Local government (primarily operational costs of facilities and parks)
- Central Government (primarily the Sport NZ Group and the Department of Conservation)
- Class 4 gaming Grants, Lotto and TAB
- Sponsorship and philanthropy.

These funding sources often do not combine well to provide ongoing sustainable support so that organisations can focus on keeping New Zealanders active. There are also structural issues that mean some funding may be vulnerable in the future (e.g. the growth of online betting and gaming) and very limited funds for key areas such as community sport and recreation infrastructure.

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Wider Sector and Government Engagement

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Wider Sector and Government Engagement

The Group's cross-government work helps deliver government priorities and improve the lives of New Zealanders

Participation in physical activity and play can help achieve many of the outcomes that government seeks to achieve. For example, it can contribute to improved physical and mental health, improved attendance and engagement at school and mitigating the impact of climate change.

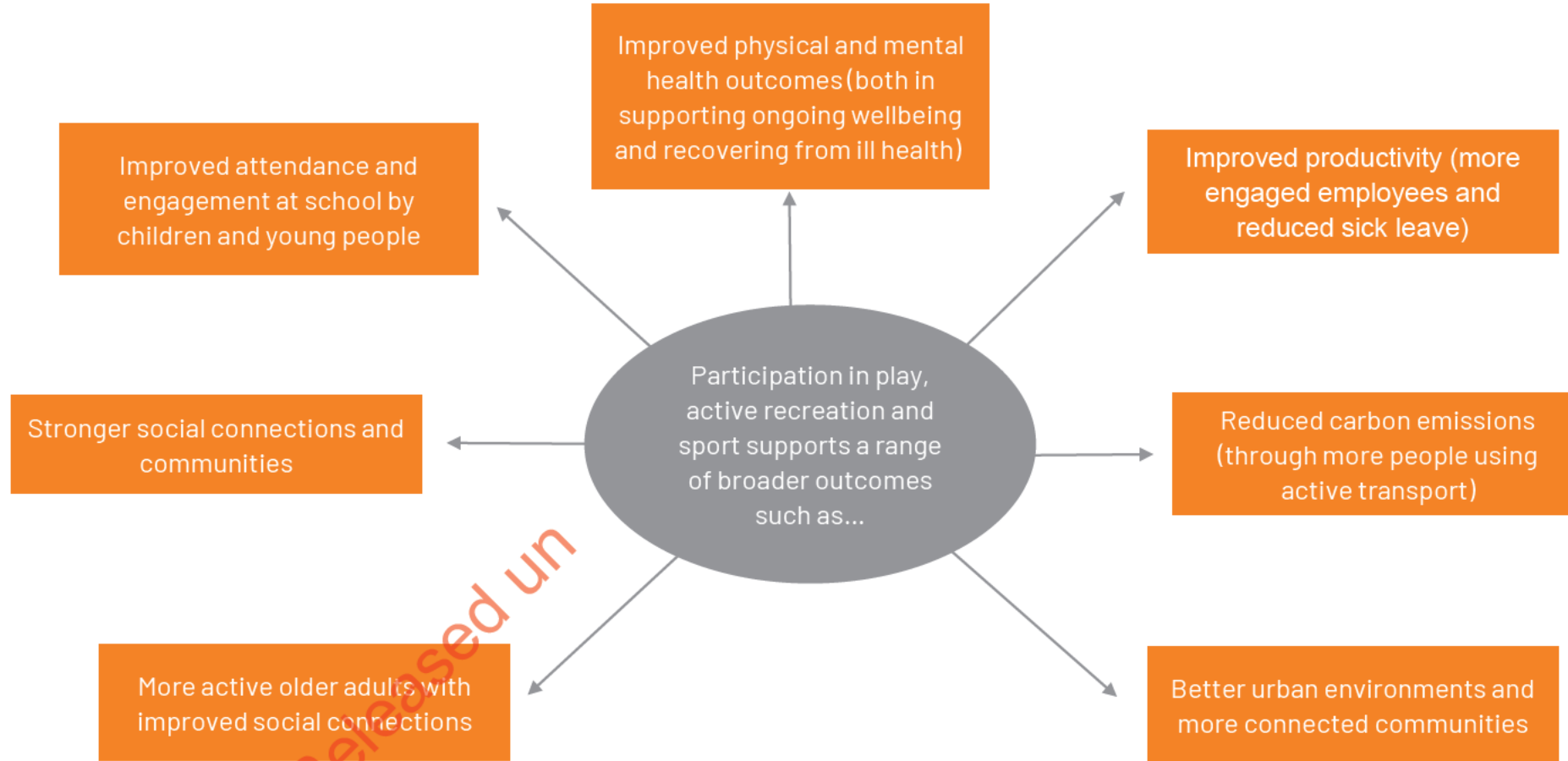
Our cross-agency work includes continued collaboration with other agencies on key programmes such as Heathy Active Learning and Mātaiao, support for major sporting events such as the FIFA Women's World Cup (2023) and the recent Cricket (2022) and Rugby World Cups (2022)- we have worked with partners across government and the wider sector to deliver three successful Women's World Cups in two years. A key part of getting women and girls participating in sport is the visibility of other women and girls involved, and these events showcased that at the highest level.

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Wider Sector and Government Engagement

Play, active recreation and sport supports a range of outcomes that relate to other Ministerial portfolios and are beneficial for individuals, communities and society



Wider Sector and Government Engagement

Sport NZ's National Physical Activity and Play Plan will continue to drive collaboration

In June 2023 Cabinet endorsed a National Physical Activity and Play Plan to guide government work on play and physical activity. At a practical level this involves a focus on physical activity and play as a way to:

- improve physical and mental health outcomes for New Zealanders
- improve school attendance and engagement
- improve the uptake of active transport in schools and communities.

Agencies are collaborating on the above areas to improve outcomes using existing resources. There are additional opportunities that could be explored but which would require additional funding.

Sport NZ also works with individual government agencies on specific projects such as with Oranga Tamariki to improve the opportunities for children and young people in care to access quality play, active recreation and sport experiences.

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Key Organisations

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Ministry for Culture and Heritage

The Ministry for Culture and Heritage is Sport NZ's monitoring agency. Ministry for Culture and Heritage will provide you with a short BIM covering its responsibilities in relation to Sport NZ.

Ministry for Culture and Heritage provides you with monitoring and purchase advice about the agencies in the sport and recreation portfolio. It receives \$319,000 per annum for these services, which also covers the costs of your portfolio Private Secretary.

Ministry for Culture and Heritage also manages the appointments process for the Sport NZ and Drug Free Sport NZ Boards, as well as for the Sports Tribunal and the new Integrity Sport and Recreation Commission.

Sport NZ's alignment with Ministry for Culture and Heritage's outcomes for the wider cultural sector is predominantly in the following two areas:

Engage

Engagement in cultural and sporting activities is increasing

Excel

Athletes, artists and organisations achieve excellence.

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Integrity Sport and Recreation Commission

In recent years, several reviews have identified significant harm being experienced by athletes and other participants in sport and active recreation.

Concerns about participant welfare, bullying, abuse and inappropriate behaviour and culture have come to public attention, including in football, gymnastics, cycling, hockey and canoe racing.

In 2020, the Play, Active Recreation and Sport Integrity Working Group was established to make recommendations to the Minister for Sport and Recreation and the Sport NZ Board on the most appropriate institutional arrangement(s) to manage integrity across the system. It recommended the establishment of a new standalone organisation incorporating Drug Free Sport NZ and Sport NZ's integrity functions.

The Integrity Sport and Recreation Act 2023 establishes the Integrity Sport and Recreation Commission (the Commission) as an independent Crown entity. A Ministerial Advisory Committee, the Integrity in Sport and Recreation Establishment Board (the Establishment Board) is chaired by Don Mackinnon.

The Establishment Board will provide a separate BIM for you.

The Commission will formally commence its work by 1 July 2024, including:

- developing and issuing integrity codes
- providing advice, support, education and guidance
- providing complaint and dispute resolution services, initially taking responsibility for the existing independent Sport and Recreation Complaints and Mediation Service
- undertaking anti-doping testing services and education; and
- investigating breaches of integrity standards.

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Drug Free Sport New Zealand

Drug Free Sport New Zealand is currently New Zealand's National Anti-Doping Organisation.

It carries out New Zealand's anti-doping programme, is a signatory to the World Anti-Doping Code and provides technical advice on anti-doping. It is an independent Crown entity set up under the Sport Anti-Doping Act 2006 (Anti-Doping Act). The Anti-Doping Act is administered by Sport NZ which provides policy advice to the Government on all anti-doping matters. Drug Free Sport New Zealand will provide a separate BIM for you.

Drug Free Sport New Zealand will become part of the new Integrity Sport and Recreation Commission.

Drug Free Sport New Zealand's activities are concentrated on the following areas:

- Engagement – building an anti-doping programme focussed on supporting athletes and sports
- Education – educating athletes, support personnel and sports administrators on how to compete cleanly
- Testing – running a testing programme to detect and deter doping, primarily with elite athletes
- Intelligence and investigations – carrying out investigations into, and bringing proceedings against, athletes as appropriate where sports anti-doping rules have been breached
- Advocacy – advocating internationally for clean sport, on behalf of Kiwi athletes and sports, to seek consistently applied standards and approaches.

Drug Free Sport New Zealand has a strong international reputation in anti-doping, providing leadership on anti-doping best practice across Oceania and further afield. Its performance is monitored, on your behalf, by the Ministry for Culture and Heritage. Sport NZ holds the policy function for Drug Free Sport New Zealand and provides policy advice on all anti-doping matters including New Zealand's international obligations. Sport NZ maintains a strong working relationship with Drug Free Sport New Zealand and regularly seeks its expert input on a range of anti-doping matters.

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The World Anti-Doping Agency (WADA)

World Anti-Doping Agency is responsible for harmonising the worldwide movement for doping-free sport.

The World Anti-Doping Agency's key activities include monitoring the World Anti-Doping Code (the document harmonising anti-doping policies for signatory sports and countries), scientific research, education and development of doping detection capabilities. New Zealand makes an annual contribution to the World Anti-Doping Agency's operating costs.

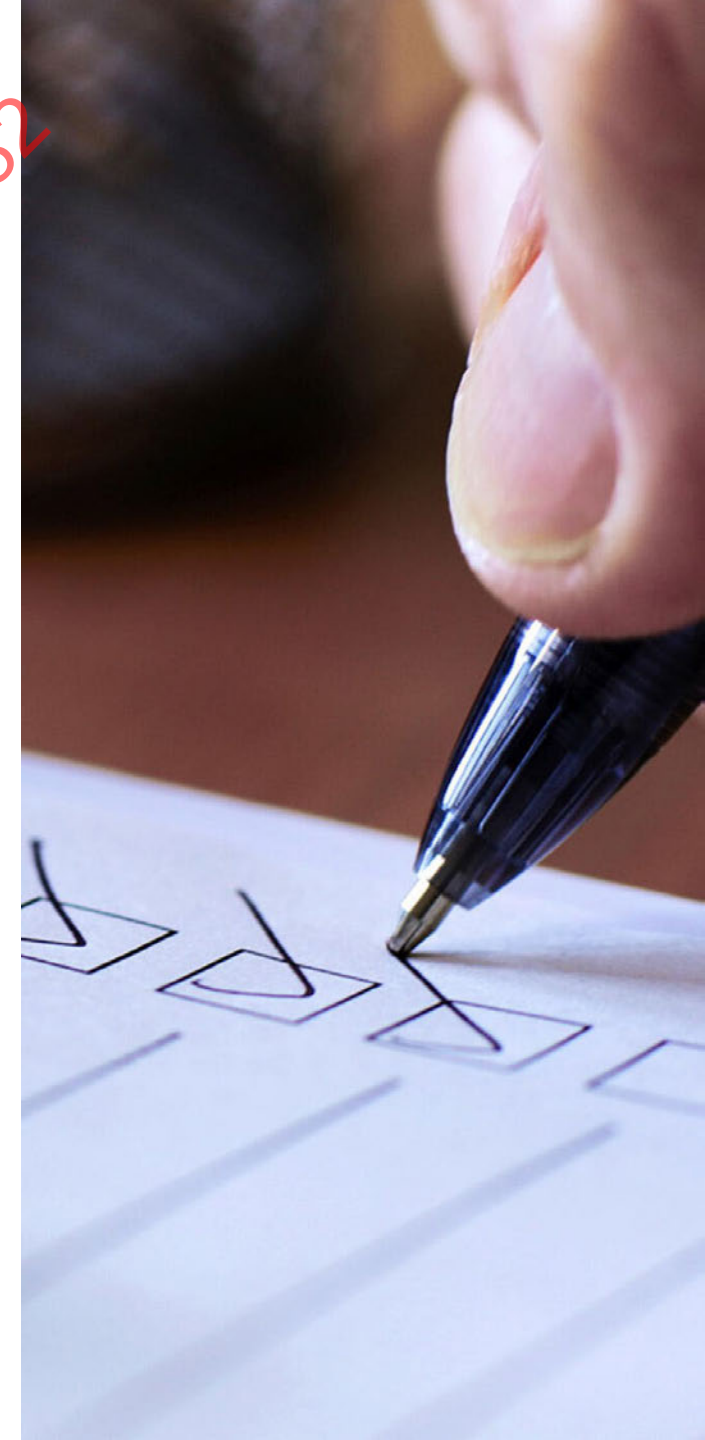
Government representation within the World Anti-Doping Agency is allocated according to the five Olympic regions, New Zealand being a member of the Oceania region. Each region is represented on both the World Anti-Doping Agency's overarching Foundation Board (the Board) and the Executive Committee, with Oceania having two seats on the Board and one on the Executive Committee. Oceania is represented across both bodies by Australia, Samoa and New Zealand, with New Zealand currently holding a seat on the Board. New Zealand will rotate onto the Executive Committee in 2024. One Board meeting is held each year generally in November, with Executive Committee meetings held three times a year - with the final of these immediately preceding the Board meeting.

Officials from Australia, Samoa and New Zealand work closely together to support the work required to consider anti-doping matters as a region and to develop agreed positions for Oceania.

We also work closely with Drug Free Sport New Zealand officials in the production of any advice produced to support attendance at the World Anti-Doping Agency to ensure it includes consideration of operational and technical matters.

You will receive more information on the process required to confirm New Zealand's representative on the World Anti-Doping Agency through a separate briefing, including the need for the nomination of a deputy to attend meetings in your place as required. In general, the representative positions of public authority members of the World Anti-Doping Agency are held by Ministers.

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Sports Tribunal of New Zealand

The Sports Tribunal (the Tribunal) is an independent statutory body established under the Sports Anti-Doping Act 2006.

The Tribunal is the national hearing body for anti-doping matters and other sports disputes such as appeals against selection decisions of national sporting bodies or the New Zealand Olympic Committee, and any matters brought by agreement of all parties to a dispute.

The aim of the Tribunal is to ensure that National Sporting Organisations, athletes and other parties to a sports dispute have access to a fair, objective and just means of resolving disputes within the Tribunal's jurisdiction that is affordable, timely and efficient.

The Tribunal members are appointed by the Governor-General on your recommendation, after consultation with the Sport NZ Board. Sport NZ holds the policy function for the Tribunal under the Sports Anti-Doping Act 2006. It is also responsible for the administration of the Tribunal and employs and houses the Tribunal's Registrar.

The new Integrity Sport and Recreation Commission may become the source of additional hearings and appeals for the Tribunal once it comes into existence; this may include hearing disputes arising from the application of the new integrity code and hearing appeals against decisions of a disciplinary panel or a disciplinary body established by an organisation that has adopted the integrity code.

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