


2015





More Kids 89%

New Zealand comes first equal in an international physical activity report card for youth

Around 9/10 kids are doing 3 hours or more of formal or informal sport a week



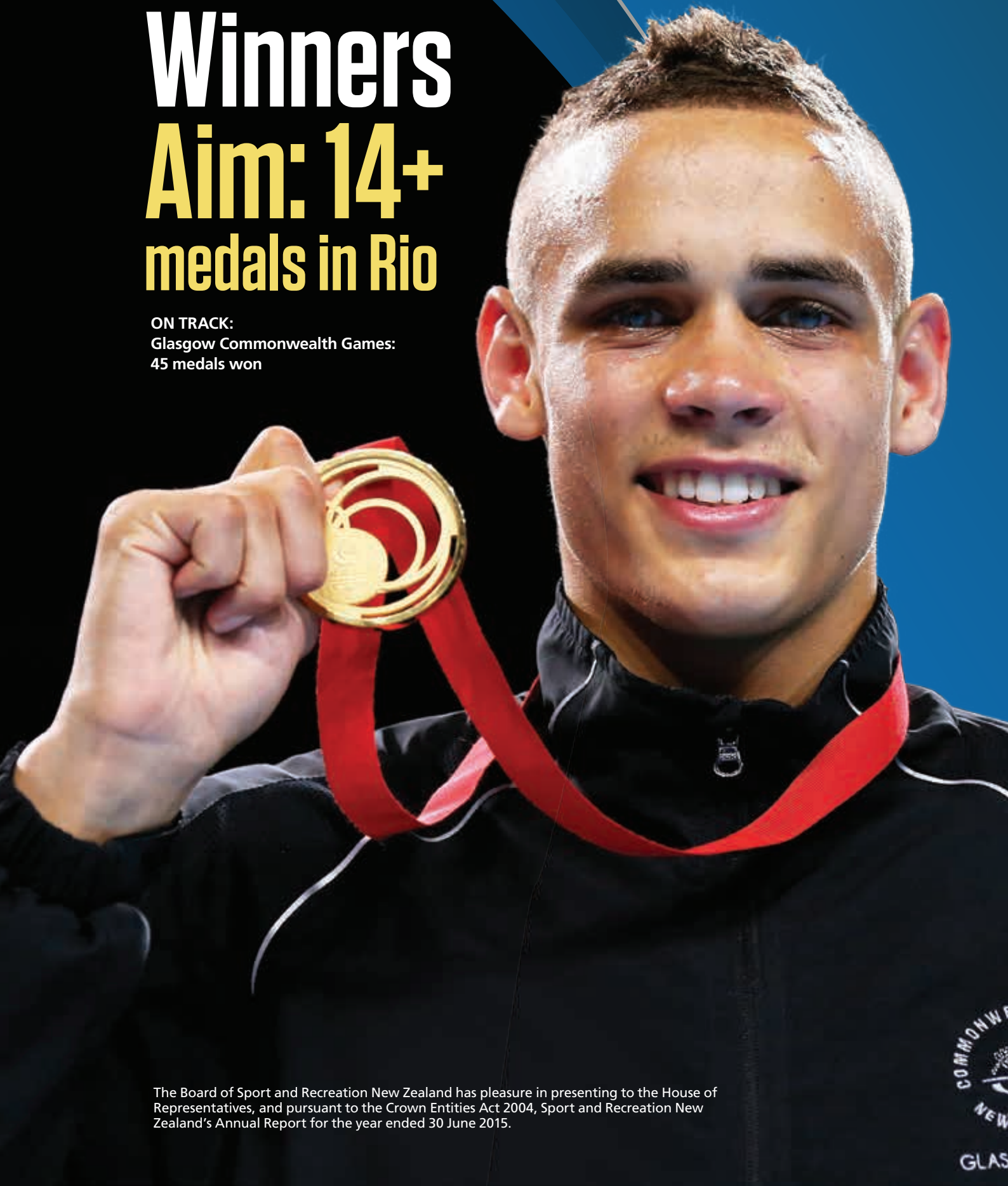
More Adults 74%

Around 3/4 of adults take part in sport and recreational activities during any given week

29% of adults volunteer for a sport and recreation activity

More Winners Aim: 14+ medals in Rio

ON TRACK:
Glasgow Commonwealth Games:
45 medals won



The Board of Sport and Recreation New Zealand has pleasure in presenting to the House of Representatives, and pursuant to the Crown Entities Act 2004, Sport and Recreation New Zealand's Annual Report for the year ended 30 June 2015.



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Introduction

Our Highlights

New strategy launches

In March, the Minister for Sport and Recreation Hon Dr Jonathan Coleman helped us launch the new Sport NZ Group Strategic Plan 2015-20 and the Community Sport Strategy 2015-20. These plans signalled the start of a new era for the Sport NZ Group and are aimed at ensuring New Zealand is the world's most successful sporting nation.





World Cups inspire the nation

New Zealand hosted highly successful Cricket and Football U20 World Cups in 2015. These tournaments built on the legacy of the Rugby World Cup 2011, set new leverage and legacy benchmarks for New Zealand events, and proved once again that this country is an excellent host of major international sporting events.



Sport in the lives of young Kiwis

Just over 870,000 children took part in Kiwisport initiatives during the year. As we shaped our Community Sport Strategy, we found:

- **Sport is an important part of young people's lives** - Young people like playing sport a lot and most take part in many different sport and recreation activities
- **Team sports like football, netball and rugby are still extremely popular**
- **Schools and clubs remain important sports settings**
- **Competition and skills development are important features**
- **Active recreation** (running, biking, walking and a wide variety of activities) **in informal settings is also popular.**



A Royal visit

The red carpet was rolled out at High Performance Sport New Zealand's (HPSNZ) National Training Centre when HRH Prince Harry of Wales visited in May. The Prince was given an insight into cutting edge Kiwi technology and some of the work that goes on behind the scenes to give Kiwi athletes a competitive edge. The visit was also a hit across HPSNZ social media channels with Prince Harry's visit spurring over 800,000 impressions on Twitter – with almost every tweet featuring an HPSNZ logo.



Coaching takes another step forward

Coaching is central to the ongoing success of New Zealand sport, all the way from grassroots to high performance. This year Sport NZ put about 170 coaches through coach development programmes, giving them knowledge, skills and networks to take back to their local communities. A further 1,000 young people undertook coach training. HPSNZ continued its highly successful Coach Accelerator Programme, with this year's participants including Football's Anthony Hudson and Rugby's Scott Robertson. Also, planning is underway to host a nationwide coaching convention, bringing together a range of coaches to explore what's special about 'Kiwi Coaching'. That convention will be held in December 2015.



Commonwealth Games success

The 2014 Glasgow Commonwealth Games were a runaway success for New Zealand. The 45 medals won in Glasgow across a staggering 14 sports equalled the 2002 Manchester Games for the amount of medals won overseas. The 14 golds won in Glasgow are only bettered by the 1990 Games in Auckland where 17 golds were won. When combining this with the successful 2012 London Olympics where 13 medals were won, and consistent podium results at world championship Olympic events, New Zealand athletes can move towards the 2016 Rio Olympics with great confidence.



World-class facilities – the opening of the National Aquatic Centre

Another piece was added to New Zealand's network of high performance sports facilities, when the Sir Owen G Glenn National Aquatic Centre opened at AUT Millennium in May 2015. The state of the art swimming venue, which will also be a centre of excellence for swimming, will contribute to New Zealand's world-leading sports system. Sport NZ provided a \$1.5 million investment to help build the \$25 million facility.

Sport Central opens in Auckland

To increase our reach into Auckland and work more closely with partners who deliver sport in the region, we were proud to open Sport Central this year. As a hub for a range of sporting organisations to work more closely together in our largest city, Sport Central will create cost-efficiencies and collaboration. That in turn will result in a bigger impact being felt at the community level. Triathlon New Zealand, Hockey New Zealand, Aktive – Auckland Sport and Recreation and College Sport Auckland have co-located with Sport New Zealand (Sport NZ) in the Mt Eden hub.



More Kiwis participating and volunteering

The 2013/14 Active New Zealand survey showed that sport and recreation continues to play a big part in the lives of New Zealanders. According to the survey, three-quarters of adults (74%) take part in sport and recreation in any given week – a small increase (1%) on the last survey 6 years ago. The number of adults volunteering in sport and recreation has also increased (almost 3% since 2007/08) with almost 1 million adults giving their time to help make sport happen in communities each year. These are solid results when compared to overseas where participation rates are falling.



Strengthening the integrity of sport

In December, the Government acted to further strengthen the integrity of New Zealand sport by amending the Crimes Act 1961 to ensure match-fixing was included. The change gave greater certainty to law enforcement agencies and international sporting bodies working in this space, and reinforced New Zealand's reputation as a leader in sport integrity.



The great outdoors – the Hillary Expeditions

Our Hillary Expedition crews again demonstrated the great Kiwi pioneering spirit, pushing the boundaries and savouring success in the great outdoors. We have invested \$63,000 to fund eight expeditions through the 2014/16 funding round, with three being completed so far. This included the four-person, eight husky, team which explored the wild and snow-bound terrain of Southland, Otago and South Canterbury to discover 'New Zealand's classic snow dog trail'. Hillary Expedition adventurers provide a great source of inspiration for all New Zealanders to consider getting into the outdoors themselves.

Increased philanthropic support

Sport NZ and HPSNZ have launched a joint philanthropic project with the New Zealand Olympic Committee (NZOC), to raise funds for teams and athletes preparing for the Rio Olympic Games. The 'BlackGold' project seeks to engage with philanthropists and business people, living both here in New Zealand and overseas, who share our passion for sport and want to see New Zealand and New Zealanders continue to succeed.

Support for talented young athletes

The Pathway to Podium (P2P) initiative took great strides this year. All of the talent hubs have been established, with one in each Regional Sports Trust area. Thirteen National Sporting Organisations have implemented P2P within their programmes. All of which resulted in 230 athletes and 145 coaches taking part in the programme. Some graduates of the programme have already gone on to achieve success on the world stage, with Regan Gough's Gold medal at 2015 Senior World Cycling Champs perhaps the most notable.

**PATHWAY
TO PODIUM**

SPORT NZ - HIGH PERFORMANCE SPORT NZ







From the

Chairman and Chief Executive

It is our pleasure to present this Annual Report for the Sport NZ Group, reflecting on a year in which we launched a new Strategic Plan and with it our aspiration for New Zealand to be the world's most successful sporting nation.

New Zealand is a country that loves sport, and we're good at it. We currently have child and adult participation rates ahead of most of the countries we compare ourselves with. In addition, our high performance system is acknowledged as world-leading, producing results well beyond what you would expect from a country of this size. As a result of these two things, we have a sports system that is the envy of the rest of the world.

But the world of sport is rapidly changing and we face many challenges. With the high performance system having made significant gains in recent years, we are now working hard to help community sport take that next step. That's the purpose of the new Community Sport Strategy we launched this year. We are determined to continually develop that space and protect New Zealand's sporty, active heritage.

The Active NZ survey, released in March 2015, found that sport and recreation continue to play an important part in the lives of Kiwis. Close to three-quarters of adults (74%) take part each week – that's a slight increase since our last survey 6 years ago, which is very encouraging considering in many places in the world participation is decreasing. Even more pleasing is that the majority of those people are doing something 3 or more days a week. We believe this makes our participation levels among some of the highest in the world.

This year Kiwis have continued to achieve great podium success on the international stage. New Zealand achieved an amazing result at the Glasgow Commonwealth Games, winning 45 medals including 14

Gold. We became the top nation in the world in Rugby League and the All Blacks retained that spot for another year. We are currently second in world rankings for rowing. Lydia Ko's rise and rise continued at pace and the Breakers completed their fourth victory in the ANBL. We had a raft of world champions in other sports, too, such as canoe racing, cycling and sailing. These are just a few of our international successes.

In the events space we co-hosted the ICC Cricket World Cup at which the New Zealand team took fans on a thrilling journey all the way to the final, and hosted the FIFA Under 20 World Cup, to acclaim from all involved. Having hosted the Junior Rugby World Championships in 2014 we then went on to win it in Italy in 2015. The role of the Sport NZ-based World Cups Office in ensuring the success of these events, in conjunction with other agencies, deserves special mention, receiving a 100% satisfaction rating from the various stakeholders they worked with.

We continued to progress our network of world-class facilities, with the opening of the Sir Owen G Glenn National Aquatic Centre in Auckland and made progress towards improved facilities for canoe racing, hockey, snow sports and at the High Performance National Training Centre, among others. We also signalled an intention to contribute further to the revitalisation of Christchurch's sporting infrastructure, with the Government's announcement of a new Metro sports facility.

Through all of this, engagement and confidence levels among athletes, our sector partners and staff have remained high. So we have plenty to celebrate.



The Sport NZ Group

The value of sport to New Zealand society is enormous, it's a big part of our national identity and contributes significantly to other areas of society. However there are challenges to be faced and we have to work hard to address them if we are to preserve our proud sporting heritage.

The new Sport NZ Group Strategic Plan, launched in March, responds to these challenges, focusing on four key areas – young people; strengthening the local delivery of sport; ensuring our traditional sports competition pathways remain strong; and continuing to drive high performance outcomes through the great work of HPSNZ.

In all that we do, from grassroots to high performance, our approach focuses on three important things:

- Participant focused - focused on the needs and expectations of participants and athletes
- System led - focusing on the 'system attributes' which best impact participation and winning
- Performance driven - holding ourselves and others accountable and seeking continuous improvement.

We continued our work protecting and strengthening the integrity of sport, particularly match-fixing. We worked with officials at the Ministry of Justice and with Police to have the Crimes Act amended in December to ensure that match-fixing was included in time for the ICC Cricket World Cup. We also continued to support National Sports Organisations to adopt their own policies and educate their athletes, coaches and officials. We also expanded our cooperation with other Government agencies through the Inter-Agency Integrity Group and the Minister took up a position on the World Anti-Doping Agency (WADA) Executive Committee.

Our greater cooperation with other government agencies extended well beyond the integrity space. In particular we collaborated with the Ministry of Health. We also significantly expanded the work we're doing with Education, ACC and others. The ability of sport to contribute to these areas is now more widely accepted, so our mandate continued to grow.

Another area of focus for us has been Auckland, by definition New Zealand's largest sporting city. We are delighted with the progress made during the year on the Auckland Sport and Recreation Strategic Action Plan and the alignment that is being achieved among its major stakeholders, including Auckland Council and Aktive Auckland Sport & Recreation, among others.

This year we opened Sport Central in Auckland, a new hub for a range of sports organisations to work more closely together.

New Zealand is a country that loves sport, and we're good at it.

Our aim is to sustain and grow traditional sport structures and pathways, the backbone of our sports system.

Community SPORT

2014/15 was an important year for Community Sport. It heralded in an exciting era when our new Community Sport Strategy will help us make another step-change in community sport.

This year we took big strides towards understanding some of the emerging issues that threaten to undermine New Zealand's traditionally high sports participation rates for adults and young people.

Things are changing and we can't assume New Zealand will always be a sporty, active nation. Young people have increasingly sedentary lifestyles. Urbanisation and other societal trends are changing the way Kiwis participate.

But over the years we have learnt a lot about the opportunities and challenges in community sport and the role of different stakeholders in delivering opportunities to New Zealanders, including our own role in leading change.

Our new strategy aims to sustain the positive momentum that has been created but also signals a step change for Sport NZ in the way it helps drive the delivery of community sport.

The new strategy is aimed at building a stronger information base for guiding our investment decisions and enables better alignment with regional investors and stakeholders. It will see more cross-government engagement and collaboration and be based on a system-led, participant-centred approach.

We will continue to have a strong focus on young people and schools and to work with our partners to sustain and grow traditional sport structures and pathways, as these are the backbone of our sports system. Additionally, we will focus on improving local delivery of sport, particularly in communities where participation is low. While the change is not revolutionary, it does signal Sport NZ's determination to play a more decisive leadership role in community sport.

To enable this to happen we've built a team of world-leading experts in the community sport area, who are energised and poised to move forward.

While this change has been happening our existing programmes have carried on at pace.

Our Sport in Education project continued to go from strength to strength this year with more schools joining the project.

Our talent development programme, Pathway to Podium, continues to develop strongly. Pathway to Podium bridges the gap to high performance sport for identified pre-elite athletes and coaches. The programme is being delivered in partnership with 14 regional talent hubs around New Zealand.

Other programmes such as KiwiSport and Active Communities also continued to enable kids and adults around the country to participate in sport when they might not have otherwise. And the Lotto Sportmaker programme recognised and rewarded thousands of sports volunteers around the country.

We believe we are on track to achieve our goal of 14+ medals at the Olympic Games and 12 Gold medals at the Paralympic Games.



The 2014/15 year saw New Zealand's high performance system continue its drive towards the Rio Olympic and Paralympic Games in 2016. We believe we are on track to achieve our goal of 14+ medals at the Olympic Games and 12 Gold medals at the Paralympic Games. That would make Rio the most successful Games ever for New Zealand.

Some examples of our Olympic athletes' success include Valerie Adams achieving 56 straight wins at international meets, Lisa Carrington being recognised as the leading individual kayak paddler in the world, sailors Peter Burling and Blair Tuke being undefeated in World Cups and World Championships since London 2012, the Cycling Men's Team Pursuit winning Gold at the 2015 World Championships and New Zealand becoming the number one nation in the world in rowing during 2014/15.

Outside of Olympic sports we also had huge success in Rugby League, Cricket, Surf Life Saving and a range of other sports.

Across the Rio Olympic Cycle to June 2016, HPSNZ will invest around \$250 million into the high performance system – through the programmes of targeted sports and direct to coaches and athletes through Performance Enhancement Grants, Prime Minister's Scholarships, Athlete Performance Support, and innovation and technology.

The key factors in our ongoing success include strong sector leadership, the creation of world-class daily training environments, effective system integration, innovation and recruiting world-class people.

With every effort being made to support and develop carded athletes, it's pleasing they rate highly the quality of assistance they receive from HPSNZ. That's the finding of a survey of athletes, which showed that 90% of Rio podium potential athletes believe our quality of advice and support had a positive impact on their preparation and/or performance.

We should also acknowledge the outstanding contributions of our partners in the high performance space, including national sports organisations and the New Zealand Olympic Committee.

Recognising excellence

Excellence, leadership and outstanding achievement in sport and recreation were recognised at the sector's two premier award ceremonies this year – the New Zealand Sport and Recreation Awards and the Halberg Awards.

Olympic Gold medal windsurfer Barbara Kendall was honoured with the Sport NZ Leadership Award at the 52nd Halberg Awards. Barbara has excelled on the world stage both in her career as an athlete and in sports leadership roles. She's been a pioneer for women in sport – from the sports field to the boardroom.

Also at the Halbergs, golf sensation Lydia Ko was awarded the HPSNZ Sportswoman of the Year, while inspirational New Zealand cricket captain Brendon McCullum was named HPSNZ Sportsman of the Year.

At the New Zealand Sport and Recreation Awards, Rowing NZ Chief Executive **Simon Petersen** (pictured below) received the prestigious CK Doig Leadership award. Simon has guided Rowing NZ through some of its greatest international successes, and has delivered a number of major initiatives to ensure rowing retained its cutting edge. Arthur Klap, Howie Tamati and Fay Freeman were also recognised with Lifetime Achievement Awards.

Financial outlook

The Sport NZ Group held reserves of \$36 million at balance date. This figure represents a \$10 million reduction over the 2014/15 year as reserves have been expensed against previously funded projects including the Cricket and Football U20 World Cups, and our continued investment in high performance facilities.

With an unexpected drop in NZ Lottery Grants revenue during the period and expected drop in 2015/16, totalling \$11 million, our current reserves balance is under pressure. The Group is able to protect and deliver financial commitments in 2015/16. However, with reserves forecast to be fully depleted as early as 2017, our ability to achieve our strategic intent if lottery funding does not revert to the previously higher levels is impacted.

For HPSNZ, in particular, this is further compounded as it prepares its campaign for Tokyo Olympics 2020 and beyond, with escalating costs of high performance programmes. Success on the international stage comes at a cost – more athletes competing significantly increases the total system cost.

We are taking steps to actively manage this situation over the next 6 to 12 months.



Driving effectiveness and efficiency

We continue our drive for optimal efficiency and effectiveness across the Group. The vast majority of public money is invested directly in partners through funding community and high performance programmes along with the provision of direct athlete support to high performance athletes and sector specific advice and expertise.

Additional funding is directed towards the development of high performance facilities across the country to ensure our top athletes have a world-class training environment. To date, we have been successful in leveraging our \$40 million investment to gain \$60 million third party investment for high performance facilities with an estimated total cost of \$100 million.

To ensure our investment management is as effective as possible in the long term means close and timely engagement with partners is required. We have, therefore implemented a new contracts and investment management system which enables up-to-date interactions; a single, consistent information source and streamlined accounting processes.

We have improved the stability of our technology systems and are planning further enhancements in 2015/16 that will meet business needs.

A strengthened organisational performance framework has been developed which will become increasingly evidence-based, to ensure we deliver results for participants and can track what we've done to get there. The knowledge about our own performance will be used to inform decision-making as we implement the new Strategic Plan. As well as holding partners to account for the investment we entrust them with, we will hold ourselves to account for our own performance.

Since 2009, Sport NZ has undergone significant growth, with an expanded operational remit including the establishment of HPSNZ, a greater role in Major Events, and an increase in our Community Sport capability to support our new strategy. To manage this we have restructured the Group where necessary to ensure effectiveness and alignment with the new strategy now and in the future.

Shared service arrangements between Sport NZ and HPSNZ are in place and reviewed regularly to ensure efficient and effective support is delivered across the Group. We continue to keep overhead costs as a proportion of total expenditure well within our 7.5% target, achieving 6.7% in 2014/15.

Acknowledgements

This year we've again been able to savour a huge amount of success across all levels of New Zealand sport and we'd like to thank everyone who has been a part of it. We salute the nearly 1 million volunteers who are the lifeblood of our sport system, the athletes who represent our country with such distinction and pride, the leaders of National Sporting Organisations and Regional Sports Trusts, local councils who contribute so much in their communities, sponsors and funders, fans, whānau and participants young and old.

We again acknowledge the support of the New Zealand Lottery Grants Board, who provide us with a large and important financial contribution each year.

We would also like to thank the Minister and Associate Minister for Sport and Recreation for their ongoing support. The Boards of Sport NZ and HPSNZ have again made significant contributions and we thank them for their time and effort, including Paul Allison, Katie Sadleir and Peter

Cox whose terms came to an end. And our staff across the Group have continued to demonstrate their skill and passion for sport and recreation which we love to see.

Now our attention turns to a very important next twelve months when we'll begin to deliver our new Group Strategic Plan and Community Sport Strategy; we'll continue to help our athletes in the final run to Rio and we'll watch in hope and anticipation as the All Blacks attempt to retain the Rugby World Cup. It's going to be an amazing year for sport in New Zealand, and we feel privileged to be part of it.



PAUL COLLINS
SPORT NZ CHAIR



PETER MISKIMMIN
SPORT NZ CHIEF EXECUTIVE

About the Sport NZ Group

Purpose

The purpose of this document is to report to Parliament on the Sport NZ Group's performance during the 2014/15 financial year as set out in its Statement of Intent for 2014-2020

The Sport NZ Group's functions

Sport NZ Group

The Sport NZ Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ) and its wholly owned subsidiary, High Performance Sport New Zealand Limited (HPSNZ).

Sport And Recreation New Zealand

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

Sport NZ's purpose is to 'promote, encourage and support physical recreation and sport in New Zealand'. Sport NZ's functions are set out in section 8 of the Act, detailed in Appendix 2.

Sport NZ's objectives include 'creating a world-leading sports system at all levels – from grass roots to high performance – which will encourage more Kivis to participate, and reap the benefits of a life-long involvement in sport'.

High Performance Sport New Zealand Limited

HPSNZ was established as a Crown entity subsidiary by the Board of Sport NZ in August 2011. Sport NZ is the parent organisation in the group and is the sole shareholder of HPSNZ.

HPSNZ's key objective is '*making New Zealand the most successful sporting nation in the world by developing high performance sport*'. Other objectives are set out in its Constitution, detailed in Appendix 2.

Governance of Sport NZ

Sport NZ Board

Sport NZ is governed by a Board whose members and Chairperson are appointed by the Minister for Sport and Recreation. The Board is responsible for setting the Sport NZ Group's strategic direction and for providing governance and leadership for the agency. The Board members (**photo below**), who bear responsibility for this Annual Report, are:

- Sir Paul Collins (Chair)
- Bill Birnie
- Joanna Perry
- Murray Gutry
- Jackie Barron
- Darrin Sykes

The terms of Katie Sadleir and Paul Allison ended in July 2015. With effect from July 2015, new Sport NZ Board members are: Paul Cameron and Dr Brendan O'Neill.

High Performance Sport NZ

HPSNZ is governed by a Board of directors appointed by the Minister for Sport and Recreation as per its Constitution. The directors as at 30 June 2015 were:

- Sir Paul Collins (Chair)
- Bill Birnie
- Katie Sadleir
- Mike Stanley
- Peter Cox
- Simon Wickham
- Murray Gutry
- Peter Miskimmin, Sport NZ Chief Executive (ex officio)

The terms of Katie Sadleir and Peter Cox ended in July 2015. With effect from July, new HPSNZ Board members are: Alison Shanks and Ian Hunt.

Ministerial Directions

The Sport NZ Group did not receive any directions from the Minister for Sport and Recreation during 2014/15.

Acts In Breach of Statute

No natural person acts have been enforced against the Sport NZ Group under section 20(3) of the Crown Entities Act during 2014/15.

Permission to Act

Section 68(6) of the Crown Entities Act 2004 requires disclosure of a permission (by the Chair or deputy Chair) to act despite a Board member's interest in a matter. No permissions were sought in 2014/15.



An underwater photograph of a swimmer's arm and hand cutting through the water, creating a trail of bubbles. The background is a deep blue with light rays filtering through the water. A white curved line separates the top dark blue area from the lighter blue area below.

Our Performance

Measuring progress towards our Strategic Outcomes

Sport NZ Group's role in the sport system

The Sport NZ Group has oversight of the complete sporting system, from grass roots through to high performance. The Group's role has four main functions to:

Lead Enable

Having a clear vision for the future of New Zealand sport; understanding the mega-trends that impact the sport system; having an overview, and understanding, of our unique New Zealand system and advocating for those in it; championing the value of sport; facilitating engagement with communities of interest to unlock thinking.

Developing and improving the five attributes of the sports system through the provision of world-leading specialist advice and resources, so they are better able to meet the needs of participants and athletes; connecting our partners to influencers and working with them to increase their capability; supporting partners facing challenges.



Invest Deliver

Investing, and co-investing, smartly for results in high performance and community sport, and across the system.

Through High Performance Sport New Zealand (HPSNZ), delivering world-leading performance support to targeted athletes and teams.

The Sport NZ Group is accountable for its performance against its Statement of Intent 2014-2020. This section of the report focuses on the last year of our strategy for 2009-2015, where we set out to deliver our Strategic Outcomes and make step changes to the way we operate, so that we are well-placed to deliver in the future.

The Group's success in achieving its strategic outcomes depends heavily on the support of partners in the sports sector, particularly National Sport and Recreation Organisations, Regional Sports Trusts, Iwi and Local Authorities. These organisations work with other regional and community-based organisations to deliver sport across the country. The Group has been given a broad mandate and is seeking to strengthen its connections to government departments, to maximise possible benefits for New Zealanders.

Strategic Outcomes

The Sport NZ Group sought these three strategic outcomes in 2014/15:

1. More young people in sport and recreation;
2. More adults in sport and recreation; and
3. More New Zealand winners on the world stage.

These outcomes are long term, where we expect to deliver continuously, according to New Zealand's needs. To deliver more continuously requires that we enhance sustainability of the system and enable optimal use of resources through the system. Our performance framework, in the following tables, shows the progress and results we and our partners have achieved under each outcome.



Measuring progress towards our Strategic Outcomes 2014 to 2020

This table summarises the main results we set out to achieve, our main services and funding sources.

1. More young people engaging in more sport and recreation	2. More adults engaging in more sport and recreation	3. More winners on the world stage
Strategic Outcomes: What we want to achieve		
<p>By 2020:</p> <p>90% of school-aged children take part in 3+ hours of organised and/or informal sport a week, comprising not less than:</p> <ul style="list-style-type: none"> 60% doing 3+ hours of organised sport; and 70% doing 3+ hours of informal sport 	<p>By 2015:</p> <p>Half a million more adult New Zealanders participating at least once a week in sport and recreation than 2007/08 baseline.</p> <p>More than 1 million people volunteering in sport and recreation each year</p>	<p>By 2020:</p> <p>More winners on the world stage at Olympic / Paralympic Games and World Championships in targeted sports</p>
Intermediate Outcomes: What we set out to achieve on the way		
<p>More young people participating in sport and recreation through initiatives supported by our partners</p>	<ul style="list-style-type: none"> More adults participating in sport and recreation through initiatives supported by our partners. More volunteers supporting community sport and recreation through initiatives supported by our partners 	<ul style="list-style-type: none"> Number of New Zealand athletes placed in the top 3, top 5, top 8 and top 16 in the world in Olympic disciplines; top 3 and top 5 in Paralympic disciplines
Our Impacts: The difference we set out to make		
<p>Achieve improved capability of our partner organisations so they can deliver both high performance and community sport results.</p>		<ul style="list-style-type: none"> Achieve a world-leading system with sustainable success
Our Outputs: The services we provide		
<p>Sport and recreation programmes:</p> <ul style="list-style-type: none"> Investment Policy and advice Technical advice Knowledge and information. 		<p>High performance sport:</p> <ul style="list-style-type: none"> Investment Athlete services Technical advice Prime Minister's Scholarships
Inputs: Our sources of funding		
<p>Appropriations:</p> <ul style="list-style-type: none"> Sport and Recreation Programmes Lottery Grants Board funding 		<p>Appropriations:</p> <ul style="list-style-type: none"> High Performance Sport Investment Prime Minister's Sport Scholarships

Community Sport

It has been a year of transition for Community Sport, with the completion of the inaugural Community Sport Strategy 2009-15 and the development of the new 2015-20 Strategy.





Community Sport Strategy 2009-2015

The establishment of the first Community Sport Strategy (2009-15) was significant in that it set a new direction for Sport NZ. A key element was targeting 14 sports. Targeted sports received increased investment and support (from Sport NZ and the Regional Sports Trust network) to impact greater participation at community level. The heightened investment and support led to key new positions (Community Sport Directors) being employed, Community Sport Plans (National and Regional) and the development of new products and delivery approaches in each of the 14 sports.

Key highlights for the period included:

- 14 Targeted sports having Community Sport Directors leading participation in their sport
- Regional alignment – RST improvement performance
- Kiwisport was introduced and close to \$50 million invested into young people's participation
- Pathway to Podium (talent development) was introduced
- Sport in Education was introduced
- Coaching was identified as a priority enabler and increased investment followed
- 30 Active Communities initiatives supported
- Rural Travel Fund supporting 150,000 young people participation in isolated communities
- He Oranga Poutama (HOP) introduced to increase participation and leadership as Māori in sport and traditional physical recreation at community level

Five years on, we have learnt many lessons and have more information available than ever before to guide us into 2020.

Community Sport Strategy 2015-2020

The new Community Sport Strategy 2015-20 is the culmination of the previous six years of learning, new evidence and scanning good practice at home and abroad.

While community sport is currently alive and well in New Zealand, we understand that the world is changing. The wonderful sporting heritage that generations of Kiwis have been lucky to inherit is under threat from societal changes and the sports system must respond.

The new strategy contributes, in particular, to these two Strategic Outcomes:

- More kids in sport and recreation (90% of school-aged children take part in 3+ hours of organised and/or informal sport a week)
- More New Zealanders involved in sport and recreation (an increase in adult participation and volunteering).

By taking a participant-focused, system-led and performance driven approach, the Community Sport Strategy 2015-20 will lead the New Zealand sports sector in taking the next step in the evolution of Community Sport.

Through our 2011 survey on sport in the lives of young New Zealanders, we found that:

- boys participate more than girls, generally
- there is a significant reduction in participation in teenage years, particularly among girls
- participation varies with ethnic background, showing that young people of Asian background are less engaged in most aspects of sport and recreation than young people overall.

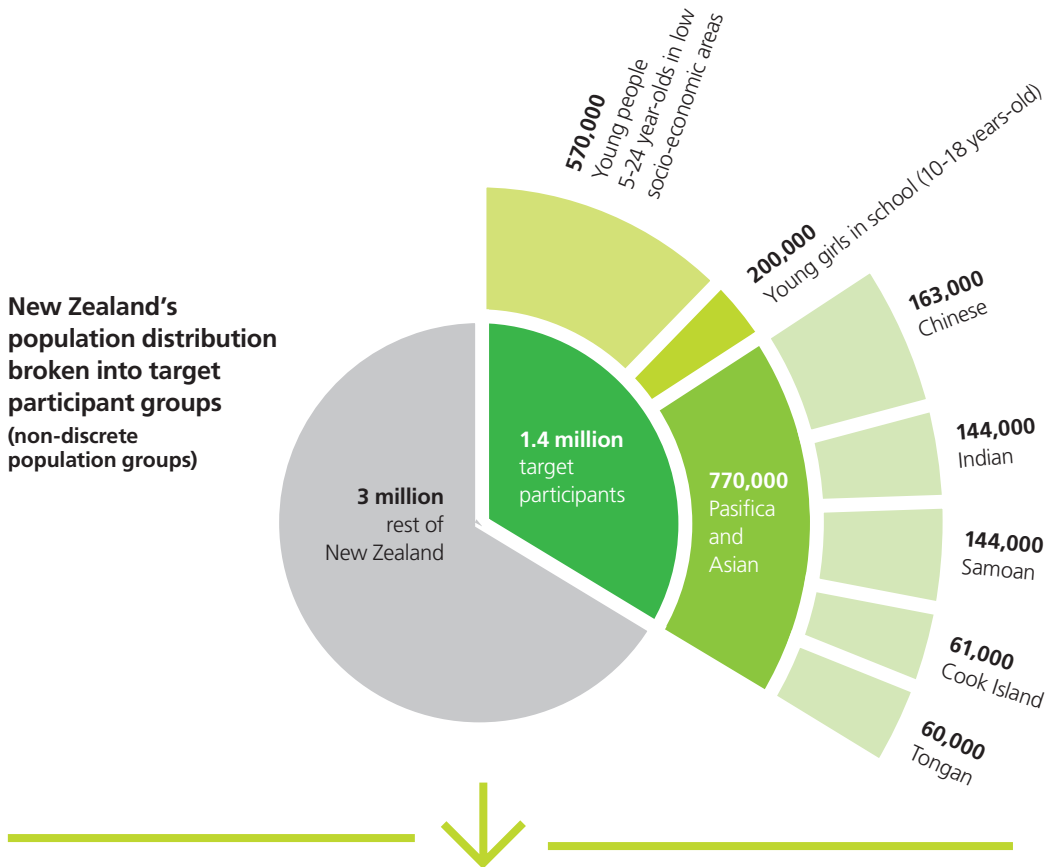
Consequently, we have set strategic focus areas in Community Sport on:

- **young people** participating in a school setting
- **local delivery** to reach communities where ethnic background is an indicator, amongst other things, of **low participation**
- **competitive sport** where maintaining skills development in significant numbers will form the talent pools from where elite athletes may start out.

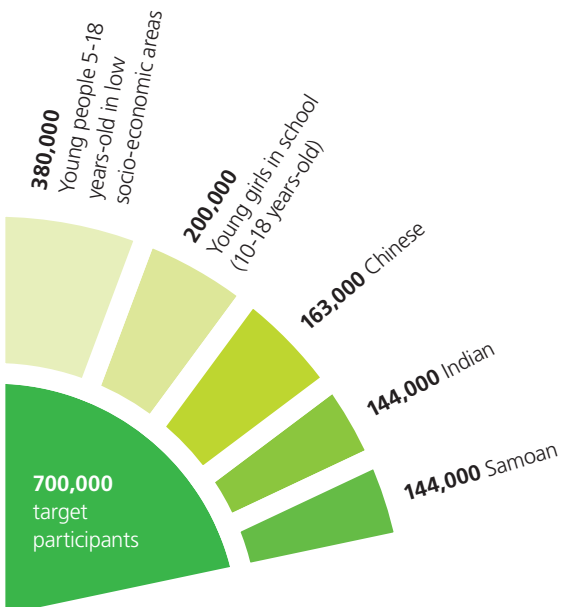
In 2014, we initiated a Community Sports Insights programme to inform our approach across the strategic focus areas. We are establishing our participant-focus through the development of insights which will help us and our partners meet the needs and expectations of participants now and in the future. This first-hand and extensive knowledge will help shape sports experiences to attract and retain participants.

Community Sport Insights

Our Insights programme will help us segment people and communities so that we can help partners deliver customised sports experiences which meet those specific needs now and in the future. Particular sections of the population we want to reach include people with low sports participation levels and those with low socio-economic circumstances. The following diagram shows non-discrete participant groups which are appropriate targets for our support:



Recommended target participant groups (non-discrete population groups)



Spaces and Places

We continued to implement the New Zealand Sporting Facilities Framework, which has been well received by the sector and is providing a coordinated and planned approach to facility development. Our commitment to supporting a regional approach has seen Regional facility Plans developed for the Waikato, Northland and Hawkes Bay. Implementation of these plans is well underway and they are being used to guide facility decision making and investment in these regions. We will support the development of plans for the Bay of Plenty and Taranaki Regions in the coming year.

Our work with the sector to develop tools and resources aimed at helping inform better facilities decision making has taken another step up. The Peer Review service facilitated with our partner, the New Zealand Recreation Association, continues to provide affordable and independent industry feedback on proposed facilities. A National Benchmarking tool has been scoped and agreed, with roll out to occur in 2015.

We are developing a Community Sport and Recreation Facilities Development Guide which will assist those developing or upgrading facilities in getting better value from facility developments.

The alignment of investment into sport and recreation facilities remains a priority. A key milestone was achieved in 2014/15 with the signing of a Memorandum of Understanding with the Lottery Grants Board to provide expert facility advice on sport and recreation facility funding applications.



Making strides in Auckland

Auckland continues to be a focus area for us.

We were pleased with the progress made this year on the Auckland Sport and Recreation Action Plan, and would commend all the parties involved with that. In recent years we have seen Auckland stakeholders cooperate more and more on all things sport and recreation, which is essential to ensuring the best possible outcomes across the region.

We also saw Aktive – Auckland Sport and Recreation continue to cement its place in the local sporting landscape. The establishment of Aktive has enabled local RSTs to focus, streamline and improve their local delivery, which is having a direct impact on the participant. Aktive shared services have proved popular, with eight organisations quickly signing on.

And Sport NZ led the establishment of Sport Central in Auckland, a new hub for a range of sports organisations to work more closely together. Sport Central is the new home of Triathlon New Zealand, Hockey New Zealand, Aktive - Auckland Sport and Recreation, College Sport Auckland and Sport NZ's Auckland based staff.



Lotto and Sport NZ: making sport happen

The Lotto Sport Makers programme is a partnership between Sport NZ and Lotto New Zealand aimed at ensuring sports volunteers are recognised and rewarded for their crucial role in making sport happen across New Zealand.

This year the programme distributed \$175,000 worth of merchandise between all of the RSTs. The merchandise has been used in a variety of ways from supporting national volunteer week activities and regional sports awards to club recognition events and more. Across the RSTs, approximately 4,225 volunteers received merchandise as a sign of recognition and thanks for their efforts. In addition, a monthly e-draw to thank a Sport Maker through the Lotto NZ website was also successful with 408 volunteers receiving a \$500 merchandise voucher each.



Sport in Education

The Sport in Education (SiE) project, now in its third year, is clearly demonstrating the value of its approach to young people, and to the schools that have adopted it. In particular, schools are reporting improved attendance and retention of students, reduced referrals and behaviour incidents, and improved academic performance. Sport participation in the eight project schools has increased by more than 9% since the introduction of the project, considerably above the national average of 1%.

At the Physical Education New Zealand Conference Papakura High School, one of our SiE schools, won the Outstanding Physical Education Department Award for 2015. This is a remarkable achievement for a Decile 1 school that is characterised by significant retention, behaviour and academic challenges. Some of the highlights included:

- The SiE classes retained 93% of their students between 2014 and 2015, compared with the school average of around 60%
- Attendance at SiE classes was 93% compared with 78% across the school
- 96% of the SiE classes achieved Level 1 numeracy standards, compared with 74% for the whole school.

More than 30 schools have come on board and Sport NZ is developing a plan to support these schools, and to extend the approach into new schools, for 2016 and beyond.

Lotto Sport Maker 2015: Dennis Mroczkowski

Our third Lotto Sport Maker is someone who exemplifies the passion and commitment to sport that volunteers show across the country.

Dennis Mroczkowski has been involved with the Shore Archery Club on the North Shore of Auckland for over 20 years. He is currently club president, grounds man, equipment repairman and spends most days at club coaching beginners through to advanced archers.

His coaching provides essential income for the club and he has helped his athletes achieve both regional and national success. Thanks to his influence, archery has also been introduced into two secondary schools on the North Shore.



Coaching

We understand the need to ensure that coaching remains strong at all levels and have increased our investment to make sure coaching remains a critical enabler in making sport happen. The quality of our work in this area is now being recognised internationally with our Coaching Lead having been invited to co-present at international coach development forums in Japan and Finland over the last 12 months, and our coaching team co-authoring an article for the International Sports Coaching Journal.

It has also been a big year for coach development at a community level. For the first time we have been able to offer support to the coaches of our pre-elite athletes through our new Performance Coach Advance Programme. In 2014-15, 102 coaches from 27 different sports were part of the programme.

We have also been working hard to provide more support to the 250,000 community sport coaches that turn out every week to help our children have a great sporting experience. We have done this through focusing on supporting the Coach Developers across all sports who develop these coaches.

Through the Sport NZ Coach Developer Training Programme, we have held three residential courses where 48 Coach Developers from 21 different sports and 13 different RSTs have had the opportunity to improve their skills at developing coaches.

In late 2015, we are hosting Connecting Coaches – a landmark convention seeking to lift the capability and rewards of coaching in New Zealand. Six hundred coaches from across the country will be inspired by keynote presentations from world-renowned coaches and collaborate with each other in interactive group sessions.





KiwiSport: Northland Swim For Life programme

Each year we provide funds to selected RSTs to promote sport and provide sporting opportunities to school-aged children. A great example of this funding was the Northland Swim for Life programme.

Established in 1997, the programme has evolved over the past 18 years based on community need. It provides a learn-to-swim and survive water safety programme that is delivered in schools, at their pools, for primary and intermediate aged children. Results are impressive – 8,900 children were involved in the programme in the past year and 230 teachers undertook professional development. Most importantly, there has been only one drowning among 5-12 year olds in 18 years in the Far North, where the programme began, and none in the last five years in the region as a whole.



Protecting our school sport future

We have continued to identify issues in the quality and quantity of physical education and sport in schools, and have proposed strategies to address them. We undertook this project for two main reasons:

- to inform Sport NZ's strategic focus on young people; and
- because we believe that New Zealand is currently at a 'tipping point'. Our young people are not active at the level we need to maintain the sporting heritage we are so proud of, or to maintain a healthy and active population.

The project engaged with over 600 people directly involved in teaching PE and supporting sport for young people (e.g. teachers, principals, teacher educators, PE specialists, teacher unions, sport providers, young people, researchers, coaches, parents, volunteers). The people we worked with were overwhelmingly constructive, motivated and passionate about this subject. They welcomed the opportunity to discuss issues, brainstorm options and to be part of developing solutions.

We believe this could be a game-changer for our young people. We ultimately want every child to have equal opportunity to be active, and through PE and sport, learn and achieve. Our upcoming Young People's Plan will outline our response to the learnings within this project.

Sport effecting social change

The Active Communities project has continued to positively engage disaffected youth in sport and recreation. Sport Bay of Plenty's Pathway 16-20 programme is an example of the power of sport as a vehicle to effect social change.

Youth referred from community agencies have individual plans developed around participation in sport as participants and as volunteers, with the emphasis on upskilling, knowledge development and goal setting.

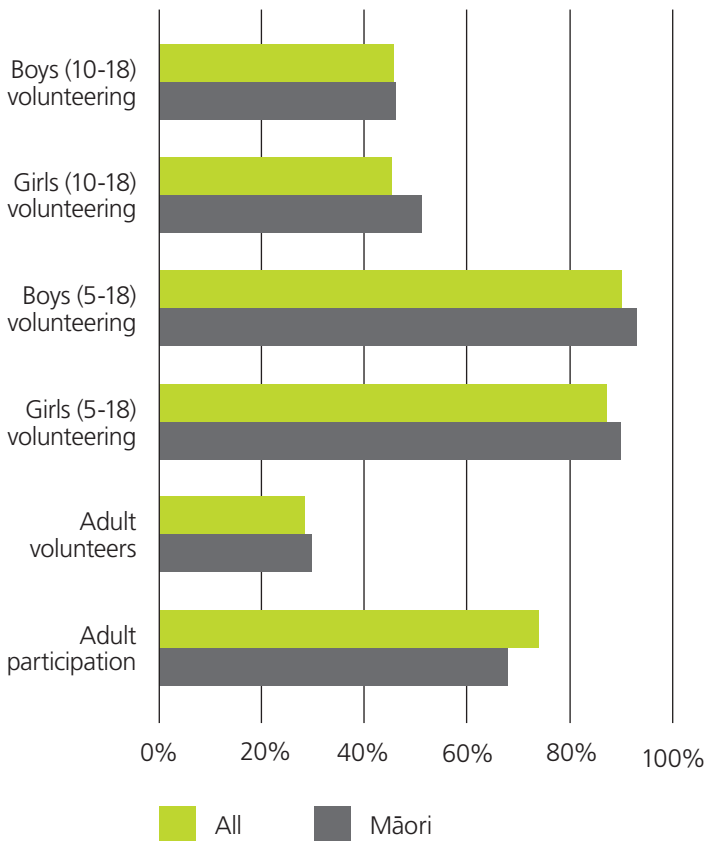
Strong collaboration amongst community agencies has enabled the programme to work effectively with a difficult target market. Early results from the programme are very positive. Of the 140 youth referred to the programme in 2014:

- 97% are now actively volunteering in sport and recreation in the community
- 23% developing as leaders
- 47% have given up smoking
- 82% have stopped using drugs, and
- 16% have returned to study or found employment.

Behavioural change takes time, but the positive impact that involvement in sport and recreation has on these young people, with the support given by the programme, is impressive.

Māori participation

Sport continues to be a positive space for many Māori. Māori adults and young people take part and volunteer in sport in high numbers. According to the 2013/14 Active NZ Survey and the 2011 Young People's Survey:



Sport NZ's He Oranga Poutama (HOP) (Stairway to Wellbeing) initiative promotes the development and implementation of physical recreation and sport in a way that is culturally appropriate to Māori.

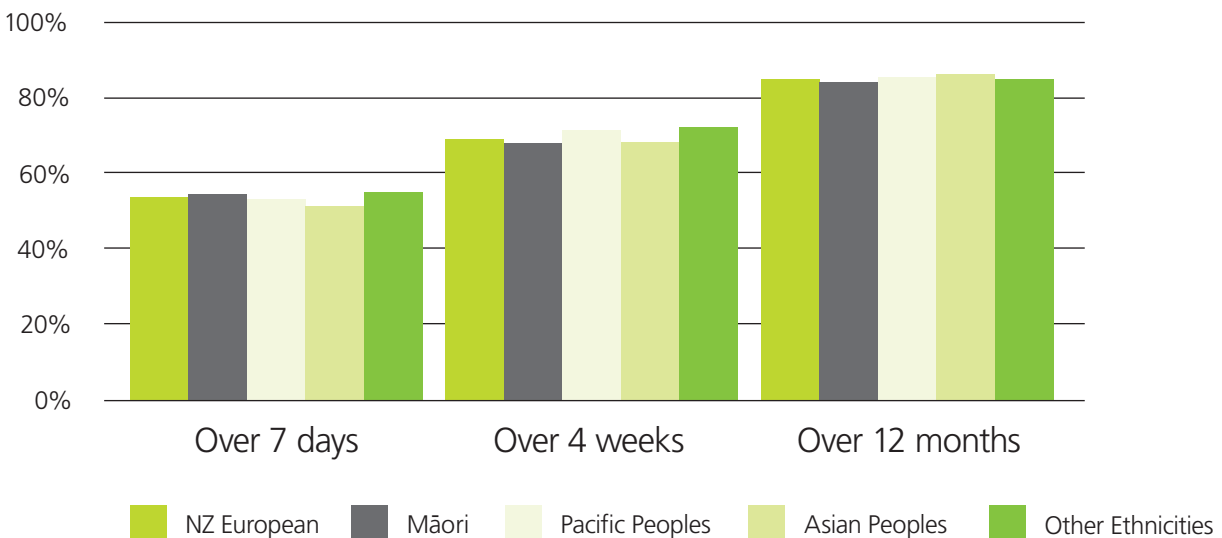
In 2014-15, Sport NZ invested \$1.8 million into HOP initiatives in 12 Māori communities, which were strongly centred on Māori cultural distinctiveness and supported community leadership plus growth in participation. As well as HOP, our 2009-15 strategy included a broad range of initiatives which have delivered for Māori including investment in partners such as Iwi, RSTs, TAs and NSOs.

Through our new Community Sport Strategy 2015-20, we will explore opportunities to further increase participation and impact on multiple social outcomes for Māori via sport, especially in communities where there are hard to reach non-participants and there is multiple disadvantage.

We will engage with relevant stakeholders, including whānau, hapu and iwi with a focus on understanding participants, and supporting the local sport system to respond in a way that is appropriate for that community. As part of our Insights programme we are also seeking insights into the attitudes, drivers and barriers for Māori participation.

It is encouraging to see examples of sport provided in ways which are culturally appropriate to Māori from partners we invest in, such as:

Māori participation in sport or recreation activities over different timeframes, excluding walking



Softball strikes back in Tairāwhiti

In the early 2000s, the traditionally popular sport of softball in Tairāwhiti went into a deep decline with no national sport organisation (NSO) sanctioning softball for 9 years. Junior softball was non-existent, clubs folded, and a growing gang presence in senior grade competition deterred other people from the sport. In 2012, Sport Gisborne Tairāwhiti and the Tairāwhiti Softball Association (TSA) agreed to work together to rejuvenate the sport.

Sport Gisborne Tairāwhiti saw this as an opportunity to engage with and impact the predominantly Māori and low socio-economic group that makes up the softball community, and to use sport as a vehicle to effect social change in terms of health, side-line behaviour and gang presence. The programme quickly gained momentum, with Kiwisport funding used for player and coaching development at primary school level.

Today softball is thriving in Tairāwhiti. With guidance and support from Sport Gisborne Tairāwhiti, the TSA has driven the explosion of softball as a popular well-run sport that is aligned with healthy family values. There are now 52 junior league teams, six representative teams and two New Zealand players, pathways for coaches and umpires, and definitive social change around alcohol consumption, smoking and gang influence. In addition, the TSA has developed a strong reputation as providing a best practice model for softball associations nationwide.

MaraeFit thrives in Hawkes Bay

MaraeFit is an initiative supported by Sports Hawkes Bay, which encourages active family participation in a competition between 33 Ngāti Kahungunu Marae.

Marae receive points for competing in each event, and events are weighted to encourage inter-generational participation – the number of points you get increases with your age. Events can be mainstream or contemporary, but must include 'as Māori' elements. There are around 20 sanctioned events throughout the year with the winning Marae gaining the Most Active Marae Award at the Kahungunu Maori Sports Awards.

Non-Māori can also take part in Maraefit events and can 'gift' their points to their local Marae. Maraefit has gained good momentum since being launched two years ago and is producing good outcomes including a measured increase in Māori participation and inter-generational participation.



Outcome One:

More young people engaging in more sport and recreation

Performance Measure	We want to have achieved	Baseline	Progress
Strategic Outcome: More young people engaging in more sport and recreation			
Percentage of school-aged children (5-18 years) who participated in sport or recreation (including physical education) for at least 3 hours per week.	By 30 June 2020: 90% of school-aged children take part in 3+ hours of organised and/or informal sport a week, comprising not less than: <ul style="list-style-type: none"> 60% doing 3+ hours of organised sport; and 70% doing 3+ hours of informal sport. 	Results from the 2011 Young People's Survey show: <ul style="list-style-type: none"> 56% of school-aged children took part in 3+ hours of organised sport a week 66% of school-aged children took part in 3+ hours of informal sport a week. 	To be next measured through the second Young People's Survey scheduled for 2018-19.
Intermediate Outcome: More young people participating in sport and recreation through initiatives supported by our partners			
Uptake of opportunities to participate through targeted sports.	For Group 1 and 2 targeted sports: More uptake of opportunities.	Ten targeted NSOs ¹ reported that young people (under 19) took up 1,275,982 opportunities to participate in 2012/13.	Uptake of opportunities – 10 targeted sports 2014/15 = 1,488,938 2013/14 = 1,350,249 2012/13 = 1,275,982 Uptake of opportunities – 14 targeted sports ² 2014/15 = 1,658,717 2013/14 = 1,467,796 2012/13 = 1,369,787

¹ Targeted Group 1 sports are Football, Rugby, Cricket, Netball, Hockey, Gymsports and Rugby League. Group 2 are Cycling, Basketball, Athletics, Triathlon, Bowls, Tennis and Golf.

² For additional context, results from 14 targeted NSOs are also included.

The number of memberships registered	More registered memberships	Club members <ul style="list-style-type: none"> NSO = 432,345³ registered memberships (at 2012/13, in 10 targeted NSOs) 	Membership 2014/15 = 455,822 2013/14 = 442,990 2012/13 = 432,345 ⁴All 14 targeted sports 2014/15 = 516,437 2013/14 = 500,726 2012/13 = 485,650
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³ This annual membership number supersedes the previous estimate of 444,600, developed at the commencement of the new reporting system.

⁴ For additional context, results from 14 targeted NSOs are also included.

Outcome Two:

More adults in more sport and recreation

Performance Measure	We want to have achieved	Baseline	Progress
Strategic Outcome: More adults engaging in more sport and recreation			
Number of adults (16 years and over) participating in at least one sport or recreation activity during any 1 week.	By 30 June 2015: Half a million ⁵ more adult New Zealanders participating at least once a week in sport and recreation.	2,388,195 adults (73% of the population) participated in at least one sport or recreation activity during any 1 week in 2007/08.	An estimated 254,149 ⁶ more adult New Zealanders (74% of the population) participated in at least one sport or recreation activity during any 1 week in 2013/14 ⁷ , than in 2007/08.
Number of adults (16 years and over) who volunteer (e.g. unpaid club administrators or coaches etc.) in sport and recreation at least once a year.	More than one million New Zealanders volunteering in sport and recreation.	829,735 adults (25% of the population) volunteered in sport and recreation at least once a year in 2007/08.	Around 985,000 adults volunteered in sport and recreation in 2013/14.

⁵ The half a million goal was based on projected population growth of 380,000 more adults, which was later revised to approximately 280,000 by Statistics New Zealand.

⁶ This figure has been extrapolated from a survey sample of 6,448 people using population estimates recommended by Statistics New Zealand.

⁷ Source: Active NZ Survey results 2013/14. This represents an increase of 1% since the previous survey results in 2008.

Annual results: Lead more adults into membership by providing participation opportunities for them to experience sport and/or to improve their sports skills			
Uptake of opportunities to participate through targeted sports; and	For Groups 1 and 2 targeted sports: More uptake of opportunities.	Baseline for the uptake of opportunities is 396,058 for 10 of our targeted sports (2012/13 results):	Uptake of opportunities 2014/15: 460,508 2013/14: 456,148 2012/13: 396,058 ⁸ Uptake of opportunities – 14 targeted sports 2014/15: 538,270 2013/14: 489,264 2012/13: 423,529
The number of memberships registered.	More registered memberships.	Club members ▪ NSOs = (revised ⁹ to 279,738)	Membership 2014/15: 273,484 2013/14: 270,366 ¹⁰ 2012/13: 279,738 All 14 Targeted Sports 2014/15: 311,374 2013/14: 305,998 2012/13: 306,996

⁸ This figure varies from the result given in the Annual Report 2014 due to a data reporting error from an NSO.

⁹ 2012/13 numbers have been updated to reflect more accurate partner reporting. This revised figure supersedes the previous estimate of 281,900 developed at the commencement of the new reporting system.

¹⁰ This figure varies from the result given in the Annual Report 2014 due to a data reporting error from an NSO.



High Performance

This year has been one of unprecedented achievement for the high performance sport system and HPSNZ. Twenty-one podium results across nine sports have raised New Zealand's international profile. More details on some of these outstanding results follow.



High Performance 2014 Results



Number one

We are the number one rowing nation in the world



Best ever

Our best ever performance at a Commonwealth Games outside New Zealand winning 45 medals including 14 gold at the Glasgow 2014 Commonwealth Games



Undefeated

Women's rugby sevens won back to back world series wins in the 2015 season



Youngest ever number one golfer

Number one in the world - Lydia Ko



Undefeated

Sailors Peter Burling and Blair Tuke won all seven international regattas in 2014 including the 49er at the ISAF World Championships in Spain, continuing their run of success since the London Olympics in 2012



In the final

Making the final of the Cricket World Cup - a first for the Black Caps inspiring and uniting the nation with outstanding play and commitment

These results placed New Zealand seventh in the world, ahead of Australia, on a virtual medal tally of Olympic discipline sports based on world championships, equivalent pinnacle event or world ranking in 2014 and included 10 world champions. This sees New Zealand on track to meet our target of 14 or more medals at the 2016 Rio Olympic Games.



Gold at the world championships

The young men's team pursuit won with the team sprint taking silver



World-leading kayaker

Three-time K1 200 world champion Lisa Carrington added medals in the K1 500 to her tally, and won gold in five World Cup races in three weeks



More silver

Lauren Boyle won silver in the 1500m and 800m races at the swimming world championships



Pushing boundaries

The Kiwi Rugby League team beat the highly fancied Australia Kangaroos for the third successive time



World-record breaker

Sophie Pascoe became the first S10 category para-swimmer to go under the 1 minute mark in the 100m freestyle, winning a race in 59.77s



Making equestrian history

Andrew Nicholson and his horse Avebury made eventing history when they won their fourth consecutive title at the Barbury International Horse Trials in the United Kingdom

High performance system delivers – no. 1 rowing nation in 2014/15

One of the effects of the integrated high performance system is to redress fragmentation in sports. Rowing is an example, where over several years, HPSNZ has worked alongside partners to instil a consistent culture of excellence, centralise excellent practice and resources, remove role overlap/duplication and ensure effective coordination between investment and delivery. As in recent years, HPSNZ achieved an excellent rating from partners of 94% for the high quality of its advice and consultancy services in 2014/15. High performance applies a systematic approach to every aspect of an athlete's performance and helps design pathways to develop elite athletes to their full potential, at the right times in their careers. In rowing, this approach has built capability and capacity to world-leading levels.

This year, New Zealand became the number one rowing nation following a highly successful European summer season. At the time of going to print, New Zealand is second in world rankings for rowing. The effectiveness of the high performance system is also borne out by the increasingly sustainable results in rowing in recent years.

New Zealand won the 2015 World Rowing Cup series trophy with 117 points, two ahead of rival Germany on 115, with Great Britain on 107 third.



Coach Accelerator Programme

Quality coaching is critical to the success of athletes and teams, and forms an integral part of the high performance system. This Programme enables high performance coaches to develop their leadership and coaching skills further to assist their athletes and teams achieve the world's best performances. Five coaches graduated in 2014 with a further seven coaches selected for the 2015 intake, including coaches from football, hockey, athletics, netball, rugby, rugby league and rowing.

Programme alumni - Mike Hesson

Mike Hesson coached the New Zealand Black Caps to their first ever Cricket World Cup final in 2015. Hesson was part of the inaugural HPSNZCoach Accelerator Programme (CAP) in 2009.

Hesson's work with the Black Caps saw him appointed an Officer of the New Zealand Order of Merit for services to cricket in the 2015 Queen's Birthday Honours.



Supporting emerging talent

In 2014/15, HPSNZ enhanced its investment approach by introducing a new category of Performance Enhancement Grant to provide extra financial assistance to athletes aiming for the Tokyo 2020 Olympic and Paralympic Games.

HPSNZ identified that extra financial assistance at a critical time in an athlete's pathway towards the Olympic Games, Paralympic Games and world championships would reduce development barriers.

Up to \$400,000 a year will be paid out in Emerging Talent PEGs to about 40 high potential athletes in addition to existing investment and other support provided.





On track for Rio

HPSNZ is tracking well towards its targets for the 2016 Olympic and Paralympic Games in Rio.

The Rio targets of 14 or more Olympic medals and 12 Paralympic gold medals were set as part of HPSNZ's 2013-2020 strategy, following the hugely successful London 2012 Olympic and Paralympic Games, where New Zealand won 13 medals including six gold and 17 medals, including six gold, at the Paralympic Games.

HPSNZ Innovation Programme

Since April 2013, HPSNZ's Innovation programme, including the Goldmine initiative, has supported 32 projects in 10 different targeted sports. The Programme has provided direct support to produce the 24 gold, 24 silver and 15 bronze medals at world championships and the Commonwealth Games in Olympic disciplines, the current Olympic cycle.

The Innovation Programme is aligned closely with HPSNZ's strategy and target of delivering 14+ medals in Rio 2016 and ensuring system sustainability. Goldmine continues to develop, refine and maintain world-leading bespoke hardware technology and software that is in daily use in the training and competition environments of HPSNZ's targeted sports - especially rowing, cycling, canoe racing and athletics.

In 2014/15, further upgrades to existing hardware and software have been delivered to the specified requirements of targeted sports. A world-class technology suite, including overhead cameras, is being installed for the recently opened Sir Owen G Glenn Aquatic Centre in Auckland.

Challenges we face

Though we are doing extremely well, the high performance environment is getting more competitive.


When we compare funding, whilst we invested \$49.4 million into rowing, cycling and sailing in 2013 to 2016, Australia invested \$98.7 million and Great Britain invested \$176.8 million into those three sports.

Other nations are getting better. At the 1992 Barcelona Olympic Games, 37 countries won gold medals compared to 54 countries at the 2012 London Olympic Games.

As the world gets more competitive, it's getting harder to retain our talented people and protect our intelligence base as competitors look to our high performance system for inspiration. Being based at the bottom of the world makes qualification and competition relatively expensive and other operating costs are increasing.

Despite these challenges, we remain focused on system sustainability which will give us sustainable high performance.





High performance facilities – expanding the network

Our vision for facilities is that New Zealand has a world-leading network of sporting facilities that enables and inspires people to participate.

Our goal for the high performance system is to complete a network of high performance facilities that provide a world-leading training environment for our athletes and support staff training centres, for targeted sports. This network is an essential part of the integrated high performance sport system.

Over the last 5 years, we have made significant investment in high performance facilities including:

- \$15 million in the National Training Centre for high performance sport based at the Millenium Institute of Sport and Health, in partnership with AUT University. The Centre provides a dedicated strength, conditioning and recovery centre, a sports science centre and sports medicines facilities, amongst other facilities for elite athletes.
- \$7 million in the National Cycling Centre of Excellence, the Avantidrome, featuring a world-class, indoor velodrome, a gym and other athlete facilities. The Avantidrome has been so successful that meeting the increased demand is the next challenge to consider.
- Over \$3 million in Christchurch, to build Jellie Park, which offers a training base for athletes including a fitness centre, swimming pools and other high quality facilities. This was a joint project with Christchurch City Council, to address athlete needs following earthquake damage to the Centre of Excellence at QEII Park.

Outcome Three: More winners on the world stage

Following adoption and implementation of HPSNZ's strategy 2013-20, some of the 2012-15 measures are no longer able to be reported against. Consequently, performance information relating to the 2013-16 Statement of Intent, and the performance measures associated with the new high performance strategy, have been included throughout this document.

Performance Measure	We want to have achieved	Baseline	Progress
Strategic Outcome: More winners on the world stage at Olympic / Paralympic Games and World Championships in targeted sports			
Number of medals at Olympic Summer Games	14+ medals in 2016 16+ medals in 2020	2012: 13 medals	Next measured in 2016
Number of medals at Olympic Winter Games	1 medal in 2018 ¹¹	2014: 0 medals	Next measured in 2018 Top 8 placings: 4 Top 9-16 placings: 7 Outside top 16 placings: 6
Number of gold medals at Paralympic Summer Games.	12 gold medals in 2016 10-14 gold medals in 2020	2012: 6 gold medals	Next measured in 2016
Number of gold medals at Paralympic Winter Games	1 gold medal in 2018	2014: 0 gold medals	Next measured in 2018

¹¹ Medal targets are periodically reviewed and have been updated since the Sport NZ Group Statement of Intent 2014-2020. Source: Sport NZ Group Statement of Intent 2015-2020.

Performance Measure	We want to have achieved	Baseline	Progress
Annual results: Consistent numbers of New Zealand athletes placed in the top 3, top 5, and top 8 in the world in Olympic disciplines, as evidence of tracking to Olympic targets			
Number of New Zealand athletes placed in the top 3, top 5, and top 8 in the world in Olympic disciplines	Consistent numbers of New Zealand athletes placed in the top 3, top 5, and top 8 in the world in Olympic disciplines; top 3 and top 5 in By 2015: Top 3: 16 Top 5: 24 Top 8: 40	2012 results ¹² : Top 3: 13 Top 5: 24 Top 8: 37	2014 results ¹³ : Top 3: 21 Top 5: 30 Top 8: 37 2013 results: Top 3: 20 Top 5: 22 Top 8: 33
Number of New Zealand athletes placed in the top 3 and top 5 in the world in Paralympic disciplines	Consistent numbers of New Zealand athletes placed in the top 3 and top 5 in Paralympic disciplines, as evidence of tracking to Paralympic targets. By 2015: Top 3: 12 Top 5: 21	2012 results ¹⁴ : Top 3: 17 Top 5: 28	2014 results ¹⁴ : Top 3: 26 Top 5: 37 2013 results: Top 3: 19 Top 5: 23
Number of athletes or teams who win at World Championship events in targeted non-Olympic sports.	At least one non-Olympic World Championship event winning athlete or team annually.	2012: Two winning athletes or teams	<i>There have been no world championships in targeted non-Olympic sports in 2014.</i>

¹² 2012 results have been used as the baseline, replacing "the comparative year in the previous Olympic cycle" as referred to in the Sport NZ Group Statement of Intent 2014-2020 as accurate comparatives are not available prior to 2012.

¹³ 2014 had less World Championship events than would effectively indicate NZ's future Olympic performance across the range of Olympic sports. The most recent results from 2013, therefore, have been used to measure results for athletics and swimming. Excluding 2013 results, the 2014 results would change to Top 3: 19.

¹⁴ 2014 was a mid-cycle year with less World Championship events than would effectively indicate NZ's future Paralympic performance across the range of sports needed. The most recent results from 2013, therefore, have been used in the other targeted sports of para-athletics and para-swimming. 2014 results minus the 2013 results would be Top 3: 10 and Top 5: 5.

The difference we want to make (our direct impact)

In support of our Strategic Outcomes, the Sport NZ Group focussed on two key areas in which we needed to continue to make a significant difference in 2014/15:

- supporting the capability of partner organisations and,
- achieving a world-leading high performance system with sustainable success.

Key Area 1

Measure	Goal	Our Performance
Capability of key partner organisations	More than 80% of our key partner organisations have satisfactory capability ¹⁵ level or higher.	2015 results: 97% of our key partner organisations have satisfactory capability or higher 2014 results: 92% of our key partner organisations have satisfactory capability level or higher.

Key Area 2

Measure	Goal	Our Performance
High performance programme goals achieved by targeted sports	More than 80% of high performance programme goals achieved by targeted sports	2015 results: 89% of high performance programme goals achieved by targeted sports 2014 results: 86% of high performance programme goals achieved by targeted sports

¹⁵ Capability can involve any of the following building blocks towards a sustainable organisation; these are commercial awareness and management, sports delivery, business management, leadership and culture, governance and planning.

Strategic Support

Over the last few years, we have made significant improvements in the sector which enable high quality, lasting results as we progress towards a world-leading sport system. In 2015, our Strategic Support team focused on progress in:

- system connectivity – working with partners for better results
- partner capability
- resource alignment and sustainability
- Influencing the environment – protecting the integrity of sport
- system intelligence – laying the foundations to build insights into community sport

which are essential to deliver strategic outcomes and impacts in Community Sport and HPSNZ. These are a few of the highlights in our sector capability achievement:

Enhancing governance and leadership capabilities across the sector

Sport NZ recognised the need to address governance shortcomings within the sector and initiated a long-term project in 2003, to develop the governance and leadership effectiveness of sporting and recreational bodies. Initial research in 2004 established a benchmark of how governance and board arrangements were operating in 26 organisations.

Subsequently, Sport NZ developed, promulgated and actively supported best practice governance concepts. In 2014, Sport NZ commissioned an exercise to evaluate progress in the sector since 2004, giving an up-to-date view of governance systems and practices. The 24 remaining organisations took part. The organisations taking part were National Sports Organisations, the NZ Recreation Association and Regional Sports Trusts. The report, the Governance Benchmarking Review 2014, can be found at: <http://www.sportnz.org.nz/assets/Uploads/attachments/managing-sport/strong-organisations/Governance-Benchmarking-Summary-May-2014.pdf>



The Review's main findings were:

- **Boards were more capable and better qualified than before.** The growing use of board appointment panels has led, typically, to an effective mix of 'insider' skills and attributes such as credible, grassroots connections, with highly competent 'outsiders' being able to add a more detached, objective perspective which would otherwise not be readily available within an organisation.
- **Pressures on governance have increased.** Along with the general increase in funds coming into the sector, has come the professionalisation of athletes, larger organisations in terms of staffing, more complex commercial arrangements such as franchising and more complexity in legal frameworks within which organisations operate.
- **Further gains in governance effectiveness** are not only desirable, but necessary in the face of increasingly challenging organisational operating environments.
- **There are still opportunities** to make significant gains in governance performance which would almost certainly enhance organisational performance. These opportunities lie in: **policy leadership, strategic leadership and management reporting.**

In response to the findings, Sport NZ has developed a framework, including online assessment tools, in consultation with the sector and has made a library of resources available for training. Sport NZ is developing an online governance training module for release in late 2015, which will support the governance development framework. Sport NZ notes a further challenge for governance as the trend increases for participants moving from traditional, organised sport to more informal sport and physical activity.

Improving sustainability through commercial strategic planning and efficiency

Our partners delivering sport are mainly not-for-profit organisations and often face tough challenges to their own financial survival. Our support for partners includes business modelling and developing commercial strategies and plans as well as providing other support during implementation, to address financial sustainability. 'Commercial' strategies and plans refers to the arrangements partner organisations make to ensure their revenue exceeds their expenditure, in an environment where commercial awareness is increasingly important.

Sport NZ has developed the Commercial Impact Assessment tool to monitor commercial risk improvements and ultimately, long-term revenue growth. As well as helping us to target our resources and know that our support is effective, the results inform organisations as they drive commercial improvement in their organisations. In July 2015, Sport NZ monitored 15 NSOs that had been receiving commercial capability support for at least 2 years and initial, emerging monitoring results across a selection of partners are very encouraging, showing an average of 13% revenue growth, with an estimated value of \$19 million over the last 4 years.

We also provide commercial expertise to collective groups of partners and the sector as a whole to increase their efficiency, for example, we facilitated collective purchasing agreements, partnerships and sponsorships that benefit multiple sports organisations. These arrangements have enabled operating savings and improved services in these organisations. This is an area with potential to save much more in the sector and will remain a focus for Sport NZ.



Protecting the integrity of sport

Protecting the integrity of New Zealand sport has continued to be a priority for us. We continue to work with National Sports Organisations to help them adopt or adapt the national match-fixing policy, and support them to use our online tool to educate athletes and others in their sports covered by the policy. In December, we supported changes to the Crimes Act to criminalise the worst forms of match-fixing, just in time for the 2015 Cricket World Cup.

Sport NZ also continues to lead the cross-government group focussed on sport integrity, ensuring that intelligence on integrity threats – match-fixing and doping in particular – is gathered, analysed and acted on. This year we have also started work on a refresh of our wider Integrity Framework, including issues such as diversity, and sideline behaviour.

Joint philanthropic project

As part of our efforts to ensure there is enough fuel for our world-leading sport system, Sport NZ and HPSNZ last year launched a joint philanthropic project with the New Zealand Olympic Committee (NZOC), with an initial focus on raising funds for teams and athletes preparing for the Rio Olympic Games.

The project, named BlackGold, seeks to engage with philanthropists and business people, living in New Zealand and those living overseas, who share our passion for sport and want to see New Zealand and New Zealanders continue to succeed.

BlackGold partners have all been involved in philanthropic activity independently of the project for some time, however Sport NZ and our BlackGold partners see the opportunity to achieve more through a joint initiative. Money raised is going directly to the projects within the sport system which can make the most difference for Rio.



World Cup events inspire the nation

Cricket captivated the nation at the start of 2015 as New Zealand co-hosted the ICC Cricket World Cup with Australia. The BLACKCAPS were electric, winning eight straight matches to qualify for the World Cup final for the first time. The tournament was a massive success with 405,000 people attending the 23 matches held in New Zealand. It has delivered a significant legacy for the sport of cricket, with 1,400 primary and intermediate schools registering for CWC2015 legacy programmes in 2014/15 (of which 500 had no links to NZ Cricket the year prior), growing participation and the fan base for cricket in New Zealand.

Sport NZ worked with NZ Cricket to provide all 1,400 participating schools with resources including basic cricket kit to help develop fundamental movement skills in their pupils. NZ Cricket reports that 43,000 children took part in the movement skills programme. A further programme to upskill teachers and parents in coaching, umpiring and scoring is to be launched by NZ Cricket in the 2015/16 season. Links between cricket clubs, schools and communities were also enhanced.

In May, it was football's turn to capture the nation when the FIFA Under 20 World Cup was held in New Zealand. Twenty-four teams competed in the tournament with Serbia emerging victorious over Brazil in a sold-out final at North Harbour Stadium in June. Organisers report that more than 300,000 spectators attended matches and the tournament generated almost \$5 million in legacy benefits including nine new international standard training pitches, 20 new floodlights, a portable futsal court, goals, team benches, dug-outs and training equipment. More than 500 schools took part in the tournament-themed schools programme, and 8,000 young people benefitted from world-class training in the FIFA Grassroots Festival.

The World Cups Office within Sport NZ worked with tournament organisers, Government agencies and host regions to co-ordinate delivery of core government services and leverage and legacy activities in support of both events. Of key stakeholders surveyed, 100% of respondents were satisfied with co-ordination of core government services from the World Cups Office.

Leveraging major events

Below, we describe the leverage and legacy benchmarks set by recent World Cup events but we should also mention that these successful events deliver to government goals wider than Sport NZ's statutory remit. Successful events boost the national economy and support the work of the Ministry of Business, Innovation and Employment (MBIE) in increasing opportunities for all New Zealanders to contribute to the economy. Sport NZ works closely with MBIE to ensure respective aims are met.

As well as providing expertise to ensure successful delivery of major events, Sport NZ connects and manages complex stakeholder relationships while targeting and securing the best sporting events for New Zealand. This is vital to maintain New Zealand's reputation as one of the world's leading sporting nations. Sport NZ is committed to marshalling and leading collective effort across the sport system towards the strategic goal of having a world-leading sporting events system in New Zealand.

Working collaboratively to enhance sport provision in Auckland

Throughout the year we have been working with Auckland Council, Active and other sector partners to review how the Council manages its natural and physical resources while enabling growth and development – through the Unitary Plan. We sought to ensure proposed changes did not negatively impact the delivery of sport – particularly in the areas of allowable hours of operation, noise and lighting.

Sixty-three organisations, including the Auckland Sports Coalition, NSOs, RSTs and clubs gave Sport NZ the mandate to engage experts on planning, noise and lighting represent them through the process. This would otherwise be an extremely daunting and costly exercise for the average RSO or club.

We were very pleased with progress made in these areas:

- **Lighting** – proposed limits to illuminance on playing surfaces have been replaced by measures of effect on neighbouring residential properties, if any.
- **Hours of operation** – an over-riding paragraph which limited the hours for organised sport on Sundays and Public Holidays to 9am to 6pm has now been deleted.

We are continuing to work with Council to make a strong case on allowable noise limits and the hours the limits apply.

Throughout, we worked with the sector to provide over-arching sector-wide evidence on the background and general requirements of sport to have a network of fit-for-purpose facilities available for people to use at reasonable times of the day. This purpose addressed Auckland Council and government objectives for a well-connected, healthy, active community regularly engaged in sport and active recreation.

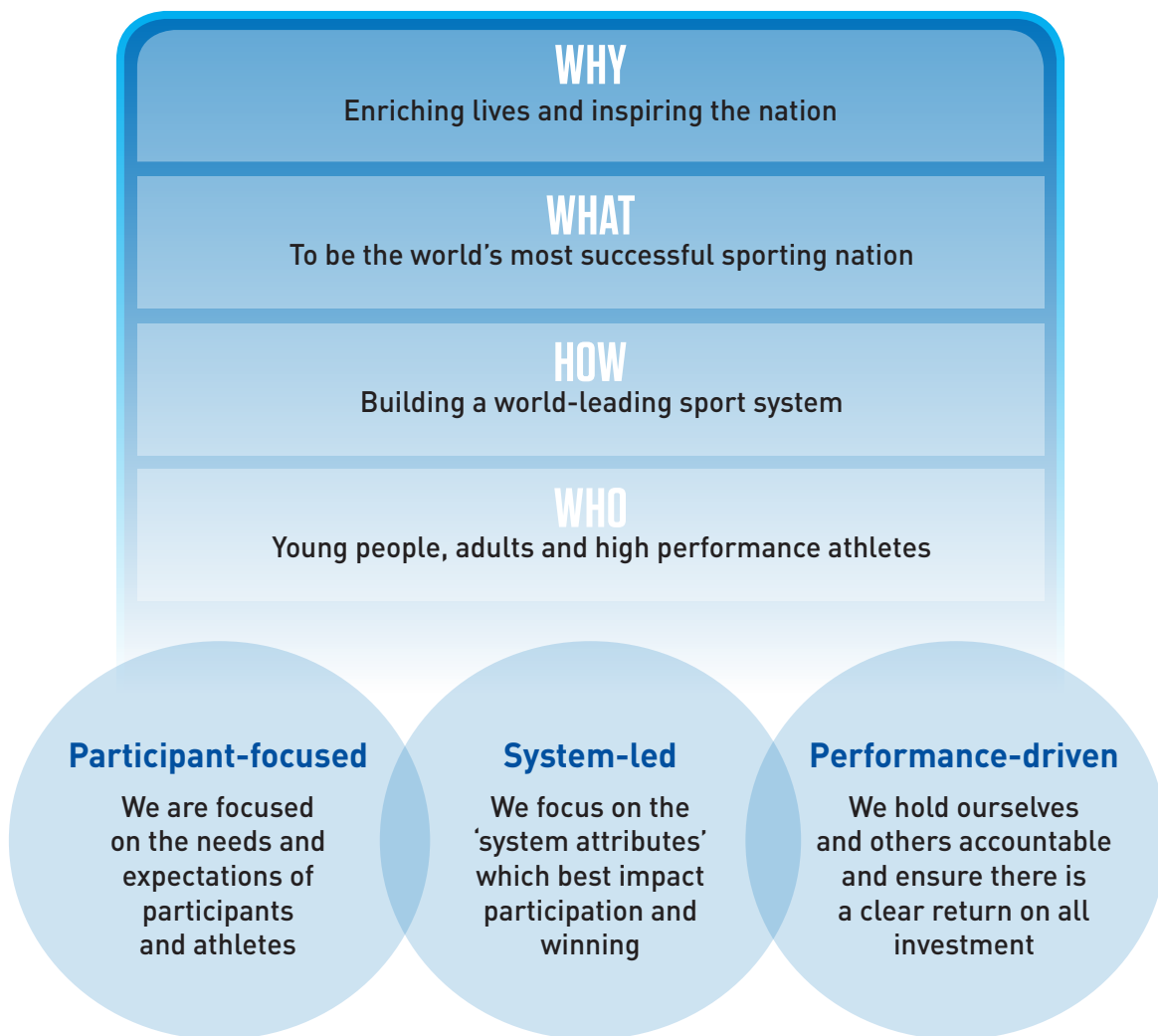




Our Group Strategic Plan 2015-2020

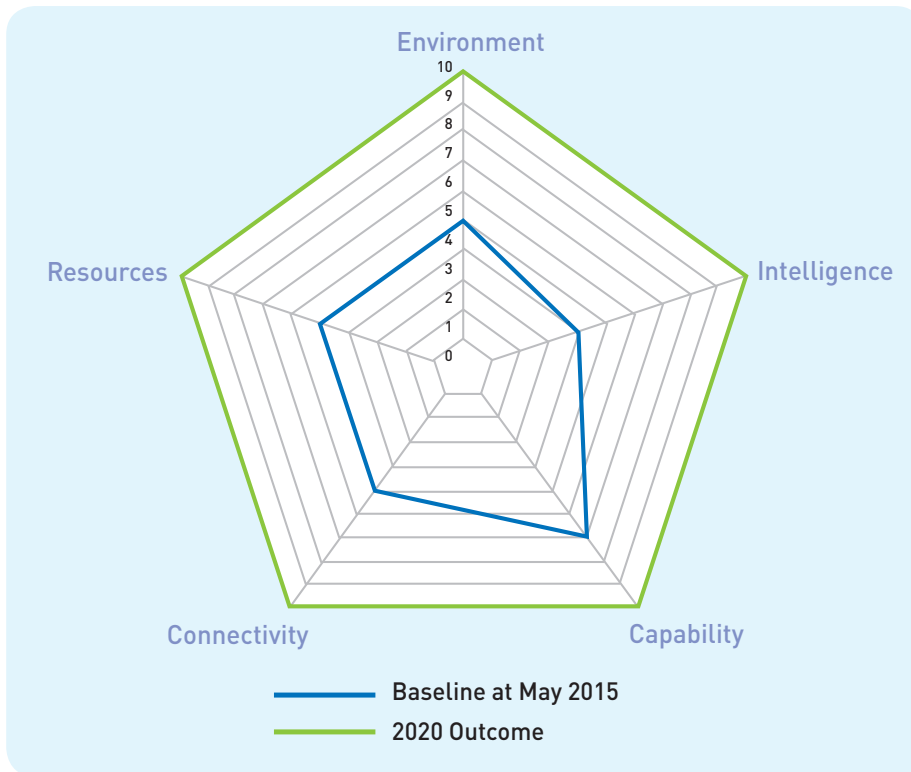


In 2014/15, we developed our new Group Strategic Plan to take us through to 2020. The new Strategic Plan focuses on four Strategic Outcomes: More young people participating in sport and recreation, More New Zealanders involved in Sport and recreation, More New Zealand winners on the world stage and Progress in all areas of a world-leading sport system. The diagram above depicts our Strategic Outcomes and Strategic Focus Areas in the top half and, in the bottom half, Sport NZ initiatives in each critical part/attribute of the sport system. These initiatives support the results in the top half. Our strategic approach going forward is:



In order to achieve these long-term outcomes in the future for New Zealand, we need a healthy system fit for the future and this means raising the bar in some areas. From a complex system, Sport NZ has identified five broad attributes: **environment, intelligence, capability, connectivity** and **resources** which are critical to progress and sustaining a healthy system. Each attribute has been defined by a set of 'success statements' that collectively represent a world-leading sport system, within the New Zealand context.

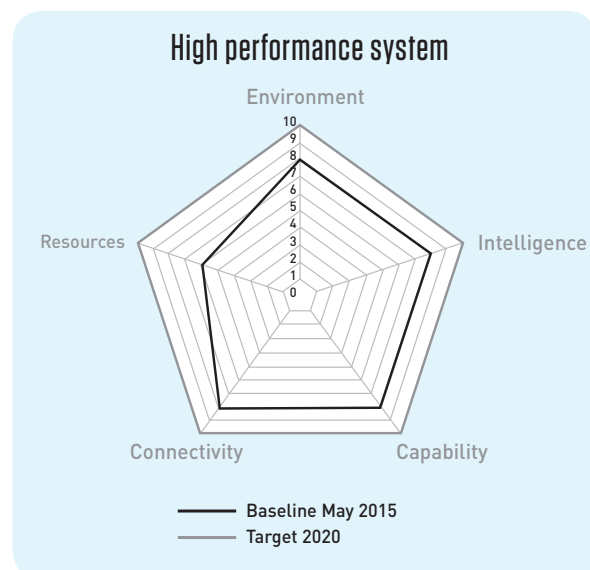
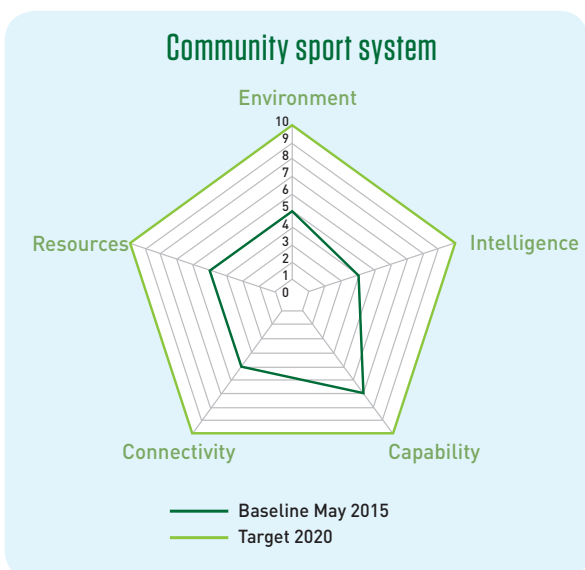
Initial baseline for the New Zealand sport system (May 2015)



We developed an initial system baseline in May 2015, as a starting point from which to measure further system development through consultation and collaboration with sector partners. We are working to reach an ongoing, mutual understanding of the system with our partners and other stakeholders and a robust understanding of where respective efforts can be best placed. The system baseline used Sport NZ strategic planning and analysis from 2013 and 2014 and is depicted to the left:

Baselines for the community sport and high performance sport systems (May 2015)

Both community sport and high performance sport systems represent specialised parts of the whole sport system, with their own particular environment. The respective results represent the relative maturity of the high performance sport system and complexity of the community sport system.



Participant-focus

In 2014, we also established a participant-focus as part of our approach. This means that the needs and expectations of participants and athletes are central to our decision-making and inform our actions. In Community Sport we are building our knowledge and understanding of participants, whilst High Performance has compiled extensive knowledge about high performance athlete needs and tailors its support to enable athletes to compete and win at the right time during the Olympic cycle.



In the illustration above, Sport NZ Group recognises there are other local, regional, national and international parts which make up the infrastructure essential to building a world-leading sport system. Sport NZ Group leads and enables people and these other parts to come together, to meet participant needs and shape the future system.

Statement of Responsibility

We are responsible for the preparation of Sport and Recreation New Zealand's financial statements and statement of performance and for the judgements made in them.

We are responsible for any end-of-year performance information for Sport and Recreation New Zealand under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Sport and Recreation New Zealand for the year ended 30 June 2015.

Signed on behalf of the Board:



PAUL COLLINS
CHAIR SPORT NZ AND HPSNZ
30 September 2015



BILL BIRNIE
SPORT NZ AND HPSNZ BOARD MEMBER
30 September 2015



Independent Auditor's Report

To the readers of Sport NZ's financial statements and performance information for the year ended 30 June 2015.

The Auditor-General is the auditor of Sport NZ. The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the group consisting of Sport NZ and its subsidiary, High Performance Sport New Zealand limited (collectively referred to as 'the Group') on her behalf.

Opinion on the financial statements and performance information

We have audited:

- the financial statements of the Group on pages 71 to 91, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 59 to 67 and strategic outcomes on pages 21, 34 to 35, 44 to 45, and 60-67 .

In our opinion:

- the financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards.
- the performance information:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2015, including:
 - for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been 'achieved with the appropriations; and
 - the actual expenses and capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 1 October 2015. This is the date at which our opinion is expressed. The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and explain our independence.

Basis of opinion

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

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

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

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over electronic publication of the financial statements and performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

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

- comply with generally accepted accounting practice in New Zealand;
- present fairly the Group's financial position, financial performance and cash flows; and
- present fairly the Group's performance.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Group.



CHRISSIE MURRAY

AUDIT NEW ZEALAND

On behalf of the Auditor-General

Wellington, New Zealand

Statement of Performance

The Sport NZ Group's outputs for 2014/15 to achieve the strategic outcomes, set out in the Statement of Performance Expectations 2014/15, are grouped into two areas of work:

1. Sport and Recreation Programmes
- funded through Appropriation: Sport and Recreation Programmes.
2. High Performance, including Prime Minister's Sport Scholarships
- funded through Appropriations: High Performance Sport and Prime Minister's Sport Scholarships.

1: Sport and Recreation Programmes

Outcomes sought

Long-term

- More young people and adults in sport and recreation.

Medium-term

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

Performance

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

Sport NZ's assessment of its performance against Sport and Recreation Programmes for 2014/15 is set out on the following page.



Programme Investment and Management

Output/Delivery	Performance Standard	Performance at 12 months	Status
Sector investment and management: Investment to achieve community sport and recreation outcomes			
Sport NZ invests in national sport and recreation organisations, regional sports trusts, territorial authorities, iwi organisations and other organisations to achieve community sport and recreation outcomes.	At least 65% of total sport and recreation spending will be invested in partners. Partners include: National sport and recreation organisations Regional sports trusts Iwi organisations Territorial authorities	2014/15: 71.5% 2013/14: 79% 2012/13: 75%	Achieved
Sector investment and management: Investment to achieve capability outcomes			
Sport NZ invests in national sport and recreation organisations, and regional sports trusts to achieve capability outcomes (governance, leadership, commercialisation, people management, IT, finance)	At least \$2 million of total sport and recreation spending will be invested in national sport and recreation organisations to achieve capability outcomes.	2014/15: \$3.4m 2013/14: \$2.1m 2012/13: \$1.8m	Achieved
Sector investment and management: Investment to achieve event and facility outcomes			
Sport NZ invests in national sport organisations to achieve event and facility outcomes	At least 1.5% (of total sport and recreation spending) will be invested in partner organisations to achieve event and facility outcomes	2014/15: 1.6% 2013/14: 2.3% 2012/13: 2.4%	Achieved

Technical Advice and Resources

The last year has been challenging for both the Community Sport team and our partners. We have undertaken an extensive process of consultation around the development of the new 2015-2020 Community Sport Strategy while also restructuring the Community Sport team. This process, and the fact the new strategy is articulating a change in direction for Sport NZ, has created anxiety across our partner network. Partner anxiety is both about change in direction and the potential impact on investment. We expect to see improved relationship results in 2015/2016 as there will be greater certainty around planning and investment and a fully staffed Community Sport team working with partners.

Output/Delivery	Performance Standard	Performance at 12 months	Status
Technical advice and resources: Technical advice for community sport			
Sport NZ provides expert advice, guidance and assistance to: <ul style="list-style-type: none"> National sport organisations and regional sports trusts to design community sport plans, programmes and delivery systems to grow and sustain participation 	At least 80% partner satisfaction (targeted NSOs and RSTs) with quality of community sport consultancy	2014/15: 70% ¹⁶ of partners rated the quality of consultancy as excellent or good 2013/14: 68% 2012/13: 84%	Not Achieved ¹⁷
Technical advice and resources: Technical advice for capability development			
Sport NZ provides expert advice, guidance and assistance to national sport organisations and regional sports trusts to improve organisational capability in the areas of governance, leadership, commercialisation, people management, IT, and finance	At least 80% partner satisfaction (targeted NSOs) with the quality and timeliness of capability support	2014/15: 81% of partners rated the quality of support as excellent or good 2013/14: 89% 2012/13: 93%	Achieved
Technical advice and resources: Technical advice for facilities			
Sport NZ provides expert advice, guidance and assistance to NSOs, RSTs and TAs to improve the development and management of facilities	Quality: At least 80% partner satisfaction (targeted NSOs, RSTs and TAs) with the quality of facilities consultancy.	2014/15: 84% of partners rated the quality of consultancy as excellent or good ¹⁸ 2013/14: 79% 2012/13: 92%	Achieved
Technical advice and resources: Technical advice for event management			
Sport NZ provides expert advice, guidance and assistance to NSOs, RSTs and TAs to improve the development and delivery of major events	At least 80% partner satisfaction (targeted NSOs, RSTs and TAs) with the quality of events consultancy.	2014/15: 83% of partners rated the quality of consultancy as excellent or good 2013/14: 85% 2012/13: 81%	Achieved

¹⁶ Source: Sport NZ Group Partner Confidence Survey 2015.

¹⁷ Partner satisfaction was affected by uncertainty and ensuing anxiety about the potential impacts of the new Community Sport Strategy.

¹⁸ This analysis uses a sub-group of relevant partners. Source: Sport NZ Group Partner Confidence Survey 2015

Partner Confidence

Our partner relationships are critical to us achieving the results we seek. This indicator provides us with assurance of the strength of our partner relationships.

Indicator	Performance Standard	Result
Partner confidence in Sport NZ Group	At least 80%	2014/15: <ul style="list-style-type: none"> ▪ 79% Sport NZ ▪ 79% HPSNZ 2013/14: <ul style="list-style-type: none"> ▪ 86% Sport NZ ▪ 91% HPSNZ 2012/13: <ul style="list-style-type: none"> ▪ 91% Sport NZ ▪ 75% HPSNZ

Policy Advice

Output/Delivery	Performance Standard	Performance at 12 months	Status
Policy Advice			
Sport NZ provides high-quality policy advice to the Minister for Sport and Recreation	Quality and timeliness: Satisfaction with ministerial servicing by the Office of the Minister for Sport and Recreation Quantity: 95% of briefings and correspondence provided to the Minister for Sport and Recreation within agreed timeframes	Ministerial servicing: 2014/15: The Office of the Minister for Sport and Recreation was satisfied with ministerial servicing over this period. 2013/14: The Office of the Minister for Sport and Recreation was satisfied with ministerial servicing over the 2013/14 period 2012/13: Not measured	Achieved
		Briefings and correspondence: 2014/15: 97% of briefings and correspondence provided to the Minister for Sport and Recreation within agreed timeframes 2013/14: 97% of briefings and correspondence provided to the Minister for Sport and Recreation within agreed timeframes 2012/13: 85% of briefings and correspondence provided to the Minister for Sport and Recreation within agreed timeframes	

Knowledge and Information

Output/Delivery	Performance Standard	Performance at 12 months	Status
Knowledge and information			
Sport NZ develops and disseminates knowledge and information to facilitate sharing good practice.	At least 80% of partner satisfaction (targeted NSOs, RSTs and TAs) with information sharing by Sport NZ At least 80% partner satisfaction (targeted NSOs) with Sport NZ's resources and toolkits	2014/15: 93% of partners rated the quality of information sharing as excellent or good 2013/14: 95% 2012/13: 90%	Achieved

World Cups Office

Output/Delivery	Performance Standard	Performance at 12 months	Status
World Cups Office: Support for international sporting events hosted in New Zealand			
Sport NZ co-ordinates cross-agency support and delivery of core government services for the Cricket World Cup 2015, and the FIFA U-20 World Cup 2015 (the tournaments)	At least 80% key stakeholder satisfaction with core government services delivered.	Cricket World Cup and FIFA U20 World Cup successfully delivered Of key stakeholders surveyed, 100% of respondents were satisfied with co-ordination of core government services.	Achieved
Sport NZ co-ordinates cross-agency leverage and legacy activities to enable New Zealand and New Zealanders to benefit from hosting the tournaments	Quantity: Cross-agency coordination structures are established and operating to develop leverage and legacy programmes around two tournaments	Legacy and leverage programmes for both World Cup tournaments developed and established. Of key stakeholders surveyed, 100% of respondents who were involved with leverage and legacy programmes were satisfied with co-ordination.	Achieved

Cost of Service by Output Class: Sport and Recreation Programmes

For the year ended 30 June 2015

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
19,151	Crown funding	21,151	19,151
51,486	Other operating revenue	41,589	43,683
70,637	Total Revenue	62,740	62,834
	Less expenses		
45,225	Sector investment and consulting	47,107	48,287
-	Infrastructure investment	2,000	-
2,552	Programme management	3,252	2,864
8,992	Technical advice and resources	11,404	10,922
1,027	Policy advice	1,336	1,141
2,853	Knowledge and information	1,619	2,304
60,649	Total Expenses	66,718	65,518
9,988	Net Operating Surplus/(Deficit)	(3,978)	(2,684)

Additional Crown funding of \$2m and offsetting Infrastructure Investment relates to a contribution towards the development of the Hagley Park Oval Pavillion.

World Cups Office

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
7,000	Crown funding	3,355	-
-	Other operating revenue	420	
7,000	Total Revenue	3,775	
	Less expenses		
-	Sector investment and consulting	8,297	5,000
683	World Cups office	1,264	1,635
683	Total Expenses	9,561	6,635
6,317	Net Operating Surplus/(Deficit)	(5,786)	(6,635)

Primary funding was received in 2013/14 for running the World Cups Office. A further \$3.4 million of Crown funding for Cricket World Cup leverage and legacy initiatives was received in 2014/15.

2: Output Class: High Performance Programmes

Outcomes sought

Long-term

- More winners on the world stage at Olympic / Paralympic Games and World Championships at targeted sports.

Medium-term

- Achieve a sustainable high performance sport system capable of constant improvement through collaborative leadership and investment.
- Athletes performing to a higher level in the high performance system.

Performance

HPSNZ's assessment of its performance for high performance programmes for 2014/15 is set out below. HPSNZ purchases programmes, resources and services that contribute to more New Zealand winners on the world stage.

Output/Delivery	Performance Standard	Performance at 12 months	Status
Sector investment and management: Investment to support NSO high performance initiatives			
Sport NZ invests in high performance sport, on the recommendation of HPSNZ, to achieve high performance outcomes.	At least 85% of total high performance funding will be invested in high performance programmes and initiatives ¹⁹	2014/15: 92.2% invested in high performance programmes and initiatives 2013/14: 92.2% 2012/13: 88.2%	Achieved
Technical advice: Provision of high performance expertise			
HPSNZ provides expert advice, guidance and assistance to NSOs to improve the delivery of their high performance programmes for athlete development	At least 80% partner satisfaction with quality of consultancy	2014/15: 94% of partners rated the quality of advice as excellent or good 2013/14: 100% ²⁰ 2012/13: 90%	Achieved
Athlete Services: High performance athlete support services			
HPSNZ directly supports athletes through the: allocation of grants and the provision of specialist services (such as exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life, and medical.)	At least 85% of coaches and athletes say that HPSNZ support and training environment positively impacts performance.	2014/15: 90% athletes ²¹ 93% coaches Past results: 2013/14: 93% Athletes 86% Coaches 2012/13: Survey not conducted	Achieved

¹⁹ These include Investment to targeted sports, Performance Enhancement Grants, Technology and Innovation, High Performance Events and direct costs to provide technical advice, resources and athletes services to targeted sports, athletes and coaches.

²⁰ This result includes an 'adequate' rating, as well as 'excellent' and 'good'.

²¹ The reported performance of 90% excludes responses from athletes who indicated that they used HPSNZ services "very seldom" during 2014/15. If these responses had been included, reported performance would be 86%.

Cost of Service by Output Class: High Performance Programmes

For the year ended 30 June 2015

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
58,192	Crown funding	58,192	58,192
2,134	Other operating revenue	5,969	5,512
60,326	Total Revenue	64,161	63,704
	Less expenses		
40,344	Sector investment and consulting	40,410	41,218
1,637	Programme management	1,692	1,774
6,252	Technical advice and resources	6,387	7,234
12,578	HP athlete services	13,568	15,438
60,811	Total Expenses	62,057	65,664
(485)	Net Operating Surplus/(Deficit)	2,104	(1,960)

Infrastructure Investment

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
10,000	Crown funding	-	-
10,000	Total Revenue	-	-
	Less expenses		
5,182	Infrastructure expenditure	2,152	5,482
5,182	Total Expenses	2,152	5,482
4,818	Net Operating Surplus/(Deficit)	(2,152)	(5,482)

3: Prime Minister's Sport Scholarships

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

Output/Delivery	Performance Standard	Performance at 12 months	Status
Sector investment and management: Prime Minister's Sport Scholarships Investment			
Sport NZ invests in the development of high performance athletes, coaches, officials and support personnel through the allocation of Prime Minister's Sport Scholarships, on the recommendation of HPSNZ	Quality: Administration costs are less than 4% of the total funds being allocated	Admin Costs: 2014/15: 3.6% 2013/14: 3.8% 2012/13: 4.4%	Quantity: Achieved
	Quantity: \$4.25 million invested for: At least 300 ²² athlete scholarships At least 100 coach, support team and officials scholarships Targeted sports receive at least 80% of scholarship funds allocated	Scholarships: 2014/15: \$3.7m ²³ invested in: <ul style="list-style-type: none"> ▪ 371 athlete scholarships ▪ 223 (coach, officials, support team) scholarships 	Quantity: Not achieved
		2013/14: \$3.415m invested in: <ul style="list-style-type: none"> ▪ 371 athlete scholarships ▪ 203 (coach, officials, support team) scholarships 2012/13: \$3.157m invested in: <ul style="list-style-type: none"> ▪ 361 athlete scholarships ▪ 140 (coach, officials, support team) scholarships 	Targeted sports received 85% of scholarship funds allocated

²² This target is at a level to provide scholarship access to the majority of carded athletes.

²³ The amount invested is subject to the rigour of investment criteria designed to balance optimal results with acceptable risk.

Cost of Service by Output Class: Prime Minister's Sport Scholarships

For the year ended 30 June 2015

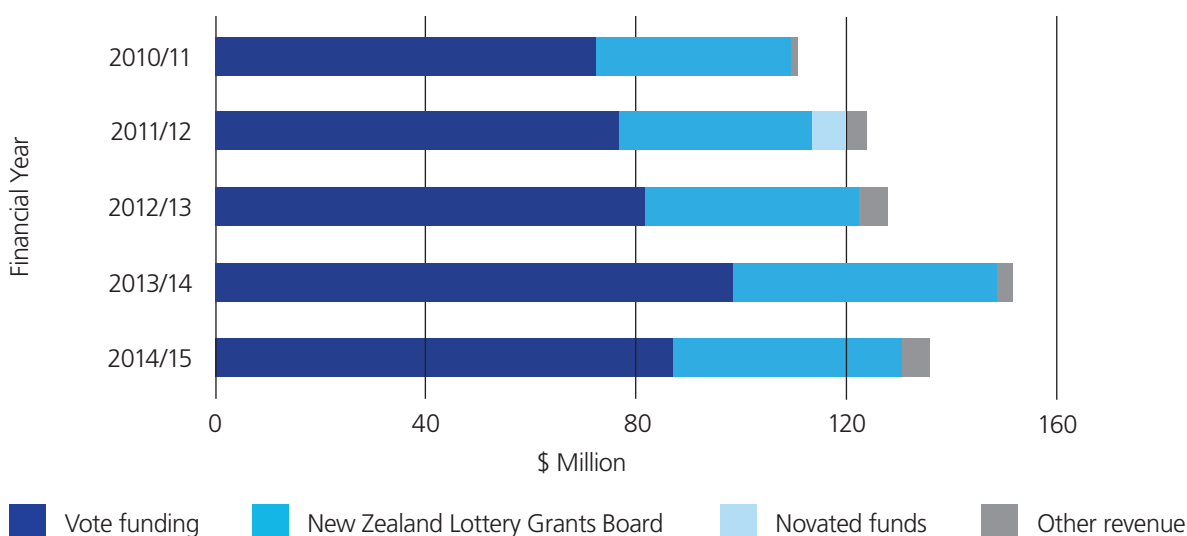
ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
4,250	Crown funding	4,250	4,250
4,250	Total Revenue	4,250	4,250
3,415	Less expenses	3,696	4,793
160	Sector investment	152	165
	Programme management		
3,575	Total Expenses	3,848	4,958
675	Net Operating Surplus/(Deficit)	402	(708)

Financial Information

Financial Overview

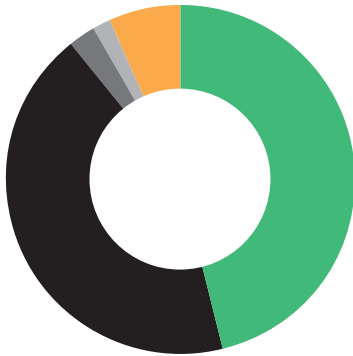
The financial information presented within this annual report is for the Sport NZ Group, comprising Sport NZ and its wholly-owned subsidiary HPSNZ.

Table One:
Analysis of Revenue from 2010/11 to 2014/15



In 2014/15 the Sport NZ group received one-off increases in Crown funding of \$5.355 million; \$2 million for the development of the Hagley Pavilion and \$3.355 million for investment into Cricket World Cup leverage and legacy programmes. By comparison, 2013/14 saw one-off Crown funding to invest in sport infrastructure of \$10 million and the initial \$7 million contribution to support the ICC Cricket and FIFA U20 World Cups, both held in 2015.

**Table Two:
Breakdown of 2014/15
Expenditure Allocation**



Sport and Recreation Programmes
■ **46.2%** \$66.760m

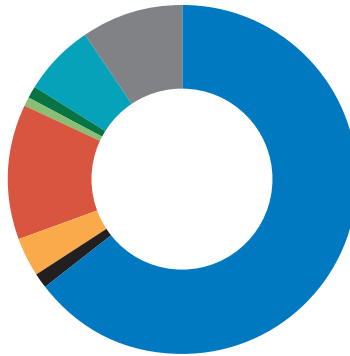
High Performance Sport
■ **43.0%** \$62.057m

Prime Minister's Sport Scholarships
■ **2.7%** \$3.848m

High Performance Infrastructure
■ **1.5%** \$2.152m

World Cups Office
■ **6.6%** \$9.561m

**Table Three:
Analysis of 2014/15 Expenditure
(including overhead costs)**



Sector Investment and Consultancy
■ **64.6%** \$93.214m

HP Infrastructure Investment
■ **15.5%** \$2.152m

Programme Management
■ **3.5%** \$5.097m

Technical Advice and Resources
■ **12.4%** \$17.830m

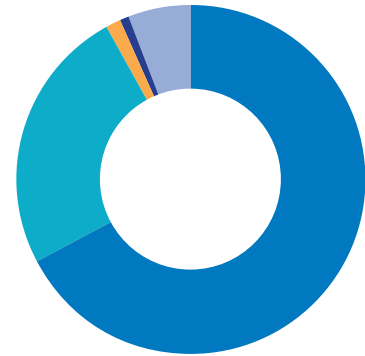
Policy Advice
■ **0.9%** \$1.336m

Knowledge and Information
■ **1.1%** \$1.619m

World Cups Office
■ **6.6%** \$9.561m

HP Athlete Services
■ **9.4%** \$13.568m

**Table Four:
Analysis of 2014/15 Sector
Expenditure (by partner)**



National Governing Bodies
■ **67.3%** \$69.180m

Regional Sports Trusts
■ **24.8%** \$25.516m

Local Authorities
■ **1.3%** \$1.352m

Iwi-Based Organisations
■ **0.8%** \$0.680m

Other
■ **5.8%** \$5.991m

Table Two shows how the Sport NZ Group expenditure was allocated across outputs.

Table Three shows that in 2014/15, \$116.143 million of expenditure was directly invested into the sport and recreation sector (e.g. national governing bodies of national sport and recreational organisations and regional sports trusts) through direct sector and consultancy investment (\$93.214 million), Cricket World Cup office (\$9.561 million) and the provision of HP Athlete services (\$13.568 million). Direct investment in 2013/14 made up \$101.561 million of total expenditure. A further \$2.152 million has been invested in the development of high performance facilities (\$5.182 million in 2013/14).

Table Four shows how the 71% of total expenditure invested into the sport and recreation sector in 2014/15 has been distributed between the Sport NZ Group's partner organisations. The primary channel for sector investment for both high performance and community sport is through National Governing Bodies and Regional Sport Trusts which received 92.2% of the investment. In 2014/15 the Sport NZ Group invested \$5.991 million (5.8%) into other partners including \$1.020 million for the construction of high performance infrastructure projects. A summary of the Sport NZ Group's sector investments are further contained in Appendix 1. The amount for National Governing Bodies shown above, excludes Athlete Performance Support.

Financial Summary

For the year ended 30 June 2015

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
152,213	Operating revenue	134,926	130,788
93,034	Total investments	102,719	103,959
37,866	Operating expenditure	41,659	44,298
21,313	Net Operating Surplus/(Deficit)	(9,452)	(17,469)
50,636	Assets	44,082	31,877
5,003	Liabilities	7,901	4,473
45,633	Public Equity	36,181	27,404

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

Total Operating Revenue for 2014/15 was \$4.138 million higher than budgeted, due mainly to \$3.355 million in Crown funding being appropriated to fund leverage and legacy investments associated with the hosting of the ICC Cricket World Cup and \$2 million in Crown funding to support the construction of the Hagley Park Oval Pavilion.

NZ Lottery Grants Board funding is lower than budget by \$1.526 million. This reduction in revenue arose from the following:

- Additional Lotteries funds from the 2013/14 profit \$2.151 million
- New Water Safety New Zealand funding \$2.063 million
- Reduction in 2014/15 Lotteries funding \$5.740 million

Sector investment expenditure has increased from 2013/14 by \$9.685 million of which \$6.3 million was to support the ICC Cricket World Cup, \$2.063 million to specific LGB funding paid direct to Water Safety NZ and \$1 million of Infrastructure funding to Rowing NZ and in the National High Performance Training Centre.

The majority of reserves at year end are tagged against 2015/16 initiatives and are forecast to be reduced by \$19 million in 2015/16. The most significant portion of our Closing Equity balance relates to the following:

- Infrastructure programme \$11.130 million
- 2016 Rio Olympics campaign \$3.795 million
- Philanthropy strategy \$1.000 million
- Community Sport investment \$0.850 million

Financial Statements

Statement of comprehensive revenue and expense

For the year ended 30 June 2015

ACTUAL 2014 \$000		Note	ACTUAL 2015 \$000	BUDGET 2015 \$000
Revenue				
98,593	Crown funding		86,948	81,593
49,839	New Zealand Lottery Grants Board		43,494	45,020
1,213	Interest received		1,940	1,564
2,568	Sundry revenue		2,544	2,611
152,213	Total Operating Revenue	2	134,926	130,788
Investments				
822	Investment consulting		859	968
88,162	Sector investment		98,840	98,641
4,050	Infrastructure investment		3,020	4,350
93,034	Total Investments	3	102,719	103,959
Operating Expenditure				
232	Board members remuneration	21	216	236
19,481	Personnel costs	4	22,085	22,751
7,003	Professional and technical services	5	8,060	8,834
2,023	Leased property		1,844	1,863
2,374	Depreciation and amortisation	9,10	2,478	2,652
6,753	Other operating costs		6,976	7,962
37,866	Total Operating Expenditure		41,659	44,298
130,900	Total Expenditure		144,378	148,257
21,313	Surplus/Deficit		(9,452)	(17,469)

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

Statement of financial position

As at 30 June 2015

ACTUAL 2014 \$000		Note	ACTUAL 2015 \$000	BUDGET 2015 \$000
Assets				
CURRENT ASSETS				
12,594	Cash and cash equivalents	6	3,585	727
12,144	Trade and other receivables	7	9,945	12,093
93	Prepayments		243	-
49	Inventories		39	20
20,000	Treasury investments	8	24,500	13,900
44,880	Total Current Assets		38,312	26,740
NON-CURRENT ASSETS				
4,554	Property, plant and equipment	9	4,527	3,749
737	Intangible assets	10	1,025	922
465	Loans	11	218	466
5,756	Total Non-Current Assets		5,770	5,137
50,636	Total Assets		44,082	31,877
Liabilities				
CURRENT LIABILITIES				
3,341	Trade and other payables	12	5,332	3,149
295	Revenue received in advance	13	631	88
1,311	Employee entitlements	14	1,551	1,236
56	Provisions		387	-
5,003	Total Current Liabilities		7,901	4,473
5,003	Total Liabilities		7,901	4,473
45,633	Net Assets		36,181	27,404

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

Statement of changes in equity

For the year ended 30 June 2015

ACTUAL 2014 \$000		ACTUAL 2015 \$000	BUDGET 2015 \$000
24,320	Opening Public equity	45,633	44,873
21,313	Surplus (Deficit)	(9,452)	(17,469)
45,633	Closing Public Equity	36,181	27,404

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

Statement of cash flows

For the year ended 30 June 2015

ACTUAL 2014 \$000		Note	ACTUAL 2015 \$000	BUDGET 2015 \$000
Cash flows from operating activities				
CASH INFLOWS				
98,616	Receipts from the Crown		86,948	81,593
47,262	Receipts from the New Zealand Lotteries Grants Board		47,349	45,472
2,511	Sundry revenue		3,124	2,647
1,213	Interest received		1,952	1,564
987	Goods and services tax (net)		(1,972)	213
150,589	Total Cash Inflows		137,401	131,489
CASH OUTFLOWS				
93,260	Payments to suppliers		100,246	102,540
15,726	- Sector investment		17,377	18,863
-	- Other payments			
108,986	Total Payments to Suppliers		117,623	121,403
19,592	Payments to employees		21,481	22,663
128,578	Total Cash Outflows		139,104	144,066
22,011	Net Cash Inflows/(Outflows) from Operating Activities	19	(1,703)	(12,577)
Cash flows from investing activities				
CASH INFLOWS				
-	Disposal of property, plant and equipment		3	-
42	Loan repayments	11	25	51
-	Investments maturing	8	-	14,100
42	Total Cash Inflows		28	14,151
CASH OUTFLOWS				
1,022	Purchase of property, plant and equipment	9	1,973	1,002
253	Purchase of intangible assets	10	774	545
-	Loan repayments		87	-
20,000	Acquisitions of investments	8	4,500	-
21,275	Total Cash Outflows		7,334	1,547
(21,233)	Net Cash Inflows/(Outflows) from Investing Activities		(7,306)	12,604
778	Net Increase/(Decrease) in Cash Held		(9,009)	27
11,816	Opening cash balance as at 1 July		12,594	700
12,594	Closing Cash Balance as at 30 June		3,585	727

This financial statement is to be read in conjunction with the accounting policies and notes to the financial statements. Explanations of major variances against budget are provided in note 25.

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

Notes to the Financial Statements

1. Statement of Accounting Policies for the Year Ended 30 June 2015

Reporting Entity

These financial statements are for the Group for the year ended 30 June 2015 and were authorised for issue by the Board of Sport NZ on 30 September 2015. The Group comprises the parent entity, Sport and Recreation New Zealand (Sport NZ) and its fully owned subsidiary, High Performance Sport New Zealand Limited (HPSNZ).

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

Sport NZ was established as a Crown entity on 1 January 2003 under the Sport and Recreation New Zealand Act 2002 (the Act) to "*promote, encourage and support physical recreation and sport in New Zealand*". Its functions are set out in section 8 of the Act, which incorporate the functions of HPSNZ. A full list of functions is set out in the Appendix to this Annual Report. Sport NZ does not operate to make a financial return.

Sport NZ and its wholly-owned subsidiary, HPSNZ, are designated public benefit entities for financial reporting purposes.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

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

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

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There are no adjustments arising on transition to the new PBE accounting standards.

Measurement Base

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

Presentation Currency and Rounding

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

Standards Issued and not yet Effective and not Early Adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Sport NZ has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Sport NZ will apply these updated standards in preparing its 30 June 2016 financial statements. Sport NZ expects there will be minimal or no change in applying these updated accounting standards.

Significant Accounting Policies

Basis of Consolidation

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

Goods And Services Tax (GST)

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

Income Tax

The Group is a public authority in terms of the Income Tax Act 2007 and consequently is exempt from the payment of income tax.

Budget Figures

The budget figures for the year ended 30 June 2015 are derived from the Statement of Performance Expectations 1 July 2014 – 30 June 2015 as approved by the Sport NZ Board on 28 May 2014.

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

Cost Allocation

Within the statement of performance, the cost of outputs has been determined through a combination of direct cost allocation and overhead allocation. Costs directly attributable to an output are allocated to that output. Overhead costs, that comprise expenditure related to the Executive, Corporate Services, Business Operations and Marketing and Communications, are allocated to outputs based on the proportion of fulltime equivalent employees (FTEs) in each directly allocated cost group to total FTEs in all directly allocated cost groups.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Group has made estimates and assumptions concerning the future expectations that may differ from actual subsequent events. These estimates and assumptions are based on historical experience and other factors, including reasonable expectations as to likely future events, and continual re-evaluating of expectations in the light of new information.

There were no estimates or assumptions applied in preparing the financial statements considered to have involved significant enough risk as to requiring material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying the Group's accounting policies for the period ended 30 June 2015:

Exchange and Non-Exchange Transactions

Determining whether a transaction is exchange or non-exchange in nature requires judgement about the substance of the transaction.

The Group has assessed the impact of this new distinction on its two main revenue streams, Crown funding and New Zealand Lottery Grants Board funding, and has concluded that both are non-exchange revenue transactions. This assessment results in no change of accounting treatment where revenue is recognised based on the fair value of consideration received or receivable. We do not consider that there is any effective obligation or requirement to repay any unspent funding at balance date.

Fair Value of Loans

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

2. Operating Revenue

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Crown Funding	
26,151	Sport and Recreation Programmes	24,506
68,192	High Performance Sport	58,192
4,250	Prime Minister's Sport Scholarships	4,250
98,593	Total Crown Funding	86,948
	Other Revenue	
49,839	NZ Lottery Grants Board	43,494
1,213	Interest received	1,940
2,568	Sundry revenue	2,544
152,213	Total Operating Revenue	134,926

Revenue recognition

Revenue is recognised based on the fair value of consideration received or receivable.

Crown funding

The Crown directly provides funding to the Group for the specific purpose and objectives of Sport NZ and its subsidiary, HPSNZ, as set out in the Sport NZ Statement of Performance Expectations and according to the scope of relevant government appropriations.

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

Apart from the general restrictions, there are no unfulfilled conditions or contingencies attached to this funding.

New Zealand Lottery Grants Board

In addition to direct funding, the Group receives an allocation of funding from the Crown entity, New Zealand Lottery Grants Board (NZLGB), in accordance with section 279 of the Gambling Act 2003. This revenue is currently based on Sport NZ receiving 20% of the NZ Lotteries Commission annual net profit, as agreed by Cabinet.

The revenue is recognised based on the allocations advised by the NZLGB for the same year. Subsequent amounts received, as a result of the NZ Lotteries Commission turning a net profit in excess of that previously forecast, are recognised in the subsequent financial year on receipt.

Use of these funds is also subject to the general restrictions that apply to the direct Crown funding.

Interest

Interest income is recognised using the effective interest method.

3. Sector Investment

Sector investments and infrastructure investments

To meet its primary objectives, the Group provides funding to various organisations in the sport and recreation sector. This expenditure is recognised as an expense in the Statement of comprehensive revenue and expense either as 'sector investments' or 'infrastructure investments' according to the extent to which the recipient entity is to apply those funds to operating or capital expenditure respectively.

Expenditure is recognised only upon an obligation to distribute funds having arisen either as a result of an application for funding having been approved as meeting all specified criteria, or in accordance with scheduled payments becoming due under the terms of individual agreements previously established with recipient organisations.

Investment consulting

Costs associated with engaging consultants to provide professional advice directly to partner organisations are recognised in the Statement of comprehensive revenue and expense as an 'investment consulting' expense.

Sector investments are also disclosed by appropriation and by organisation category.

ACTUAL 2014 \$000		ACTUAL 2015 \$000
Sector investment by appropriation		
45,225	Sport and Recreation Programmes	55,593
44,394	High Performance Sport	43,430
3,415	Prime Minister's Sports Scholarships	3,696
93,034	Total Sector Investment	102,719
Sector investment by organisation category		
60,998	National Governing Bodies	69,180
25,306	Regional Sports Trusts	25,516
923	Local Authorities	1,352
680	Iwi-Based Organisations	680
5,127	Other	5,991
93,034	Total Sector Investment	102,719

A breakdown of investments made to individual sector organisations is contained in Appendix 1; however the information contained within Appendix 1 has not been audited and as such does not form part of these financial statements.

4. Personnel Costs

ACTUAL 2014 \$000		% of Total Revenue	ACTUAL 2015 \$000
8,779	Sector support	7%	9,806
5,223	Athlete services	4%	6,060
4,174	Corporate Services and Business Operations	3%	4,644
18,176	Total Salaries and Wages		20,510
915	Other personnel costs		652
449	Employer contributions to defined contribution schemes		519
(59)	Increase/(decrease) in employee entitlements		404
19,481	Total Personnel Costs		22,085

Salary and wages

The split in salary and wages represents the three high level functional groupings across the Group.

Sector support represents the staff working directly to the sector to provide knowledge, advice and technical expertise.

Athlete services includes specialists who provide direct performance support to athletes in exercise physiology, psychology, strength and conditioning, nutrition, biomechanics, physiotherapy, massage, planning, athlete life, medical and specialist services.

The Corporate Services and Business Operations costs relate to staff providing organisational infrastructure, advice and support.

Other personnel costs

Other personnel costs include recruitment and professional development costs.

Defined contribution schemes

The Group's obligations and contributions to Kiwisaver are recognised as an expense in the Statement of comprehensive revenue and expense as incurred.

5. Professional and Technical Services

ACTUAL 2014 \$000		ACTUAL 2015 \$000
2,634	Sector support consultants	1,870
1,896	Athlete service contractors	1,912
2,371	Other professional and technical services	4,193
	Audit fees (Audit NZ)	
97	- for annual audit	85
5	- for other audit services	-
102	Total Audit Fees	85
7,003	Total Professional and Technical Services	8,060

Sector support consultants represent professional and technical services we engage to directly support the sector.

Athlete service contractors, along with Athlete service staff, represent a key part of the delivery for High Performance Athlete services. Athlete service contractors are attributed to national sport organisations as an investment, a breakdown of which is contained in Appendix 1. This Appendix is not audited and does not form part of the Financial Statements.

The Group also engages specialist advice and services not otherwise found in the organisation to assist with the delivery of the Group's work programmes and priorities. These services include information technology, research, legal, strategic advice, benchmarking and frameworks advice.

6. Cash and Cash Equivalents

ACTUAL 2014 \$000		Credit rating	ACTUAL 2015 \$000
1,094	Bank balances and cash held	AA-	3,585
	Short term treasury investments (deposits < 90 days)		
3,000	ANZ National Bank		-
6,000	Rabobank NZ		-
2,500	Westpac		-
11,500	Total Short Term Treasury Investments		-
12,594	Total Cash and Cash Equivalents		3,585

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

7. Trade and Other Receivables

ACTUAL 2014 \$000		ACTUAL 2015 \$000
11,780	New Zealand Lotteries Grant Board	7,925
166	Interest receivable	-
198	Other trade receivables	588
-	Goods and services tax	1,432
12,144	Total Trade and Other Receivables	9,945

All significant trade and other receivables are current, and as such there no requirement to recognise a provision for the impairment of receivables (2013/14: \$nil).

All trade and other receivables are unrated.

8. Treasury Investments

ACTUAL 2014 \$000		Credit rating	ACTUAL 2015 \$000
	Treasury investments (deposits > 90 days)		
-	ANZ National Bank	AA-	5,000
8,000	ASB Bank	AA-	4,500
8,000	Bank of New Zealand	AA-	5,000
2,000	Kiwibank	A+	5,000
2,000	Westpac	AA-	5,000
20,000	Total Treasury Investments		24,500

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

After initial recognition, treasury investments in bank deposits are measured at amortised cost using the effective interest method less any provision for impairment.

Being fixed interest rate treasury investments, there is no impact on the measurement of amortised cost. There is no impairment provision for treasury investments at 30 June 2015 (2013/14 Nil).

As at 30 June 2015, the weighted average interest rate on treasury investments was 3.98% (2013/14: 4.68%) with an average maturity of 103 days.

Treasury investments are financial assets forming part of financial instruments. Financial instrument risks are discussed more fully in note 23 to the financial statements.

9. Property, Plant and Equipment

	Buildings \$000	Leasehold Improvements \$000	Plant and Equipment \$000	Furniture and Fittings \$000	Computer Equipment \$000	Total \$000
Cost						
Balance at 1 July 2014	3,396	1,934	1,509	723	231	7,793
Additions	-	919	256	233	565	1,973
Disposals	-	-	-	(16)	(1)	(17)
Balance at 30 June 2015	3,396	2,853	1,765	940	795	9,749
Accumulated depreciation						
Balance at 1 July 2014	1,415	858	491	323	152	3,239
Depreciation expense	1,131	334	286	136	106	1,993
Eliminated on disposal	-	-	-	(9)	(1)	(10)
Balance at 30 June 2015	2,546	1,192	777	450	257	5,222
Carrying amount at 30 June 2015	850	1,661	988	490	538	4,527
Cost						
Balance at 1 July 2013	3,396	1,857	780	582	239	6,854
Additions	-	77	729	141	75	1,022
Disposals	-	-	-	-	(83)	(83)
Balance at 30 June 2014	3,396	1,934	1,509	723	231	7,793
Accumulated Depreciation						
Balance at 1 July 2013	283	588	275	230	184	1,560
Depreciation expense	1,132	270	216	93	51	1,762
Eliminated on disposal	-	-	-	-	(83)	(83)
Balance at 30 June 2014	1,415	858	491	323	152	3,239
Carrying amount at 30 June 2014	1,981	1,076	1,018	400	79	4,554

There are no restrictions over the title of the Group's property, plant and equipment nor any property, plant and equipment pledged as security for liabilities. No asset classes have assets in the course of construction.

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

The Group does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Depreciation

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

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

Buildings – Apollo Projects Centre	3 years	(33%)
Leasehold improvements	3 to 10 years	(10-33%)
Plant and equipment	2 to 10 years	(10-50%)
Furniture and fittings	4 to 10 years	(10-25%)
Computer equipment	2 to 3 years	(33-50%)

The Apollo Projects Centre building has been depreciated over three years to match the period of the temporary resource consent granted for the building. While gaining permanent resource consent is still expected, a conservative approach has been applied to depreciation of the value of the building pending confirmation of resource consent being granted. It is expected that that within the next twelve months the Apollo Projects Centre will be gifted to the Christchurch City Council.

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

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

10. Intangible Assets

Internally Generated 2014 \$000	Acquired Software 2014 \$000	Computer Software 2014 \$000		Internally Generated 2015 \$000	Acquired Software 2015 \$000	Computer Software 2015 \$000
Cost						
1,615	2,091	3,706	Opening balance at 1 July	1,662	2,069	3,731
193	60	253	Additions	496	278	774
(146)	(82)	(228)	Disposals	(219)	(181)	(400)
1,662	2,069	3,731	Closing balance at 30 June	1,939	2,166	4,105
Accumulated Amortisation						
1,174	1,435	2,609	Opening balance at 1 July	1,230	1,764	2,994
202	411	613	Amortisation expense	248	236	485
(146)	(82)	(228)	Eliminated on disposal	(218)	(181)	(399)
1,230	1,764	2,994	Closing balance at 30 June	1,260	1,819	3,080
432	305	737	Carrying amount at 30 June	679	347	1,025

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

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

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

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

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

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

11. Loans

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Rowing New Zealand	
1,300	Loan drawn down	1,300
(871)	Fair value adjustment on initial recognition	(871)
(108)	Prior year loan repayment	(150)
133	Prior year fair value movement	186
454	Opening Balance	465
(42)	Loan repayment	(25)
53	Fair value movement on loan repayments	(222)
465	Total Loans	218

Loans are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for assets of a similar maturity and credit risk. Movements in fair value, including those arising from impairment, are recognised in the Statement of comprehensive revenue and expense.

Loans are unrated financial assets forming part of financial instruments. Financial instrument risks are discussed more fully in note 23 to the financial statements.

The Group has one loan on issue as follows:

- \$1.3 million to fund Rowing New Zealand's loss incurred following the 2010 Rowing World Championships held at Lake Karapiro.

Rowing New Zealand

The loan to Rowing New Zealand was part funded by the Ministry of Business Innovation and Employment (MBIE), but until this year, the full value of the loan was recognised by Sport NZ less the fair value of future repayments. At 30 June 2015, the portion of the loan due to MBIE has been recognised as a provision and is disclosed in note 15.

The loan to Rowing New Zealand has been written down to reflect the fair value movement of the future repayments due from Rowing New Zealand, and the write down reflects a longer expected repayment period. It is anticipated that the loan will be repaid at a rate of \$33,000 a year over the next 35 years. Over the remaining term of the loan, the fair value will be amortised back up to reflect the full nominal value of amounts drawn down less each amount repaid.

12. Trade and Other Payables

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	<i>Payables under exchange transactions</i>	
1,298	Creditors	1,739
864	Accrued expenses	218
2,162	Total payables under exchange transactions	1,957
	<i>Payables under non-exchange transactions</i>	
540	Goods and services tax	161
62	Other taxes payable (PAYE, ACC and rates)	334
577	Investment accruals	2,880
1,179	Total payables under non-exchange transactions	3,375
3,341	Total Payables	5,332

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

13. Revenue Received in Advance

ACTUAL 2014 \$000		ACTUAL 2015 \$000
122	Lease incentive payment	470
173	Sundry revenue	161
295	Total Revenue Received in Advance	631

Sport NZ received a \$300,000 contribution toward the fit-out of its leased Wellington premises from its owner.

During 2014/15 Sport NZ received a lease incentive payment of \$388,608 toward the fit-out of a new Auckland premise which acts as a sports hub housing a number of sporting organisations.

These lease incentive payments are recognised as revenue received in advance and are being amortised over the expected term of the lease.

14. Employee Entitlements

ACTUAL 2014 \$000		ACTUAL 2015 \$000
1,136	Annual leave provision	1,289
20	Sick leave provision	21
98	Remuneration accrued	183
57	Long service leave provision	58
1,311	Total Employee Entitlements	1,551

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

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

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

15. Provisions

ACTUAL 2014 \$000		ACTUAL 2015 \$000
	Current Provisions	
56	Redundancy	278
-	Loan repayment	16
56	Total Current Provisions	294
	Non Current Provisions	
-	Loan repayment	93
56	Total Provisions	387
	Represented by:	
	Redundancy	
110	Opening provision	56
-	Additional provisions made	278
(54)	Amounts used	(56)
56	Closing Provision	278
	Loan repayment	
-	Opening provision	-
-	Additional provisions made	109
-	Closing Provision	109
56	Total Provisions	387

The Group has made provision for 6 redundancies as at balance date. A provision of \$278,127 has been recorded (2013/14: 1 role and \$55,584).

The Sport NZ Board approved a detailed and formal restructuring plan which was announced in May 2015. The restructuring commenced in June 2015. The provision represents the estimated cost for redundancy payments arising from the restructure which will be realised in the 2015/16 financial year.

The Group has a provision for the repayment of the portion of the loan to Rowing New Zealand which was part-funded by the Ministry of Business Innovation and Employment (MBIE). The provision is equal to half the value of the fair value of future repayments.

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

16. Contingencies

The Group has no contingent liabilities and no contingent assets as at 30 June 2015 (2014/15: \$2 million and \$nil)

The \$2 million contingent liability at 30 June 2014 was in relation to an underwrite agreement with Christchurch Cricket Trust towards the construction of the Hagley Park Oval Pavilion. The underwrite was drawn down and subsequently forgiven during the period.

17. Capital Expenditure Commitments

The Group has contracted commitments for the acquisition or development of property, plant and equipment or intangible assets as at 30 June 2015 of \$nil (2013/14: \$nil).

18. Lease Commitments

ACTUAL 2014 \$000		ACTUAL 2015 \$000
Non-cancellable operating lease commitments		
1,865	Less than one year	1,907
4,699	One to five years	4,320
2,963	Over five years	2,936
9,527	Total Non-Cancellable Operating Lease Commitments	9,163

Non-cancellable operating lease commitments include:

- lease of premises, \$8,791,459 (2013/14: \$8,876,683)
- lease of computer and office equipment, \$181,169 (2013/14: \$460,180)
- lease of vehicles, \$190,395 (2013/14: \$189,699).

There are four major non-cancellable operating leases that the Group have entered into, all relating to leased premises, as follows:

Location	Expiry date	Total future minimum lease payments
Wellington	25/02/2018	\$1,722,902
Auckland	27/02/2018	\$614,494
Dunedin	30/06/2022	\$2,240,000
Cambridge	15/03/2029	\$2,828,372

The Group has subleased part of its Wellington office space and has future commitments to receive \$127,083 from sub-tenants beyond the balance date (2013/14: \$90,580).

19. Reconciliation of Net Surplus/(Deficit) to Net Cash Flows From Operating Activities

ACTUAL 2014 \$000		ACTUAL 2015 \$000
21,313	Net operating surplus/(deficit)	(9,452)
	Add/(deduct) non cash items	
2,374	Depreciation and amortisation	2,477
-	Loss on disposal of intangibles	8
(53)	Net fair value movement in financial assets	418
2,321	Total Non-Cash Items	2,903
	Add/(deduct) items classified as investing	
-	Loss on disposal of assets	(3)
-	Total items classified as investing	(3)
	Add/(deduct) movements in working capital items	
(2,638)	Trade and other receivables	3,780
-	Interest receivable	12
(75)	Prepayments	(150)
10	Inventories	10
1,083	Trade and other payables	397
112	Revenue received in advance	337
(2)	Net movement in inter-entity account	-
(54)	Provisions	223
(59)	Employee entitlements	240
(1,623)	Net Movement in Working Capital Items	4,849
22,011	Net Cash Inflows/(Outflows) from Operational Activities	(1,703)

20. Related Party Transactions

Sport NZ is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Sport NZ would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key Management Personnel Compensation

ACTUAL 2014 \$000		ACTUAL 2015 \$000
Board members		
232	Remuneration	216
1.47	Full time equivalent personnel	1.37
Leadership team		
2,219	Salaries and other short-term employee benefits	2,527
9.6	Full time equivalent personnel	10.0
2,451	Total key management personnel compensation	2,743
11.07	Total full time equivalent	11.37

Key management personnel include Board members, Chief Executives, and General Managers from both Sport NZ and HPSNZ.

The full-time equivalent amount for Board members has been determined based on the expectations of the Minister for Sport and Recreation in 2007 that each Board member would be remunerated based on a maximum of 25 days.

21. Board Member Remuneration

The total value of remuneration paid to Board members for the year ended 30 June 2015 is as follows:

ACTUAL 2014 \$000	SPORT NZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2015 \$000
32	Sir Paul Collins (Chairperson)	May 2009	Dec 2016	32
16	Katie Sadleir	Jul 2009	Jun 2015	16
13	Don Mackinnon	Jul 2009	Jun 2012	-
16	Bill Birnie	May 2009	Dec 2016	16
16	Paul Allison	Aug 2007	Jun 2015	16
16	Joanna Perry	Aug 2011	Jun 2017	16
16	Murray Gutry	Aug 2011	Jun 2017	16
16	Jackie Barron	May 2013	Apr 2016	16
16	Darrin Sykes	Jul 2013	Jun 2016	16
157				144
ACTUAL 2014 \$000	HPSNZ BOARD	APPOINTED	TERM ENDS	ACTUAL 2015 \$000
14	Sir Paul Collins (Chairperson)	Jul 2011		14
3	Hamish Carter	Jul 2011	Oct 2013	-
10	Bill Birnie	Jul 2011		10
10	Katie Sadleir	Jul 2011	Jun 2015	10
8	Don Mackinnon	Jul 2011	Jun 2012	-
10	Mike Stanley	Jul 2011		10
10	Peter Cox	Jul 2011	July 2015	10
10	Simon Wickham	Jul 2011		10
-	Murray Gutry	Jul 2014		8
75				72
232	Total Board Members' Remuneration			216

Peter Miskimmin is a non-voting ex-officio member of the HPSNZ Board.

In addition to the remuneration reported in the table above, there were gifts provided to departing Board members valued at approximately \$808 (2013/14: \$nil).

There were no other payments to committee members who were not Board members during the year ended 30 June 2015 (2013/14: \$nil).

The Group has provided Directors and Officers Liability and Professional Indemnity insurance cover for the year ended 30 June 2015 in respect of the liability or costs of Board members and employees.

22. Employee Remuneration

The number of employees who received, or who are due to receive, remuneration of \$100,000 or more during the year ended 30 June 2015 are provided, within \$10,000 bands, in the table below.

ACTUAL 2014		ACTUAL 2015
	- 420,001 - 430,000	1
1	410,001 - 420,000	-
	- 380,001 - 390,000	1
1	370,001 - 380,000	-
	- 280,001 - 290,000	1
1	270,001 - 280,000	-
	- 230,001 - 240,000	1
1(1)	220,001 - 230,000	1
1	210,001 - 220,000	-
	- 200,001 - 210,000	1
1	190,001 - 200,000	2
4(1)	180,001 - 190,000	2(1)
2(1)	170,001 - 180,000	2(1)
2	160,001 - 170,000	3
7	150,001 - 160,000	8(1)
8	140,001 - 150,000	13
12	130,001 - 140,000	11
11	120,001 - 130,000	6
9	110,001 - 120,000	11
19	100,000 - 110,000	21(1)
80(3)		85(4)

The above table includes those employees who ceased employment during the periods reported. For the year ended 30 June 2015, 4 employees who ceased employment during the period had received remuneration of greater than \$100,000, as indicated in brackets (2013/14: 3).

The chief executive of Sport NZ's salary is within the band range \$380,001 to \$390,000 (2013/14 - \$370,001 to \$380,000).

The chief executive of HPSNZs salary is within the band range \$420,001 to \$430,000 (2013/14 - \$410,001 to \$420,000).

During the year ended 30 June 2015, 12 employees have received, or are entitled to receive compensation and other benefits in relation to cessation of employment totalling \$539,682 (2013/14: 3 employees and \$121,193).

During the 2015 financial year, the Group had a 2.9% general pay increase (2013/14: 2.9%).

23. Financial Instruments

Fair Value

The fair value of the Group's financial assets and liabilities within each category are equivalent to their carrying amounts and are disclosed separately in the Statement of financial position. The Group's financial assets and liabilities have not been disclosed by fair value hierarchy due to their nature and the materiality of this disclosure. With the exception of the Loans which have been valued at amortised cost using the effective interest rate method, all financial instruments fair value is determined in accordance with level 1 of the hierarchy. The Group's financial liabilities are all non-interest bearing trade and other payables that are normally settled on 30-day terms.

Financial Instrument Risks

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

Interest Rate Risk

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

The Group's exposure to interest rate risk is limited to bank deposits which are held at fixed rates of interest. The Group does not actively manage its exposure to fair value interest rate risk.

Currency Risk

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

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Sport NZ is not exposed to price risk as it does not hold any listed equity investments.

Credit Risk

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

Due to the timing of its cash inflows and outflows, the Group invests surplus cash with registered banks. In line with the Group's investment policy, funds may only be deposited with registered banks having an AA- or better credit rating and within limits of credit exposure to any one institution.

The single most significant receivable carried at balance date is the final payment of NZ Lotteries Grants Board revenue received in July each year. This is a guaranteed amount, and is therefore low risk. The Group does not have significant concentrations of credit risk for any other financial instruments.

The Group's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net receivables, as detailed in notes 6 and 7 respectively. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity Risk

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

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

24. Capital Management

The Group's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

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

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

The Sport NZ Board has set a minimum level of public equity at \$3 million to managed unforeseen items of expenditure.

25. Explanation of Major Variances Against Budget and Prior Year

Explanations for major variations from the Group's budgeted figures in the Statement of Performance Expectations 2014/15 are as follows:

Statement of comprehensive revenue and expense

Revenue

Total Operating Revenue for 2014/15 was \$4.138 million higher than budgeted, due mainly to:

- An additional \$3.355 million in Crown funding being appropriated to fund leverage and legacy investments associated with the hosting of the Cricket World Cup.
- \$2 million in Crown funding to support the construction of the Hagley Park Oval Pavilion.
- A net decrease from budget of \$1.526 million in NZ Lottery Grants Board funding. This reduction arose from:
 - Additional Lotteries funds from the 2013/14 profit \$2.151 million
 - New Water Safety New Zealand funding \$2.063 million
 - Reduction in 2014/15 Lotteries funding \$5.740 million
- \$0.400 million grant from the New Zealand Community Trust to support an extension of the Sport in Education project.

Sector Investment

Sector investment expenditure was \$1.240 million less than budget. This variance arose principally due to the following:

- Cricket World Cup leverage and legacy investments funded by additional Crown funding (\$3.174 million).
- Spending in infrastructure investments was \$1.330 million less than budget.
 - Delays of \$1.350 million on the hockey high performance centre at Albany due to NZ Transport agency notification of potential road network changes surrounding Rosedale Park.
 - Delays of \$1.0 million in the development of the Canoe Racing Centre of Excellence.
 - Funding of \$1.0 million was originally budgeted for undetermined projects that have subsequently been carried forward to later years.
 - These savings have been partially offset by the addition of \$2 million of Crown funding spent on the Hagley Park Oval development
- Deferral to the 2015/16 financial year of \$0.822 million of Young People Partner Investment to ensure alignment with the new Community Sport strategy.

Statement of financial position

Cash And Cash Equivalents/Treasury Investments

Treasury investments (term deposits) and cash balances were \$13.458 million higher than expected. This reflects a combination of the additional income received (\$4.138 million) lower than expected sector investment expenditure (\$1.240 million) and operating expenditure (\$2.639 million) together with higher than expected current liabilities of \$3.428 million.

Trade And Other Payables

Trade payables were \$2.2 million higher than budget due to a change in payment of core funding to RSTs which is now in arrears with \$2.4 million being paid in July 2015.

26. Events After the Balance Date

There were no significant events after balance date requiring either adjustment to the financial statements or further disclosure in the accompanying notes.

Organisational Health and Capability

The Sport NZ Group – a coordinated approach

The organisational capability components of Sport NZ and HPSNZ are being actively managed through a coordinated approach under the banner of the Sport NZ Group. In particular:

- Shared Services Agreement – Sport NZ provides finance, organisational development, IT, procurement, stakeholder management & governance, marketing & communications and corporate accountability services to HPSNZ. This includes operating a single IT network, FMIS and payroll system. A service catalogue describes both the services and associated service levels of all shared service functions;
- Corporate policies, procedures and internal controls – corporate policies, procedures and internal controls are consistent across both Sport NZ and HPSNZ;
- Governance committees – the Audit, Finance and Risk Committee and Remuneration Committee has dual Board member representation and has oversight over both Sport NZ and HPSNZ activities. A new sub-Committee, BlackGold, has representation from both the Sport NZ and HPSNZ Boards and the New Zealand Olympic Committee for the purpose of attracting philanthropic funding into the sport sector;
- Senior Leadership Teams (SLT) – the Chief Executives of Sport NZ and HPSNZ attend each other's SLT meetings on a regular basis and a joint SLT meeting is held as needed.

- Relationship management – Sport NZ has a dedicated team of Relationship Managers who operate across our investment partners on behalf of both Sport NZ and HPSNZ; and
- Contract and investment management - Sport NZ and HPSNZ operate a single contracts and investment management system.

The Sport NZ Group actively manages people, processes and technology in order to deliver high quality sport and recreation outcomes to New Zealanders.

Improving our systems

A knowledge edge is essential for us to achieve competitive advantage on the world stage. So we are continuing to invest in new ways to capture, share and leverage knowledge for the success of the sport and recreation sector of New Zealand. A significant cornerstone to this is the development of a document management system; a common platform for collaboration between staff across Sport NZ and HPSNZ, which is now in place across the Sport NZ Group. We have extended the sharing of information to our key contractors, partners and other stakeholders and continue to optimise system functionality.

During 2014/15 the Sport NZ Group completed the installation of a new contracting and investment system, built on a modern technology platform. This system will enable our relationship management and engagement with partners.

There has been much progress in our IT infrastructure stabilisation programme, which is now near completion. This progress and improvement has enabled a change in focus towards improving collaboration, mobility and accessibility to technology resources as we move towards the Rio Olympics in 2016.

Being a good employer

Sport NZ constantly strives to ensure it meets its obligations as a good employer (as defined in section 118 of the Crown Entities Act 2004). Sport NZ actively promotes the principles of equal employment opportunities (EEO) to ensure it develops a culture which values staff and provides an opportunity for all to contribute to, and share in, the success of the organisation.

Element	Initiatives
1. Leadership Accountability and Culture	<ul style="list-style-type: none"> Staffing policy ensures inclusion of high performance sport specialists ranging from athletes, coaches, and technical specialists, and who are drawn from backgrounds in their respective sports, and both government and commercial sectors. Staff engagement is monitored regularly through staff engagement surveys.
2. Recruitment, Selection and Induction	<ul style="list-style-type: none"> Recruitment and selection policy and practice targets best possible candidates while maximising equal opportunities for both existing and potential employees. A managers' recruitment tool kit helps ensure processes are applied consistently and according to policy. An induction package ensures a level of completeness and consistency in training received by all new employees during their first 90 days.
3. Employment Development Promotion and Exit	<ul style="list-style-type: none"> Training needs analysis is conducted to identify and prioritise training and development required. Development plans form an integral part of the Performance Planning and Development process.
4. Remuneration, Recognition and Conditions	<ul style="list-style-type: none"> Job bands are set and updated based on job evaluations following Hay Group methodology. The performance management process includes annual salary reviews and appropriate adjustments, supported by the Group-wide remuneration policy.
5. Flexibility and Work Design	<ul style="list-style-type: none"> Where appropriate, part-time work and working from home options are available to staff.
6. Harassment and Bullying Protection	<ul style="list-style-type: none"> Sport NZ Group maintains a zero tolerance approach to workplace bullying and harassment, which is supported by policies for identifying, reporting, and addressing any such behaviour.
7. Safe and Healthy Environment	<ul style="list-style-type: none"> Our Health and Safety Policy consistent with the proposed new legislation has been adopted by the Board and a comprehensive Health and Safety Manual has been developed. Health and Safety Committees develop systems and processes aimed at ensuring healthy and safe working environments for staff and others who use our facilities. A confidential external counselling service is available to all employees.

Assessing organisational health and capability

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

Focus	Indicator	Performance Measure	Results/Status
Good employer	Level of staff engagement	At least 75%	2014/15: <ul style="list-style-type: none"> ▪ 76% Sport NZ ▪ 82% HPSNZ 2013/14: <ul style="list-style-type: none"> ▪ 79% Sport NZ ▪ 89% HPSNZ 2012/13: <ul style="list-style-type: none"> ▪ 70% Sport NZ ▪ 77% HPSNZ
	Annual staff turnover	12% or less ²⁴	2014/15: 7.8% 2013/14: 12.6% 2012/13: 8.9%
Managing risk	Partner satisfaction with the quality and timeliness of Sport NZ contract management	At least 80%	2014/15: <ul style="list-style-type: none"> ▪ Sport NZ: 73% quality, 61% timeliness ▪ HPSNZ: 91% quality, 88% timeliness 2013/14: <ul style="list-style-type: none"> ▪ Sport NZ: 87% quality, 75% timeliness ▪ HPSNZ: 95% quality, 91% timeliness 2012/13: <ul style="list-style-type: none"> ▪ Sport NZ: 86% quality, 75% timeliness ▪ HPSNZ: 82% quality, 73% timeliness
Financial information systems and controls	Annual audit rating on performance	Maintain 'very good' rating.	2014/15: Very Good 2013/14: Very Good 2012/13: Very Good
Service performance information and associated systems and controls	Annual audit rating on performance	Maintain 'good' rating.	2014/15: Good 2013/14: Good 2012/13: Needs improvement
Effectiveness and efficiency	Corporate and business operations expenditure is maintained within current levels.	Within 7.5% of total expenditure.	2014/15: 6.7% 2013/14: 7% 2012/13: 6.8%

²⁴ Core unplanned turnover in NZ public sector was 10.7%. Source: State Services Commission <http://www.ssc.govt.nz/node/9796>.

Additional Information

Appendix 1: Allocation of Investment Funds

Investing in regional sports trusts (\$000s)

2013/14	Organisation	Active Communities	Business Improvements	Coaching	Community Sport	Events	Facilities	He Oranga Poutama	Pathway to Podium	Young People	2014/15
7,651	AKTIVE Auckland Sport and Recreation	700	588	88	3,220	60	-	383	263	3,255	8,556
2,590	Sport Canterbury West Coast	-	157	54	1,030	-	-	-	76	1,121	2,437
2,324	Sport Waikato	-	110	54	925	-	-	170	82	922	2,263
2,204	Sport Wellington	-	112	54	925	-	-	-	74	950	2,114
1,518	Sport Bay of Plenty	35	-	39	765	-	25	-	62	646	1,572
1,384	Sport Northland	-	8	-	730	-	-	213	11	379	1,340
1,390	Sport Hawkes Bay	-	13	-	625	-	19	255	20	382	1,313
1,073	Sport Otago	-	-	39	690	-	-	-	83	314	1,125
1,038	Sport Tasman	-	-	5	635	-	21	-	22	321	1,004
1,005	Sport Manawatu	-	-	-	575	-	-	-	47	348	969
886	Sport Taranaki	-	10	-	565	-	-	85	1	219	881
797	Sport Southland	-	-	9	450	-	-	-	25	200	684
687	Sport Wanganui	-	15	-	465	-	-	-	6	175	661
688	Sport Gisborne Tairāwhiti	-	-	10	430	-	-	-	14	139	593
-	Sport Waitakere	-	4	-	-	-	-	-	-	-	4
58	Sport Auckland	-	-	-	-	-	-	-	-	-	-
10	Harbour Sport	-	-	-	-	-	-	-	-	-	-
3	Counties Manukau Sport	-	-	-	-	-	-	-	-	-	-
25,306		735	1,015	351	12,030	60	65	1,105	783	9,372	25,516

Investing in iwi-based organisations (\$000s)

2013/14	Organisation	He Oranga Poutama	2014/15
213	Te Papa Takaro O Te Arawa	213	213
128	Mataatua Sports Trust	128	128
85	Tuwharetoa - Te Whaiora Sports	85	85
85	Te Wharekura O Rakaumanga	85	85
85	AWA Sports Trust	85	85
85	Te Hauora o Turanganui a Kiwa	85	85
680		680	680

Investing in local authorities (\$'000s)

2013/14	Organisation	Active Communities	Facilities	Pathway to Podium	World Cups Office	Young People	2014/15
20	Christchurch City Council	-	-	-	500	-	500
121	Hutt City Council	137	-	11	-	-	148
-	Dunedin City Council	147	-	-	-	-	147
50	Upper Hutt City Council	50	-	-	-	-	50
39	Marlborough District Council	20	-	-	-	20	40
30	Hamilton City Council	35	-	-	-	-	35
30	Whakatane District Council	17	-	-	-	15	31
25	Far North District Council	-	-	-	-	25	25
120	Tasman District Council	-	-	-	-	21	21
15	Selwyn District Council	-	-	-	-	20	20
20	Gisborne District Council	-	-	-	-	20	20
30	Taupo District Council	-	-	-	-	15	15
12	Ashburton District Council	-	-	-	-	14	14
13	Southland District Council	-	-	-	-	13	13
10	Queenstown Lakes District Council	-	-	-	-	13	13
12	South Taranaki District Council	-	-	-	-	12	12
67	Auckland Council	-	10	-	-	-	10
14	Wellington City Council	10	-	-	-	-	10
10	Buller District Council	-	-	-	-	10	10
10	Chatham Islands Council	-	-	-	-	10	10
(54)	Waitaki District Council	-	-	-	-	10	10
10	Kaipara District Council	-	-	-	-	10	10
10	Tararua District Council	-	-	-	-	10	10
10	Central Otago District Council	-	-	-	-	10	10
10	Waimate District Council	-	-	-	-	10	10
10	Waitomo District Council	-	-	-	-	10	10
10	South Wairarapa District Council	-	-	-	-	10	10
10	Westland District Council	-	-	-	-	10	10
10	Stratford District Council	-	-	-	-	10	10
10	Clutha District Council	-	-	-	-	10	10
10	Hurunui District Council	-	-	-	-	10	10
10	Rangitikei District Council	-	-	-	-	10	10
10	Carterton District Council	-	-	-	-	10	10
10	Ruapehu District Council	-	-	-	-	10	10
10	Wairoa District Council	-	-	-	-	10	10
10	Gore District Council	-	-	-	-	10	10
10	Kaikoura District Council	-	-	-	-	10	10
10	Grey District Council	-	-	-	-	10	10
10	Opotiki District Council	-	-	-	-	10	10
10	Central Hawkes Bay District Council	-	-	-	-	10	10
10	Otorohanga District Council	-	-	-	-	10	10
10	Mackenzie District Council	-	-	-	-	10	10
50	Waipa District Council	-	-	-	-	-	-
40	Tauranga City Council	-	-	-	-	-	-
30	Thames-Coromandel District Council	-	-	-	-	-	-
10	Masterton District Council	-	-	-	-	-	-
923		416	10	11	500	415	1,352

Investing in national governing bodies (\$'000s)

2013/14	Organisation	Athlete Performance Support	Business Improvements	Coaching	Community Sport	Events	Facilities	HP Infrastructure Investment	No Exceptions	Pathway to Podium	PEGS	PM Scholarships	World Cups Office	Young People	High Performance	2014/15
8,019	Rowing New Zealand	1,178	-	-	105	-	-	500	-	-	1,236	349	-	-	4,958	8,325
6,833	Cycling NZ	693	794	-	350	13	-	-	-	-	1,057	315	-	-	4,450	7,673
1,301	NZ Cricket	-	23	-	398	90	-	-	-	-	-	-	6,270	-	500	7,289
4,325	Yachting New Zealand	493	35	3	200	46	-	-	-	-	727	173	-	-	3,300	4,976
5,177	Hockey NZ	808	55	-	750	-	25	-	-	-	488	246	-	-	2,138	4,509
3,731	Athletics New Zealand	693	5	-	300	-	-	-	-	-	306	468	-	-	2,025	3,796
2,687	Paralympics New Zealand	364	-	-	-	-	-	-	-	-	693	245	-	-	2,000	3,301
2,944	New Zealand Football	277	85	-	900	130	65	-	-	-	450	126	185	-	994	3,212
2,943	Netball NZ	511	175	10	750	-	-	-	-	15	300	223	-	-	1,200	3,184
3,304	Snow Sports NZ Incorporated	235	168	-	300	-	-	-	-	-	344	173	-	-	1,700	2,920
3,015	NZ Rugby Union	360	-	-	210	-	-	-	-	-	-	-	-	-	2,150	2,794
2,348	Triathlon New Zealand	379	106	-	310	160	-	-	-	-	117	120	-	-	1,363	2,555
2,665	Equestrian Sports New Zealand	19	126	-	165	-	51	-	-	-	270	107	-	-	1,800	2,539
2,720	Swimming New Zealand	378	61	-	160	-	-	-	-	-	155	129	-	-	1,525	2,409
259	Water Safety NZ	-	30	-	200	-	-	-	-	-	-	-	-	2,063	-	2,293
2,105	New Zealand Canoeing Federation	301	19	-	20	-	43	-	-	-	116	196	-	-	1,395	2,089
938	NZ Olympic Committee	-	-	-	-	150	-	-	-	-	-	-	-	-	1,100	1,250
1,292	NZ Rugby League	-	108	-	750	10	-	-	-	-	-	15	-	-	350	1,233
873	Basketball New Zealand	-	35	8	580	100	3	-	-	-	-	-	-	-	297	1,023
933	Halberg Disability Sport Foundation	-	-	-	-	-	-	-	983	-	-	-	-	-	-	983
522	NZ Recreation Association	-	72	-	705	-	16	-	-	-	-	-	-	-	-	792
512	GymSports New Zealand	-	8	8	650	-	-	-	-	-	-	97	-	3	25	790
600	Special Olympics New Zealand	-	-	-	-	-	-	-	600	-	-	-	-	-	-	600
539	Softball New Zealand	-	-	5	270	-	-	-	-	-	-	6	-	-	250	531
629	Bowls New Zealand	-	22	-	249	13	-	-	-	-	-	-	-	-	225	508
805	NZ Golf Incorporated	-	55	-	465	-	-	-	-	-	(10)	-	-	-	(70)	441
517	Squash New Zealand	-	-	-	220	-	-	-	-	-	-	21	-	-	175	416
424	Surf Life Saving New Zealand	-	-	-	160	-	-	-	-	-	-	19	-	-	170	349
378	New Zealand Tennis	-	50	10	250	-	-	-	-	-	-	30	-	-	-	340
300	Touch New Zealand	-	-	-	250	-	-	-	-	-	-	-	-	-	-	250
205	YMCA New Zealand	-	-	-	215	-	-	-	-	-	-	-	-	-	-	215
160	NZ Mountain Safety Council Inc	-	-	-	170	-	-	-	-	-	-	-	-	-	-	170
150	Motorsport NZ (Inc)	-	-	-	150	-	-	-	-	-	-	-	-	-	-	150
196	Badminton NZ	-	2	-	115	10	-	-	-	-	-	-	-	-	-	127
162	Boxing New Zealand Inc	-	4	-	30	-	-	-	-	-	7	6	-	-	72	118
170	Volleyball NZ Inc	-	-	8	100	-	-	-	-	-	-	-	-	-	-	108
100	Motorcycling NZ	-	-	-	100	-	-	-	-	-	-	-	-	-	-	100
100	NZ Outdoor Instructors Association	-	-	-	100	-	-	-	-	-	-	-	-	-	-	100
130	Surfing New Zealand	-	-	-	70	20	-	-	-	-	-	-	-	-	-	90
80	PENZ	-	-	-	-	-	-	-	-	-	-	-	-	80	-	80
75	NZ Judo Federation	-	-	-	35	-	-	-	-	-	-	18	-	-	25	78
80	New Zealand Water Polo Association	-	-	-	70	-	-	-	-	-	-	-	-	-	-	70
64	NZ Indoor Bowls	-	-	-	64	-	-	-	-	-	-	-	-	-	-	64
141	New Zealand Shooting Federation	-	5	-	55	-	-	-	-	-	-	-	-	-	-	60
50	Table Tennis New Zealand	-	8	-	50	-	-	-	-	-	-	-	-	-	-	58
55	NZ Alpine Club	-	-	-	55	-	-	-	-	-	-	-	-	-	-	55
50	Nga Kaihoe o Aotearoa	-	-	-	50	-	-	-	-	-	-	-	-	-	-	50
100	NZ Sports Hall of Fame	-	-	-	50	-	-	-	-	-	-	-	-	-	-	50
25	International Taekwon-Do Foundation	-	-	-	25	-	-	-	-	-	-	20	-	-	-	45
45	NZ Pony Clubs Association	-	-	-	45	-	-	-	-	-	-	-	-	-	-	45
45	Karate New Zealand	-	-	-	45	-	-	-	-	-	-	-	-	-	-	45
60	Scout Association of NZ	-	-	-	45	-	-	-	-	-	-	-	-	-	-	45
30	Diving New Zealand	-	-	-	10	-	-	-	-	-	-	30	-	-	-	40
77	Olympic Weightlifting New Zealand	-	-	-	10	-	-	-	-	-	-	-	-	-	25	35
50	NZ Girl Guides Association	-	-	-	35	-	-	-	-	-	-	-	-	-	-	35
35	Croquet New Zealand	-	-	-	35	-	-	-	-	-	-	-	-	-	-	35
39	Skate NZ	-	-	-	35	-	-	-	-	-	-	-	-	-	-	35
73	Taekwondo New Zealand Incorporated	-	-	-	10	-	-	-	-	-	15	7	-	-	-	32
28	Flying New Zealand	-	-	-	28	-	-	-	-	-	-	-	-	-	-	28
25	New Zealand AFL Inc	-	-	-	25	-	-	-	-	-	-	-	-	-	-	25
-	Winter Games New Zealand	-	-	-	-	20	-	-	-	-	-	-	-	-	-	20
30	Kart Sport New Zealand	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
20	NZ Orienteering Federation	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
20	Wrestling New Zealand	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
20	Marching New Zealand	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
20	Baseball New Zealand	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
20	Speedway New Zealand	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
40	NZ Water Ski Association	-	-	-	20	-	-	-	-	-	-	-	-	-	-	20
339	Outdoors New Zealand Incorporated	-	16	-	-	-	-	-	-	-	-	-	-	-	-	16
15	Archery New Zealand Inc	-	-	-	15	-	-	-	-	-	-	-	-	-	-	15
15	Gliding New Zealand	-	-	-	15	-	-	-	-	-	-	-	-	-	-	15
15	NZ Power Boat Association	-	-	-	15	-	-	-	-	-	-	-	-	-	-	15
9	Synchro Swim New Zealand	-	-	3	9	-	-	-	-	-	-	-	-	-	-	12
10	NZ Ice Hockey Association	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
10	NZ Confederation of Billiard Sports Inc	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
10	New Zealand Polocrosse Inc	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
10	NZ Darts Council	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
10	NZ Curling Association	-	-	-	10	-	-	-	-	-	-	-	-	-	-	10
9	New Zealand Powerlifting Federation	-	-	-	9	-	-	-	-	-	-	-	-	-	-	9
6	New Zealand Ice Skating Association	-	-	-	6	-	-	-	-	-	-	-	-	-	-	6
6	New Zealand Petanque Association	-	-	-	6	-	-	-	-	-	-	-	-	-	-	6
6	Ice Speed Skating New Zealand	-	-	-	6	-	-	-	-	-	-	-	-	-	-	6
66,878		6,689	2,067	55	11,764	762	203	500	1,583	8	6,270	3,229	6,455	2,146	34,140	75,869

Investing in other organisations (\$000s)

2013/14	Organisation	Athlete Performance Support	Business Improvements	Events	Facilities	Hilary Expedition	HP Infrastructure Investment	Pathway to Podium	World Cups Office	Young People	2014/15
	Other - Facilities partner										
-	Canterbury Cricket Trust	-	-	-	2,000	-	-	-	125	-	2,125
200	Harbour Access Trust	-	-	-	-	-	300	-	-	-	300
1,500	AUT Millennium Ownership Trust	-	-	-	-	-	220	-	-	-	220
1,500	The Home of Cycling Charitable Trust	-	-	-	-	-	-	-	-	-	-
3,200	Other - Facilities partner Total	-	-	-	2,000	-	520	-	125	-	2,645
979	Schools	-	-	-	-	-	-	-	-	923	923
903	Other Organisations	274	275	43	8	45	-	47	1,406	132	2,229
5,082		274	275	43	2,008	45	520	47	1,531	1,055	5,798

Appendix 2: Functions of the Sport NZ Group

Sport New Zealand

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

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

High Performance Sport New Zealand

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

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

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

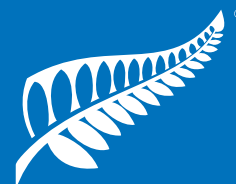
Appendix 3: Board and Key Management Personnel Interests Register

The Sport NZ Group maintains an ‘interests’ register for members of Sport NZ and HPSNZ Boards and Sport NZ Group staff. Any interests they may have in any governing body which is funded by the Sport NZ Group or contracted by the Sport NZ Group for services are reported. Key management personnel are the Senior Leadership Teams of both organisations.

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

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

Board and key management personnel		Organisation	Position
Simon Wickham	Board member HPSNZ	New Zealand Olympic Committee	Deputy Chair, Board member and Selector
Michael Stanley	Board member HPSNZ	New Zealand Olympic Committee	Chairman
		Millennium Institute of Sport and Health	Chief Executive Officer
Joanna Perry	Board member Sport NZ	Rowing New Zealand	Director
Darrin Sykes	Board member Sport NZ	Touch New Zealand	Director
		Sport Wellington	Trustee
Peter Miskimmin	Sport NZ CEO and HPSNZ ex-officio board member	Hockey New Zealand	National selector of men’s Black Sticks
Murray Gutry	Board member Sport NZ and HPSNZ	Perry Foundation	Trustee
		Lion Foundation	Trustee
Paul Allison	Board member Sport NZ	Halberg Trust	Trustee
		NZ Winter Games	Trustee
Katie Sadleir	Board member Sport NZ and HPSNZ	Swimming NZ	Consultant
Peter Cox	Board member HPSNZ	House of Travel	Director
		Cyclone Computers Ltd	Director
		Duncan Cotterill	Board member
		Commodore Hotel	Director



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