



board paper

STATUS: Approval

Meeting date: 13 February 2020
From: Geoff Barry, General Manager Community Sport
Subject: NATIONAL RECREATION ORGANISATION (NRO) – INVESTMENT

Purpose

1. The purpose of this paper is to seek approval of Partnerships Investment to National Recreation Organisations (NROs).

Strategic Context

2. *Alignment of Active Recreation to the 2020-24 Strategic Plan*

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

- The 2020-24 strategic plan focuses on tamariki (children aged 5-11) and rangatahi (young people aged 12-18).
 - There are two KRAs specific to improving activity levels of tamariki and rangatahi:
 - o KRA1 - reducing the drop off in activity levels of rangatahi;
 - o KRA2 - improving the activity levels of tamariki and rangatahi who are less active.
 - For tamariki (5-11) we will focus our effort on Play and PE (Active Schools).
 - For **rangatahi** (12-18) we will focus our effort on **active recreation** and sport.
 - **Active recreation** provides a significant opportunity to attract rangatahi who are seeking a broader range of activity opportunities
3. In our published Strategic Plan 2020-2024 we have further stated:
 - Understanding and meeting the active recreation needs of rangatahi is a priority:
 - o “Sport NZ will establish a new focus on Active Recreation”;
 - o “We will ... establish new and strengthen existing partnerships and develop better insights and platforms for responding to the voice of rangatahi who wish to be active on their own terms”.

Background

May'19 board paper "Investment Portfolio 2020-24 – Partnerships Investment Categories"

4. In May'19, the Board approved an Investment Portfolio construct with three investment categories – Partnerships, Funds, and Programmes.
5. The Board noted that we will invest in a range of current regional and national partners (including NROs) through the Partnerships category.
6. The 'Decision Conference' in May'19 responded to the 2020-24 strategy (active recreation for rangatahi) by allocating an increased level of investment.
7. Consequently, an approved budget for active recreation investment of \$3.19M pa, more than double the current level of investment.
8. This paper is about 'direct' investment into Active Recreation. Other investment areas contribute to active recreation outcomes. e.g.
 - Kiwisport
 - Women and Girls Innovation and Activation Funds
 - RST investment
 - Disability Investment

September'19 board paper "Active Recreation"

9. In September the Board received a presentation from our current Active Recreation 'leads' (Fran McEwen and Colin Stone) that reflected on two reviews - *The Active Recreation Review (2015-16)* and *Secondary Age Review (2017)* - both acknowledged the importance of advocacy, in particular for spaces and places, active lifestyles, legislative changes, and the value of physical activity for personal wellbeing.

These two reviews also confirmed the importance of:

- collaboration (including the formalisation of natural organisational partnerships), alignment and role clarification to help meet the active recreation needs of rangatahi;
 - community-led and participant-led opportunities in addressing physical activity levels;
 - access to and the utilisation of insights, research, knowledge sharing, case studies and best practice;
 - a focus on developing the participants' skills, knowledge, attitudes and behaviour needed for quality active recreation experiences.
10. The September presentation identified three broad initiative areas where active recreation would be focused:
 - Partnerships – in NROs we currently invest in;
 - Identification of new opportunities to connect into the active recreation system;

- Developing a regionally based workforce to support local and regional system.

February'20 NRO partnership investment

11. This paper is focused on \$1.3M (of the approved \$3.19M) to be invested through Partnerships Investment in NROs we currently invest in.

Current NRO Investment Partners

12. Sport NZ has long-established relationships with eight NROs, and we are recommending that all eight should continue to receive Partnerships Investment in 2020-24.

13. Of the eight current investment partners:

- a. five can broadly be categorised as providing opportunities 'direct to participant' (YMCA, Duke of Edinburgh, GirlGuiding, Scouts, NZ Alpine Club);
- b. two provide system support services to other organisations in the sector (NZ Outdoors Instructors Association, Mountain Safety Council); and
- c. Recreation Aotearoa (previously NZ Recreation Association), is one of the primary system-builder in the sector, impacting a wide range of our outcomes across play, active recreation and sport.

Evidence gathered to support investment level decisions

14. We:

- a. compiled a profile of the eight NROs with information on vision, mission, strategic plan, governance and business model;
- b. met with the Chief Executive of each organisation in December 2019 to discuss:
 - their plans for 2020-24 to impact the physical activity levels of rangatahi, especially their focus on female and rangatahi from more deprived environments;
 - (where relevant) their rangatahi membership data;
 - scale of anticipated impact they expect to have in 2020-24;
 - any indicators of current impact on rangatahi physical activity levels; and
 - their reporting to us over the past three years along with an agreed assessment of progress and impact over that period.

15. To ensure consistency in our assessment of each NRO:

- the same two people attended every meeting with the NRO, along with the Sport NZ Partnerships Manager;
- the three people who attended the meetings completed an assessment, scoring each of the six components on the same scale. The assessment included evidence provided by partners in the meetings, our view of the quality of their planning, and our confidence in their capability and capacity to deliver their plans for rangatahi;
- managers with responsibilities for active recreation outcomes reviewed and discussed the evidence about all partners and the overall contribution that these

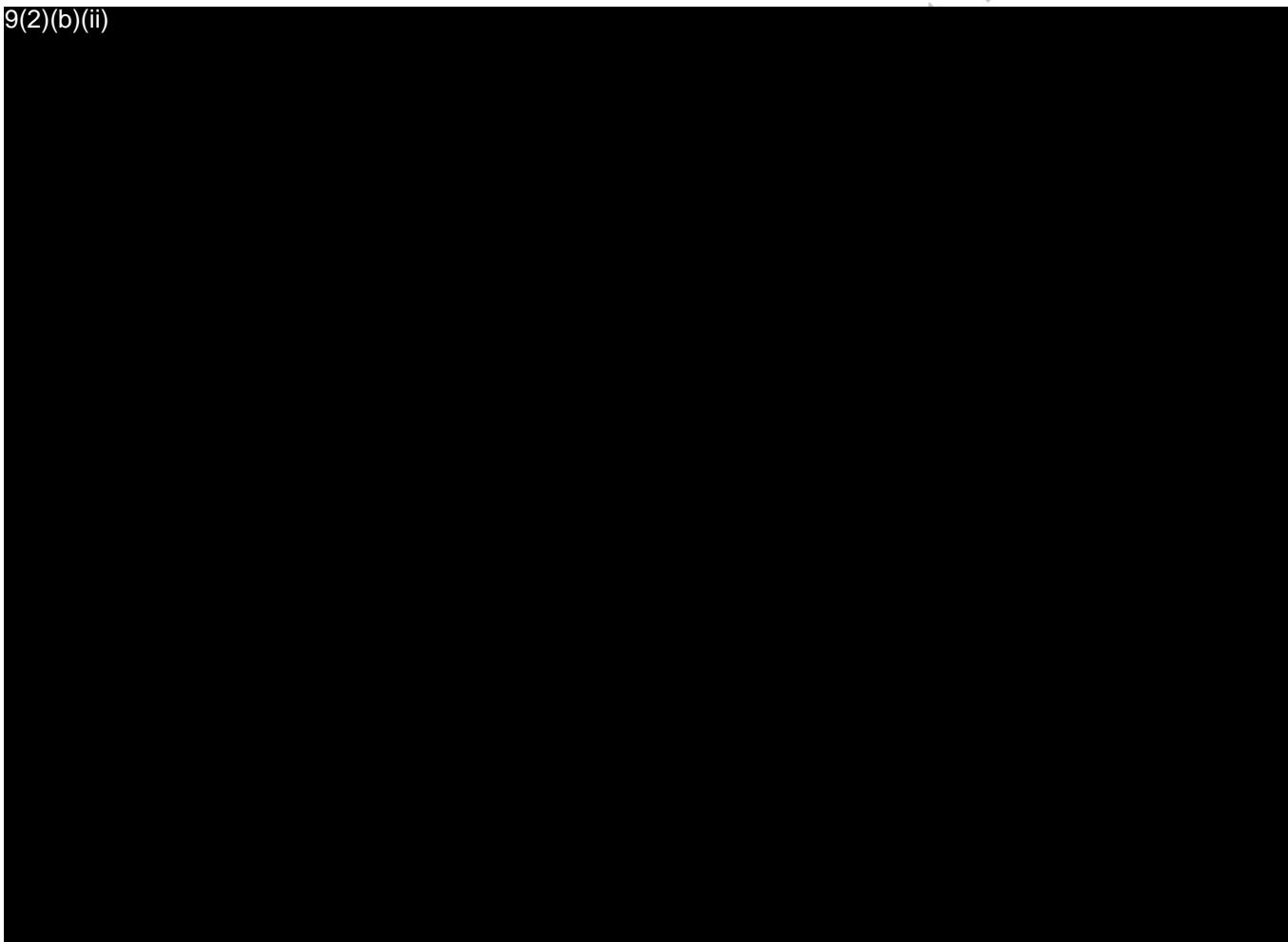
organisations can make to achieve Strategy, and collectively agreed on the recommendation being made in this paper.

16. In valuing their overall contribution to our 2020-24 Strategy, we considered the organisations in three groups:

- the organisations that provide opportunities directly to rangatahi (rangatahi membership organisations);
- those that provide services to build and support the system and rangatahi membership organisations; and
- Recreation Aotearoa which has a national leadership role in active recreation.

17. For the five organisations that provide opportunities directly to rangatahi, we are recommending investment levels that represent:

9(2)(b)(ii)



The table below outlines the recommended investment per annum in the five NROs who provide opportunities directly to rangatahi and the change from 2016-20 investment:

	\$ per annum	Change from 2016-20
Rangatahi membership organisations		
YMCA NZ	215,000	51,000
Duke of Edinburgh Aotearoa NZ/Hillary Award	75,000	47,500
Scouts NZ	50,000	-
GirlGuiding NZ	25,000	(27,500)
NZ Alpine Club	10,000	(17,500)

18. For the two NROs that build and support the system and rangatahi membership organisations:

No change for:

- a. **NZ Outdoors Instructor Association:** NZOIA have wide ranging programmes (train the trainer) across the outdoors sector. We are encouraging them to maintain their commitment to system capability building but with a greater focus on influencing trainers working with rangatahi.

A decrease for:

- a. **Mountain Safety Council:** this primarily reflects limited focus and potential to impact rangatahi participation. They are primarily a safety organisation.

The table below outlines the recommended investment per annum in these two NROs, and the change from 2016-20 investment:

	\$ per annum	Change from 2016-20
Service organisations		
NZ Outdoor Instructors Association (NZOIA)	100,000	-
Mountain Safety Council	35,000	(50,000)

19. The last NRO, Recreation Aotearoa, has a much broader system building role than NZ Outdoors Instructor Association or Mountain Safety Council. Recreation Aotearoa:

- has a crucial national leadership role in active recreation (as well as in play and the provision of sporting facilities); and
- provides a crucial interface and influence on Territorial Authorities and other significant providers for active recreation.

We believe that Sport NZ is unable to deliver desired outcomes in active recreation, including Spaces and Places outcomes, without significant investment and further development of our partnership with Recreation Aotearoa.

We are therefore recommending no change in the current level of Partnerships investment (which accounts for 60% of the total NRO partnerships investment budget):

	\$ per annum	Change from 2016-20
System builder		
Recreation Aotearoa	768,500	-

Partnerships investment in current NROs

20. The table below summarises offers to the eight current NRO partners:

	\$ per annum	Change from 2016-20
Recreation Aotearoa	768,500	-
YMCA NZ	215,000	51,000
NZ Outdoor Instructors Association	100,000	-
Duke of Edinburgh Aotearoa NZ/Hillary Award	75,000	47,500
Scouts NZ	50,000	-
Mountain Safety Council	35,000	(50,000)
GirlGuiding NZ	25,000	(27,500)
NZ Alpine Club	10,000	(17,500)
Total	\$ 1,278,500.00	

Individual Partner Context

21. Management has considered the impact reductions in investment will have on the three NROs - Mountain Safety Council, GirlGuiding NZ, and NZ Alpine Club. It is our view that there is no need to consider any adjustments or transition support to these three NROs. (Refer Appendix A.)

Next steps

22. Following the Board's approval of investment allocation offers to the eight current NRO partners, detailed investment discussions with each partner will commence.

23. We are about to initiate the recruitment of an 'Active Recreation Lead' to further develop the Active Recreation Plan and apply the balance of the Active Recreation investment (2020-24) through new partners and opportunities via Funds and Programmes. A programme pilot that has been progressed is the trialling of two Regional Active Recreation Advisors in two regions.

Recommendations

24. It is recommended that the board agree to **approve** the allocation of \$1,278,500 per annum Partnership investment to eight NROs for 2020-24:

a. Recreation Aotearoa	\$768,500
b. YMCA NZ	\$215,000
c. NZOIA	\$100,000
d. Duke of Edinburgh Aotearoa/Hillary Award	\$75,000
e. Scouts NZ	\$50,000
f. Mountain Safety Council	\$35,000
g. GirlGuiding NZ	\$25,000
h. NZ Alpine Club	\$10,000

Geoff Barry
GM Community Sport

Peter Miskimmin
Chief Executive

Released under the Official Information Act 1982

Appendix A

Three NROs have reductions in total investment level compared to 2016-20. GirlGuiding NZ is a recipient of additional investment in 2019-2022, through the Young Women's Activation Fund, for which we expect to see specific outcomes for young women.

Financial data from the other two partners' annual reports is shown below. Both NROs have working capital that is more than 10 times the amount of the annual decrease in Sport NZ investment.

Partner	2016-20 investment '\$000	2020-24 Partnerships investment '\$000	Decrease in annual investment '\$000	Partner Financial data reported for year ended	Total Revenue prior year '\$000	Total Revenue '\$000	Average revenue last two years '\$000	Latest Operating Surplus/Deficit '\$000	Equity '\$000	Working capital and Term Deposits '\$000	Change as a proportion of total revenue	Numbers of years that current working capital covers the decrease in investment
Mountain Safety Council	85,000	35,000	50,000	30/06/2019	1,940	2,033	1,987	148	764	607	2.5%	12.15
NZ Apline club	27,500	10,000	17,500	30/06/2019	1,159	1,407	1,283	132	1,862	417	1.4%	23.85



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Purpose

1. The purpose of this paper is to seek approval of Partnerships Investment to National Sport Organisations (NSOs) for the period 2020-24.

Strategic Context

2. *Alignment of Sport to the 2020-24 Strategic Plan*

Purpose: To contribute to the wellbeing of everybody in Aotearoa by leading an enriching and aspiring play, active recreation and **sport** system.

- The 2020-24 strategic plan will focus on tamariki (children aged 5-11) and rangatahi (young people aged 12-18).
- There are two KRAs specific to improving activity levels of tamariki and rangatahi:
 - o KRA1 - reducing the drop off in activity levels of rangatahi;
 - o KRA2 - improving the activity levels of tamariki and rangatahi who are less active.
- For tamariki (5-11) we will focus our effort on Play and PE (Active Schools).
- For **rangatahi** (12-18) we will focus our effort on active recreation and **sport**.
- **Sport** provides a significant opportunity to impact on both KRA1 (reducing rangatahi drop-off) and KRA2 (providing relevant opportunities for rangatahi who are less active)

Background

3. This paper is about Partnerships investment in NSOs. In 2020-24, we will invest in NSOs for rangatahi outcomes through sport.
4. This paper summarises the process to date, including gathering evidence to inform investment recommendations. This process was developed with consideration of recommendations from Grant Thornton New Zealand's review of the process undertaken for the 2016-20 NSO investment decisions.

May 2019 board paper "Investment Portfolio 2020-24 – Partnerships Investment Category and Allocations for RSTs and NSOs"

5. In May 2019, the Board approved:
 - a. an Investment Portfolio construct with three investment categories – Partnerships, Funds, and Programmes;
 - b. that Partnerships investment allocations will use evidence-based models to determine the investment allocation ('offer') amount, supported by discussions with partners to confirm individual investment decisions;
 - c. an allocation of \$9.3M per annum to NSO Partnerships Investment for four years (2020-24).
 - d. That the NSO partnerships investment has two 'streams':
 - **Impact** – all 65 NSOs we currently invested in will receive impact investment. This supports their core roles and the delivery of their responsibilities that contribute to the sport system to impact the physical activity levels of rangatahi participants (current and/or potential); and
 - **Stretch** – additional investment to a smaller group of NSOs that have been identified as being able to materially contribute (impact and scale) to rangatahi drop-off (KRA 1) or rangatahi who are less active (KRA 2). There must be a clear differentiation of what stretch investment outcomes are achieved beyond 'impact' investment.
6. Grant Thornton NZ (9(2)(a)) was contracted to be the probity advisor for this process.

NSO Impact Investment

July 2019 board paper "Partnering Investment Portfolio 2020-24 – Allocations for National Sport (NSOs) and National Education Organisations (NEOs)"

7. In July 2019, the Board discussed a detailed scenario that ranked NSOs using weighted data sets and allocated 'impact' and 'stretch' investment. The resulting scale of change, impact on NSOs with HPSNZ investment, and approach to transition planning was discussed in the context of the scenario presented. This provided management direction for future papers.

September'19 board paper "Investment Portfolio 2020-24 – Allocations for National Sport Organisations (NSOs)"

8. In September 2019, the Board:
 - a. directed that further information be gathered from NSOs (via face-to-face meetings) regarding:
 - i. their current rangatahi participation and plans for future opportunities;
 - ii. their potential future (scale) impact on rangatahi (KRAs); and
 - iii. consideration of confidence in partners' capacity and capability to impact on rangatahi.
 - b. formed an NSO Investment Advisory Committee (Bill Moran, Jason Shoebridge, and Jennifer Gill) to assist the Board in discharging responsibilities related to finalising partnerships investment decisions for 2020-24 investment in NSOs.

NSO Investment Board Advisory Committee

9. The Board Advisory Committee has met three times.
10. In November 2019, the Board Advisory Committee:
 - a. reviewed the process and outputs of meetings with each NSO;
 - b. reviewed an investment model that allowed for weightings of 60% current participation information, 20% future impact, and 20% confidence; and
 - c. directed further work on testing sensitivity of the weightings of the three components of the model.
11. A description of the information used in the model for NSO partnerships investment is provided at Appendix B.
12. In December 2019, the Board Advisory Committee:
 - a. confirmed use of the evidence-based model, and that consideration of variations specific to Individual Partner Context would be treated as such;
 - b. reviewed sensitivity-testing of the weightings (at 60/20/20, 40/30/30, 80/10/10, and 100/0/0) and confirmed use of 60/20/20 weightings (refer Appendix B);
 - c. reviewed the impact, stretch, and total investment levels in the 60/20/20 model for all NSOs, on a line-by-line basis; and
 - d. identified the need for more information on 22 NSOs to determine whether adjustments due to 'individual partner context' was appropriate.
13. In January 2020 the Board Advisory Committee:
 - a. reviewed the adjustments made following directions from the December 2019 meeting;
 - b. considered the information provided on the 22 NSOs that were identified for further review of individual partner context, and the adjustments consequently proposed to 14 NSOs;
 - c. confirmed that the scenario as discussed should be recommended to the Board in February 2020;
 - d. were advised by management that we had received a report from the Probitry Advisory (refer Appendix C) that endorsed the process followed; and

- e. discussed options for providing additional funding to assist the transition of NSOs faced with significant decreases in investment.

'Stretch' Investment

14. Stretch investment will be used to drive the '*Balance is Better*' philosophy deeper into the sport system.
15. 'Balance is Better' is:
 - a. about keeping our young people in sport;
 - b. Sport NZs evidence-based philosophy that informs and provides a framework for the sport system to put the needs of the participant/athlete first;
 - c. focused on the objective that the sport system provides opportunities for all tamariki and rangatahi (young people aged 5-18) to positively experience the benefits of sport participation and realise their potential;
 - d. encouraging a greater understanding of why young people play sport - to have fun, experience challenge, develop and improve, be part of a team or group, and be with friends.
16. Noting that we expect all NSOs to align to the Balance is Better philosophies, stretch investment will be differentiated from impact investment in that NSOs will be expected to identify specific initiatives that focus on embedding the 'Balance is Better' philosophy within the NSO and down through their system into regional and local responses.
17. Stretch investment will be committed for two years with a process to be completed in 2021/22 for the allocation of this investment for 2022-24.
18. Eleven sports/NSOs (who collectively contribute approximately 62% of the total current rangatahi participation in sport) have been identified to receive stretch investment over the next two years. There are two specific groups of NSOs within the eleven identified:
 - a. the initial group of five in 'keep up with the play' (Netball, Football, Rugby, Cricket, and Hockey). The stretch investment in these five will be focused on how the NSO drives the philosophy and practices into the regional and club environment;
 - b. a new group of six NSOs (Basketball, Badminton, Rugby League, Golf, Waka Ama, and Softball), have been identified by the Sport Development team as being ready to move into better understanding of the philosophy and having demonstrated a willingness to embrace it nationally. As with the first five NSO/sports our initial focus is ensuring the new NSOs fully understand and commit to the Balance is Better philosophy and then support the development of initiatives to influence the regional and local delivery of their sport.
19. We are carefully managing the 'roll-out' of Balance is Better because each organisation requires significant support to fully understand Balance is Better and how they might implement the philosophy into strategy and plans.

Consideration of Individual Partner Context

20. Once the full picture of 'Impact plus Stretch' was determined the Board Advisory Committee and Management reviewed the total investment against our overall view of each NSO and discussed partners who might require individual partner context consideration.
21. The Board Advisory Committee identified three areas where consideration of individual partner context may require an investment adjustment beyond the evidence-based result:
 - a. Impact on pathways, performance, and NSO stability for HPSNZ sports receiving a reduced level of investment;
 - b. Change in investment levels to be supported by management confidence in the NSO's:
 - i. insights as to the opportunities to grow rangatahi participation; and
 - ii. capacity and capability to realise additional impact on rangatahi outcomes;
 - c. Where an NSOs whose primary membership/participation sits outside the age group that is the focus of this four-year strategic period – to ensure longer term system (NSO) stability.
22. In January 2020 the Board Advisory Committee reviewed additional analysis requested at their December 2019 meeting, and agreed that individual partner context adjustments be made in investment levels for 14 NSOs:
 - a. Adjustments to increase the level of investment for Football, Rugby League, Golf, Volleyball, Athletics, Tennis, Yachting, Bowls, Snow Sports, and Triathlon.
 - b. Adjustments to decrease the level of investment for Rowing, Water Polo, Flying, and Gliding.

Engagement with High Performance Sport New Zealand (HPSNZ)

23. There has been positive engagement with HPSNZ, including meetings in 2019 with Scott Creswell, and in late January 2020 between Paul Brabin, Eddie Kohlase (HPSNZ) and Geoff Barry.
24. There are 26 NSOs with both HPSNZ and Sport NZ investment. As part of the consideration of individual partner context all 26 NSOs were considered in terms of investment modelling (impact plus stretch) on pathways, performance, and NSO stability for HPSNZ sports receiving a reduced level of investment.
25. That assessment resulted in seven HPSNZ NSOs/sports receiving increased impact investment:
 - a. Football, Athletics, Yachting, and Triathlon – so their investment will be the same as for the 2016-20 period; and
 - b. Rugby League, Bowls, and Snowsports – so the decrease from 2016-20 investment is less than the pure evidence-based model.

26. In the recommendation, relative to 2016-20 investment, there are:
- 19 of the 26 HPSNZ NSOs receiving increased or the same investment;
 - 7 of the 26 HPSNZ NSOs receiving reduced investment.
27. The seven HPSNZ NSOs receiving reduced investment are Cycling, Snow Sports, Bowls, Rugby League, Shooting, Squash, and Surfing.
28. HPSNZ are concerned, as a general principal, that any investment changes to Tokyo bound NSOs (campaigns) could potentially impact the Tokyo HP programme. HPSNZ recommended that these decisions (for Cycling, Surfing, and Shooting) are deferred until post-Olympic Games.
29. The Board Advisory Committee considered these three sports (Cycling, Surfing, and Shooting), and determined that no adjustments are necessary to the proposed 'impact' investment level. Cycling and Surfing are being recommended for transition funding which will mean the 'net cash impact' on their investment in the first twelve-months will 'only' be \$12.5k and \$7.5k respectively.
30. Our position is to progress with the investment decision for these three NSOs, noting that transition planning means that while decisions are notified to NSOs in March 2020, changes do not impact investment until October 2020 which is post the Games.

Final Investment Recommendation

31. The alignment of investment to strategy (i.e. based on information about rangatahi participation, for outcomes for rangatahi) means that total investment levels in most NSOs will be different from the total investment they have received for 2016-20.
32. The following two tables provide a full summary of the investment recommendations for 65 NSOs.

a. NSOs receiving \$50,000pa or more

Sport	9(2)(b)(ii)
Netball	
Football	
Rugby	
Basketball	
Hockey	
Rugby League	
Cricket	
Touch	
Badminton	
Golf	
Softball	
Volleyball	
Athletics	
Gymnastics	
Waka Ama	
Tennis	
Yachting	
Swimming	
Bowls	
Cycling	
Equestrian	
Rowing	
Surf Life Saving	
Water Polo	
Karate	
Pony Clubs	
Squash	
Table Tennis	
Snow Sports	
Triathlon	

Release

b. NSOs receiving less than \$50,000pa

Sport	9(2)(b)(ii)
Boxing	
Orienteering	
Motorcycling	
Shooting	
Archery	
Baseball	
ITF NZ	
Surfing	
Water Ski	
Weightlifting	
Australian Football League	
Croquet	
Diving	
Ice Hockey	
Indoor Bowls	
Judo	
Kart Sport	
Marching	
Motorsport	
Skate	
Speedway	
Synchro Swim	
Billiard Sports	
Curling	
Darts	
Ice Figure Skating	
Petanque	
Polocrosse	
Wrestling	
Flying	
Gliding	
Ice Speed Skating	
Power Boat	
Paragliding	
Taekwondo	

33. The table below provides a summary of the recommended investment (by NSO) per annum for 2020-24 and the level of change in investment from 2016-20:

25 NSOs will receive an increase			16 NSOs have no change		24 NSOs will receive a decrease		
	\$ pa for 2020-24	Increase		\$ pa for 2020-24		\$ pa for 2020-24	Decrease
Rugby	700,000	150,000	Football	830,000	Rugby League	465,000	(175,000)
Volleyball	300,000	110,000	Gymnastics	250,000	Tennis	225,000	(175,000)
Netball	850,000	100,000	Athletics	250,000	Golf	375,000	(175,000)
Basketball	675,000	85,000	Softball	310,000	Bowls	150,000	(99,000)
Badminton	375,000	85,000	Yachting	200,000	Motorsport	15,000	(60,000)
Waka Ama	250,000	85,000	Surf Life Saving	100,000	Cycling	150,000	(50,000)
Equestrian	150,000	75,000	Triathlon	50,000	Indoor Bowls	15,000	(49,000)
Water Polo	90,000	70,000	Water Ski	20,000	Shooting	25,000	(30,000)
Touch	400,000	60,000	Baseball	20,000	Surfing	20,000	(30,000)
Rowing	125,000	50,000	ITFNZ	20,000	Squash	75,000	(25,000)
Swimming	190,000	30,000	Kart Sport	15,000	Table Tennis	75,000	(25,000)
Karate	75,000	30,000	Marching	15,000	Snow Sports	50,000	(25,000)
Pony Clubs	75,000	30,000	Billiard Sports	10,000	Motorcycling	25,000	(25,000)
Cricket	425,000	25,000	Polo-crosse	10,000	Flying	6,000	(14,000)
Hockey	550,000	10,000	Darts	10,000	Gliding	6,000	(9,000)
Orienteering	30,000	10,000	Ice Speed Skating	6,000	Power Boat	6,000	(9,000)
Boxing	30,000	10,000			Skate	15,000	(5,000)
Weightlifting	20,000	10,000			Speedway	15,000	(5,000)
Synchro Swimming	15,000	6,500			Judo	15,000	(5,000)
Archery	20,000	5,000			Croquet	15,000	(5,000)
Diving	15,000	5,000			Australian Football League	15,000	(5,000)
Ice Hockey	15,000	5,000			Wrestling	10,000	(5,000)
Ice Figure Skating	10,000	4,000			Taekwondo	6,000	(4,000)
Petanque	10,000	4,000			Powerlifting	6,000	(3,000)
Curling	10,000	400					

34. This fully allocates the \$9.3M budget approved in May 2019 for Partnerships investment in NSOs.

Transition Planning

35. A decrease in investment for 24 NSOs will require them to make change within their organisations. For some NSOs, where we think there is materiality in terms of impact of reduced investment, it is proposed to provide transition funding and support. Transition funding will soften the impact of reductions in investment, as the full effect of the reduction will not be realised until the second or third year of the strategic period.

36. In September 2019 the Board discussed that transition planning would follow a similar process to that undertaken when the investment decisions for 2016-20 were implemented. That is:

- All NSOs will get 6 months' notice of investment level changes;
- Transition Funding* for those receiving 'significant' decrease in investment levels;
- Transition Support* (business capability expertise), where required for those receiving 'significant' decrease in investment levels.

37. In earlier modelling, we retained some of the \$9.3M in years one and two for transition funding. The more that was held for transition, the more need there was for it, as we only allocated the remainder across NSOs. The Board Advisory Committee directed that the full \$9.3M budget for Partnerships investment in NSOs be allocated across the 65 NSOs, and that additional funding be provided for transition planning.
38. Transition Funding: \$1M has been set aside in the 2019/20 budget to 'accelerate future strategy implementation'. It is recommended that \$545k be used from that budget to pay for Transition Funding.
39. Transition Support: up to \$200k is available within the 2019-20 Business Capability budget for Transition Support.
40. The Board Advisory Committee asked management to consider the following when determining which of the 24 NSOs with decreased investment (relative to 2016-20) will receive transition funding:
- specifically mitigate transition risk associated with the four NSOs with the largest reductions in investment;
 - consider other NSOs on a 'needs' basis;
 - fund transition for two years rather than one year for those most impacted.
41. Appendix D provides the information we looked at when developing a 'needs' basis. This data includes: (latest available) reported revenue for the last two years, latest operating surplus or deficit, equity and working capital balances. We selected working capital as the most relevant factor when considering each NSO's need for transition funding.
42. Transition Funding recommendation:
- NSOs with a decrease of more than \$10k be eligible for transition funding;
 - calculate transition funding for the four NSOs with decreases of more than \$100,000, at 50% of the decrease in year 1 and 25% in year 2; i.e. Golf, Rugby League, Tennis, Bowls (noting that Bowls decrease is \$99k);
 - calculate transition funding for one year only, at 50% of the decrease, for other NSOs with working capital that is insufficient to cover at least 10 years' worth of the decrease; i.e. Cycling, Indoor Bowls, Surfing, and Table Tennis.

43. The following table shows the amount of transition funding calculated on this basis for years 1 and 2, and the resulting impact on the partners' cashflow each year.

Partner	HPSNZ sports	Current '\$000	New '\$000	Decrease '\$000	Transition Funding Recommendation		Impact on partner			
					Year 1 - 50%	Year 2 - 25%	Total year 1 funding incl Q1 roll-over	Net cash impact in year 1	Total year 2 funding	Net cash impact in year 2
Golf		550,000	375,000	175,000	87,500	43,750	506,250	(43,750)	418,750	(131,250)
Rugby League	Campaign	640,000	465,000	175,000	87,500	43,750	596,250	(43,750)	508,750	(131,250)
Tennis		400,000	225,000	175,000	87,500	43,750	356,250	(43,750)	268,750	(131,250)
Bowls	Campaign	249,000	150,000	99,000	49,500	24,750	224,250	(24,750)	174,750	(74,250)
Cycling	Tier 1	200,000	150,000	50,000	25,000		187,500	(12,500)	150,000	(50,000)
Indoor Bowls		64,000	15,000	49,000	24,500		51,750	(12,250)	15,000	(49,000)
Surfing	Campaign	50,000	20,000	30,000	15,000		42,500	(7,500)	20,000	(30,000)
Table Tennis		100,000	75,000	25,000	12,500		93,750	(6,250)	75,000	(25,000)
Motorsport		75,000	15,000	60,000	-		30,000	(45,000)	15,000	(60,000)
Shooting	Campaign	55,000	25,000	30,000	-		32,500	(22,500)	25,000	(30,000)
Snow Sports	Tier 2	75,000	50,000	25,000	-		56,250	(18,750)	50,000	(25,000)
Motorcycling		50,000	25,000	25,000	-		31,250	(18,750)	25,000	(25,000)
Squash	Campaign	100,000	75,000	25,000	-		81,250	(18,750)	75,000	(25,000)
Flying		20,000	6,000	14,000	-		9,500	(10,500)	6,000	(14,000)
Gliding		15,000	6,000	9,000	-		8,250	(6,750)	6,000	(9,000)
Power Boat		15,000	6,000	9,000	-		8,250	(6,750)	6,000	(9,000)
Skate		20,000	15,000	5,000	-		16,250	(3,750)	15,000	(5,000)
Judo		20,000	15,000	5,000	-		16,250	(3,750)	15,000	(5,000)
Speedway		20,000	15,000	5,000	-		16,250	(3,750)	15,000	(5,000)
Croquet		20,000	15,000	5,000	-		16,250	(3,750)	15,000	(5,000)
AFL		20,000	15,000	5,000	-		16,250	(3,750)	15,000	(5,000)
Wrestling		15,000	10,000	5,000	-		11,250	(3,750)	10,000	(5,000)
Taekwondo		10,000	6,000	4,000	-		7,000	(3,000)	6,000	(4,000)
Powerlifting		9,000	6,000	3,000	-		6,750	(2,250)	6,000	(3,000)
					389,000	156,000				
					TOTAL cost	545,000				

Risk Mitigation

44. Stakeholder dissatisfaction with results of the allocation method poses reputational risk for Sport NZ. The Sport NZ Group's risk appetite matrix shows that reputational risk is acceptable for strategic gain, where appropriate steps have been taken to minimise reputational impact.

45. Throughout the process, we have taken steps to minimise reputational risk associated with NSO investment decisions, including:

- providing probity assurance around the process and auditing the NSO allocation model;
- allowing a reasonable period for NSOs to review and validate their self-reported data that is used in the allocation model;

- communicating our Strategy, and the alignment of investment to Strategy, to NSOs through forums, letters and individual meetings with each NSO.
- Meeting with all NSOs to better understand their value proposition for our 2020-24 strategy.

46. Mitigation is proposed for key risks:

Risk	Proposed Mitigation
1. The reduction in the level of investment causes some NSOs to go into 'financial distress'	<ul style="list-style-type: none"> • The financial risk of NSOs with decreased investment was considered in the development of the Transition funding approach
2. Other funders follow Sport NZ investment decisions, resulting in further reductions for some NSOs	<ul style="list-style-type: none"> • Appropriate messaging to the Funders' Forum about Sport NZ Strategy and investment decisions
3. The reduction in the levels of investment means that some NSOs need to 'right size' their organisations to ensure they are sustainable	<ul style="list-style-type: none"> • Transitional support will be available from the business capability team to the organisations with largest decreases in investment, to help them 'right size' where necessary
4. Level of investment in specific NSOs draws criticism	<ul style="list-style-type: none"> • Careful communication about Strategy and investment being targeted at rangatahi • Careful stakeholder management • Opportunities for sports to access investments through the Funds Investment category
5. Criticism about aligning investment to Strategy	<ul style="list-style-type: none"> • Careful communication about Strategy and evidence about rangatahi impact
6. Criticism for not moving fast enough to deliver on Strategy	<ul style="list-style-type: none"> • Careful stakeholder management • Communication around the thoroughness of the process that has been undertaken, and the extent and significance of the shift in strategic focus • Supporting partners to begin delivering on the new Strategy
7. Criticism about any inconsistencies in investment decisions	<ul style="list-style-type: none"> • Careful communication about system-building and high performance system considerations, in addition to targeting rangatahi
8. Dissatisfaction with investment level decision draws criticism of the process followed	<ul style="list-style-type: none"> • Reactive communication about: <ul style="list-style-type: none"> ○ Evidence to support strategic alignment of investment, focussed on Strategy 2020-24 but with consideration of longer-term system build ○ Process this year reflects recommendations from Grant Thornton NZ's review of the process for 2016-20 investment level decisions ○ Sport NZ engaged a probity advisor (Grant Thornton) for this process ○ Engagement with NSOs during the process, including informing them about the process and evidence used in the allocation model

Risk	Proposed Mitigation
	<ul style="list-style-type: none"> ○ Board Advisory Committee considered allocation to each NSO on a line-by-line basis ○ Board Advisory Committee's identification of specific context that warranted consideration of individual partner contexts
9. Organisations that are unhappy complain to the Minister and call for intervention	<ul style="list-style-type: none"> ● Minister briefed in advance of announcements, in particular around impact and likely response. ● Minister well-prepared with key messages ahead of announcements
10. Sport NZ is blamed for the negative impact on organisations and local delivery of Sport, leading to reputational damage	<ul style="list-style-type: none"> ● Work closely with affected partners to understand impact of reduced investment and align messaging where possible ● Key messages around new strategic direction and new initiatives/opportunities
11. Impact on high performance outcomes (HP Targeted and Campaign sports)	<ul style="list-style-type: none"> ● Ongoing dialogue between HPSNZ and Sport NZ ● Transition planning for impacted partners
12. Investment decisions are criticised because of perceived conflicts of interests at Board and Management levels	<ul style="list-style-type: none"> ● Rigorous application of Sport NZ conflict of interest policy ● Staff conflicts register reviewed and any conflicts identified are well managed
13. The decision causes some CEOs of our partners to reconsider their positions	<ul style="list-style-type: none"> ● Our support to our partners to 'resize' their organisations will focus on the value proposition of key leadership roles

Next Steps – Communications Plan

47. A communications plan has been developed for NSO Investment. The overall approach and key messages are outlined in this paper, along with a broad timeline of activity undertaken or to be undertaken. If the Board want further detail Jennah (Wooten) will be available at the meeting to discuss.

Overall Approach and Key Messages

48. Our approach will be to set the agenda through strong proactive communications based on a story of how we have shifted our investment to align with our new strategy, to maximise its impact.

49. Our primary communications will focus on:

- Direct and tightly focused communications with NSOs (specific to their investment)
- A more holistic story for media and the public about all Sport NZ investment, with media to be engaged through a press release and targeted interviews

50. Our secondary communications will focus on:

- Timely and relevant communications to staff, non NSO partners, the Minister and other stakeholders

- Supporting all workstreams through our social and digital channels

51. We will mitigate the risks arising from a more strongly proactive approach through:

- Maintaining a communications risk register
- Creating a strong set of messages and FAQ to enable us to respond to queries from media, partners or other stakeholders
- Using media analysis and social media monitoring to track the sentiment of coverage and identify negative reactions from key stakeholders.

52. Our key messages include:

- Last year we released our Strategic Plan for 2020-24. It targets tamariki and rangatahi and aims to get them more involved in play, active recreation and sport.
- This investment round aligns with that strategy. We are moving our investment around to target the sports that are having the greatest impact for our rangatahi.
- We know that our young people's participation rates start to drop between the ages of 12 and 14. This is the hardest part of the pathway and our investment recognises the important role NSOs can play in addressing the drop-off.
- This investment is about lifting the number of hours that young people are active each week and improve the quality of their experiences.
- Naturally there are some sports that will be receiving more in the new funding allocation and some that are receiving less. This is because some are able to help us achieve our aspiration for young people more than others.
- We have worked to find a way to support those who are receiving less. Some will be offered funding to help them adjust to the new level of investment.
- It is not the only way our National Sport Organisations can access funding. Another good recent example was our Women and Girls Activation Fund.

Activity Timeline

53. The table below provides a timeline of the key communication activities that will be undertaken in relation to NSO investment, following the board's decision. Note that we expect to be working to the same timeline for investment in National Recreation Organisations (subject to board decisions).

Activity	Date
Email NSO's advising them to expect further communication in early March	14 February
Brief the Minister about the investment levels for each NSO and provide reactive talking points in case of questions. (A briefing will also be provided about NRO investment)	19 February
Internal (Sport NZ) communication – in confidence - on NSO investment decisions. Communication will say that the full list will be published on 9 March.	6 March
Phone call with each NSO to communicate the investment decision for that NSO (all contacted within two days) - in confidence	9 March

Email a letter to each NSO, formally advising the investment decision for that NSO, and describing the next steps. <i>Note:</i> The date of our formal letter triggers the six months' notice period which we have committed to provide to partners so they can adapt to changes in investment levels. By ensuring this is sent in March, the notice period ends in September and new investment levels will be applied from October (i.e. the second quarter of 2020/21)	9 March
Public release of total Partnerships investment in each partner: web content published, press release issued, web and social content published. This will include Partnerships investment to Regional Sports Trusts, National Sport Organisations, National Recreation Organisations, National Disability Organisations, and National Education Organisations.	10 March (indicative date – dependent on completed phone calls)
Face-to-face meetings with NSOs to begin detailed investment discussions about the initiatives that Sport NZ will invest in for 2020-2024.	March and April
New investment levels apply from the beginning of the second quarter 2020 (following end of the roll-over period)	1 October 2020

Recommendations

54. It is recommended that the Board agrees to:

- a) **approve** the allocation of Partnership investment to 65 current NSOs for 2020-2024, totalling \$9,301,000 per annum as shown at Appendix A.
- b) **approve** transition funding of \$545,000 from the 2019/20 budget set aside to 'accelerate future strategy implementation', as outlined in #42.
- c) **note** the risk assessment and next steps.

Geoff Barry
GM Community Sport

Peter Miskimmin
Chief Executive

Appendix A: 2020-24 NSO Investment levels

Sport	Impact \$ 2020-24	Stretch \$ 2020-22	Total \$
Netball	750,000	100,000	850,000
Football	630,000	200,000	830,000
Rugby	600,000	100,000	700,000
Basketball	550,000	125,000	675,000
Hockey	400,000	150,000	550,000
Rugby League	340,000	125,000	465,000
Cricket	300,000	125,000	425,000
Touch	400,000	-	400,000
Badminton	250,000	125,000	375,000
Golf	225,000	150,000	375,000
Softball	190,000	120,000	310,000
Volleyball	300,000	-	300,000
Athletics	250,000	-	250,000
Gymnastics	250,000	-	250,000
Waka Ama	190,000	60,000	250,000
Tennis	225,000	-	225,000
Yachting	200,000	-	200,000
Swimming	190,000	-	190,000
Bowls	150,000	-	150,000
Cycling	150,000	-	150,000
Equestrian	150,000	-	150,000
Rowing	125,000	-	125,000
Surf Life Saving	100,000	-	100,000
Water Polo	90,000	-	90,000
Karate	75,000	-	75,000
Pony Clubs	75,000	-	75,000
Squash	75,000	-	75,000
Table Tennis	75,000	-	75,000
Snow Sports	50,000	-	50,000
Triathlon	50,000	-	50,000

Sport	Impact \$ 2020-24	Stretch \$ 2020-22	Total \$
Boxing	30,000	-	30,000
Orienteering	30,000	-	30,000
Motorcycling	25,000	-	25,000
Shooting	25,000	-	25,000
Archery	20,000	-	20,000
Baseball	20,000	-	20,000
ITFNZ	20,000	-	20,000
Surfing	20,000	-	20,000
Water Ski	20,000	-	20,000
Weightlifting	20,000	-	20,000
Australian Football League	15,000	-	15,000
Croquet	15,000	-	15,000
Diving	15,000	-	15,000
Ice Hockey	15,000	-	15,000
Indoor Bowls	15,000	-	15,000
Judo	15,000	-	15,000
Kart Sport	15,000	-	15,000
Marching	15,000	-	15,000
Motorsport	15,000	-	15,000
Skate	15,000	-	15,000
Speedway	15,000	-	15,000
Synchro Swim	15,000	-	15,000
Billiard Sports	10,000	-	10,000
Curling	10,000	-	10,000
Darts	10,000	-	10,000
Ice Figure Skating	10,000	-	10,000
Petanque	10,000	-	10,000
Polocrosse	10,000	-	10,000
Wrestling	10,000	-	10,000
Flying	6,000	-	6,000
Gliding	6,000	-	6,000
Ice Speed Skating	6,000	-	6,000
Power Boat	6,000	-	6,000
Powerlifting	6,000	-	6,000
Taekwondo	6,000	-	6,000
	7,921,000	1,380,000	9,301,000

Notes

- The amounts in this table are annualised. The actual amounts paid to NSOs in 2020/21 will comprise: one quarter of the current (2016-20) investment levels as roll-over until the end of the six month notice of changes in investment, transition funding to some NSOs, three quarters of the impact and stretch investment levels shown in this table.
- Impact \$ 2020-24: This amount includes 'impact at risk' for three NSOs – Rugby League, Golf, Volleyball – which will initially be committed to June 2022, and will be extended to 2024 only if those NSOs are able to demonstrate realisation of the anticipated benefits for rangatahi.
- Stretch \$ 2020-22: Stretch investment will be committed to June 2022. In 2021/22, Sport NZ will undertake a process to review the outcomes and determine allocation of the \$1,380,000 pa for the period 2022-24.

Appendix B: Evidence-based Model

Information was gathered from multiple sources to form the evidence-base for the Board's decision on investment levels for NSOs.

The information, and overall weightings by category, used for modelling the allocation of impact investment across the 65 NSOs are described in the table below. Sport NZ undertook a moderation process, overseen by our probity advisor, to ensure consistent assessments of the information that came from meetings with the NSOs.

Description of the information that forms evidence-base for impact investment decisions

1. Current impact on rangatahi 60% weighting	2. Potential impact on rangatahi 20% weighting	3. Confidence in the NSO ability to deliver 20% weighting
<p><i>NSOs with more than 1,000 participants per Active NZ:</i> Active NZ data for rangatahi participation in a coached or competitive setting, weighted 40/60 for all rangatahi/more deprived rangatahi</p> <p><i>NSOs with fewer than 1,000 participants per Active NZ:</i> The higher of NSO-reported rangatahi membership or School Sport NZ census data</p>	<p>School sport data trend from the last three years, as an indicator of future trend</p> <p>Active NZ data about the sports that more-deprived rangatahi would choose to try or to do more of From meeting with NSO – planned programmes to impact rangatahi 2020-2024 (with consideration of females and more-deprived rangatahi)</p> <p>From meeting with NSO – scale of expected increase in rangatahi participation</p>	<p>Assessment of initiatives that Sport NZ invested in for the last two years (from annual partner reporting) From meeting with NSO – Quality of planning to impact rangatahi 2020-2024</p> <p>From meeting with NSO – Sport NZ confidence in NSO's ability to achieve planned impact</p>

Appendix C: Probity Advisor Report



Geoff Barry
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14 January 2020

Dear Geoff,

Probity Report: National Sports Organisation Investment Process

Sport NZ requested Grant Thornton assist with their National Sports Organisation (NSO) investment allocation process by observing the allocation moderation process and offering probity advice as required.

The moderation process was based on an initial assessment of each partner against established investment criteria by the relevant Relationship Manager, an independent review of this assessment by each member of the moderation panel. In the moderation meeting there was a presentation to the panel by the relevant Relationship Manager for each partner followed by discussion and agreement between the moderators to arrive at an agreed score for each Partner against each of the criteria. The proposed Partner scores were then reconsidered and agreed by the moderators in a second meeting.

We note the moderation process was tasked with developing the evidence base to support the Board's decision. The moderation process did this through scoring each NSO Partner against the investment criteria, which in turn, is to be combined with participation data to form a recommendation for the Board.

Sport NZ adopted the following principles of probity:

- Fairness and impartiality
- Accountability and transparency of process
- Confidentiality of information and materials
- Effective management of conflicts of interest.

From a probity perspective:

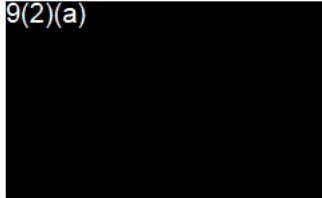
- Probity activities were identified and managed during the moderation process
- All NSO Partners were considered on their own merits as well as relative to all other NSOs.
- Potential conflicts of interest based on existing personal relationships or Partner knowledge of individual moderators were disclosed and managed appropriately.
- All NSO Partners were treated consistently and fairly, with high levels of discussion and challenge by the moderators before decisions were made.
- The moderation process deliberately excluded discussion of current or potential future investment amounts to help ensure the assessment against the criteria was not influenced by perceptions of the appropriateness of investment relativities.
- All moderators understood their role and responsibilities and took their responsibilities seriously.

As probity advisor we are satisfied that all potential conflicts and perceived impartialities or unfairness that arose during the process were taken seriously, and appropriate mitigations invoked to ensure no parties were advantaged or disadvantaged during the process.

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

9(2)(a)



Partner

Released under the Official Information Act 1982

Appendix D

This is the full list of NSOs with reductions in total investment level compared to 2016-20. Financial data from the partners' latest-available annual reports is shown here for all NSOs with reductions of \$10k or more. The orange cells in rightmost column highlight the NSOs with current working capital that is less than 10 times the amount of the decrease in Sport NZ investment (i.e. those with insufficient working capital to cover 10 years' worth of the decrease).

Partner	HPSNZ sports	2016-20 investment '\$000	2020-24 Partnerships investment '\$000	Decrease in annual investment '\$000	Partner Financial data reported for year ended	Total Revenue prior year '\$000	Total Revenue '\$000	Average revenue last two years '\$000	Latest Operating Surplus/Deficit '\$000	Equity '\$000	Working capital and Term Deposits '\$000	Change as a proportion of total revenue	Numbers of years that current working capital covers the decrease in investment
Golf		550,000	375,000	175,000	31/12/2018	5,745	6,184	5,965	158	2,547	433	2.9%	2.47
Rugby League	Campaign	640,000	465,000	175,000	31/03/2019	8,482	8,790	8,636	(704)	2,540	(865)	2.0%	(4.94)
Tennis		400,000	225,000	175,000	30/06/2019	2,922	3,378	3,150	374	3,102	2,879	5.6%	16.45
Bowls	Campaign	249,000	150,000	99,000	30/06/2018	2,432	2,029	2,231	153	1,468	1,362	4.4%	13.76
Motorsport		75,000	15,000	60,000	31/12/2018	2,613	2,395	2,504	174	2,586	1,005	2.4%	16.75
Cycling	Tier 1	200,000	150,000	50,000	31/12/2018	7,897	7,936	7,917	(285)	565	136	0.6%	2.71
Indoor Bowls		64,000	15,000	49,000	30/09/2019	330	301	316	(46)	481	473	15.5%	9.64
Surfing	Campaign	50,000	20,000	30,000	30/06/2019	522	604	563	(3)	8	(4)	5.3%	(0.14)
Shooting	Campaign	55,000	25,000	30,000	30/06/2019	362	375	368	14	457	457	8.1%	15.24
Table Tennis		100,000	75,000	25,000	30/09/2018	366	312	339	(48)	212	190	7.4%	7.58
Snow Sports	Tier 2	75,000	50,000	25,000	30/06/2019	5,044	4,269	4,656	(301)	871	453	0.5%	18.11
Motorcycling		50,000	25,000	25,000	31/12/2018	787	814	801	(13)	1,183	985	3.1%	39.39
Squash	Campaign	100,000	75,000	25,000	30/09/2018	1,192	1,136	1,164	(177)	1,098	987	2.1%	39.50
Flying		20,000	6,000	14,000	31/03/2019	176	197	186	4	460	257	7.5%	18.33
Gliding		15,000	6,000	9,000									
Power Boat		15,000	6,000	9,000									
Skate		20,000	15,000	5,000									
Judo		20,000	15,000	5,000									
Speedway		20,000	15,000	5,000									
Croquet		20,000	15,000	5,000									
AFL		20,000	15,000	5,000									
Wrestling		15,000	10,000	5,000									
Taekwondo		10,000	6,000	4,000									
Powerlifting		9,000	6,000	3,000									

Meeting date: 13 February 2020
From: Geoff Barry, General Manager Community Sport
Subject: **Healthy Active Learning – Phase One Investment Approval**

Purpose

1. This paper seeks the Board's approval of investment to six Regional Sport Trusts (RSTs) implementing Phase One of Healthy Active Learning (January 2020 – December 2022).

Background

Healthy Active Learning

2. Healthy Active Learning is a joint government initiative between Sport New Zealand and the Ministries of Health and Education to improve the wellbeing of children and young people through healthy eating and drinking, and quality physical activity.
3. Sport NZ and the Ministries of Health and Education will receive \$47.6m over four years, of which Sport NZ will receive \$33.243m. Sport NZ will receive out-years (year five and beyond) funding of \$13.424m per annum.

Treasury Allocation to Sport NZ					
Financial year	2019-20	2020-21	2021-22	2022-23 + outyears	TOTAL
Internal Sport NZ costs	\$235,000	\$290,000	\$370,000	\$420,000	\$1,315,000
External costs (workforce and training)	\$3,308,000	\$5,489,000	\$9,424,000	\$12,703,000	\$30,924,000
Evaluation	\$100,000	\$250,000	\$500,000	\$500,000	\$1,350,000
	\$3,643,000	\$5,998,000	\$10,178,000	\$13,424,000	\$33,243,000

4. Sport NZ has been established as the lead agency of the overall initiative and will, provide a physical activity workforce (the Sport NZ component) to support approximately

800 primary and intermediate schools and kura to create healthy and active learning environments, and improved connection to their local communities from 2020 to 2024.

5. To deliver our component of the initiative, Sport NZ will invest in six RSTs to lead, manage and implement Phase One (2020-2022) into approximately 300 targeted schools and kura.
6. The Play.sport expansion sites in Invercargill and Hamilton, managed and delivered by Sport Southland and Sport Waikato, have been transitioned over to, and are now considered to be, Healthy Active Learning sites. Both are well positioned to be part of the initiative due to aligned philosophies and approaches to the provision of quality experiences for tamariki.
7. \$2.85m was approved by the Board in February 2018 for the expansion of Play.sport into these two additional regions and this will continue to fund this delivery until these three year investments end in December 2021.
8. This means that 8 of the 14 RSTs will be either directly or indirectly engaged in Phase One of the initiative. It remains Sport NZ's intention to partner with all RSTs and expand Healthy Active Learning to the other six regions in Phase Two (2022-24) subject to certain requirements being met.

Strategic context

9. Sport NZ's vision for 2020-2032 is Every Body Active with a purpose to contribute to the wellbeing of everybody in Aotearoa by leading an enriching and inspiring play, active recreation and sport system.
10. The Strategic Plan 2020-2024 expressly focuses on tamariki (children aged 5-11) and rangatahi (young people aged 12-18).
11. For **tamariki**, we will focus our effort on **PE** and **Play** as the foundations of physical literacy.
12. For rangatahi, we will focus our effort on Active Recreation and Sport.
13. There are two KRAs specific to improving activity levels of tamariki and rangatahi:
 - KRA1 – reducing the drop off in activity levels of rangatahi;
 - KRA2 – improving the activity levels of tamariki and rangatahi who are less active.
14. Healthy Active Learning is a significant intervention that falls under 'Programmes' within Sport NZ's Investment Portfolio, and has:
 - Strong alignment and contribution to KRA2
 - Strong focus on tamariki
 - Strong emphasis on driving PE and Play outcomes

RST selection

15. Sport NZ undertook a robust and objective process when selecting the six RSTs (and their regions) to include in Phase One implementation; key areas assessed included:

- Strategic alignment (to Sport NZ strategy)
- RST capability, capacity and connectivity
- Potential for quick wins and maximum impact

16. The following RSTs were selected to be included in Phase One implementation:

- Active (Auckland)
- Sport Bay of Plenty
- Sport Canterbury
- Sport Gisborne Tairāwhiti
- Sport Northland
- Sport Wellington

Discussion

Short-term investment in 2019

17. Each of the six RSTs implementing Healthy Active Learning in Phase One received a five-month investment (August – December 2019), totalling \$220k, to support the resourcing associated with the scoping and design stage of the initiative across their respective regions.

18. Active, Sport Bay of Plenty, Sport Canterbury, Sport Gisborne Tairāwhiti and Sport Wellington each received \$40,000, while Sport Northland received \$20,000 due to lower short term resource requirement.

Workforce requirements (2020-2022)

19. Sport NZ's investment into the six RSTs will cover the costs of employing a Regional Lead and deploying a physical activity workforce (Advisors and Activators) into targeted schools and kura.

20. The scale of workforce required in each RST is based on the number of schools and kura engaged in Phase One of the initiative. This broadly follows a ratio of one Advisor to 10 schools and/or kura, and one Activator to 15 schools and/or kura.

21. Investment into each RST will account for salaries and other on-costs, the latter negotiated individually with each RST to identify and cover 'real' costs only.

22. The table below reflects the workforce requirements for the six new RSTs implementing Phase One of Healthy Active Learning (2020-22).

RST Workforce Requirements (2020-22)					
RST	# schools (approx)	Regional Lead (2020-2022)	Advisor (2020-2021)	Activator (2021-2022)	Total FTE
Aktive	91	1	9	6	16
Sport Bay of Plenty	37	1	4	3	8
Sport Canterbury	35	1	3	2	6
Sport Gisborne	30	1	3	2	6
Sport Northland	44	1	4	3	8
Sport Wellington	32	1	4	3	8

23. We will be seeking additional Board approval (March 2020) for investment to support the Tapuwaekura two-year pilot project (Healthy Active Learning approach in Maori medium education settings and selected kura) for 2020-2021 only.

24. We are currently in the process of going to tender and procuring an appropriate provider to lead, manage and deliver the Tapuwaekura pilot project. We expect to have identified a preferred provider by 6 March 2020.

Phase One investment (2020-2022)

25. The table below outlines the recommended investment into six RSTs delivering Phase One of Healthy Active Learning (1 January 2020 – 31 December 2022).

RST Phase One Investment Allocation (2020-22)					
Financial year	2019/2020	2020/2021	2021/2022	2022/2023	TOTAL
Aktive	\$504,790	\$1,250,750	\$1,048,665	\$302,705	\$3,106,910
Sport BoP	\$210,491	\$500,278	\$433,130	\$143,343	\$1,287,243
Sport Canterbury	\$262,575	\$554,505	\$392,240	\$100,310	\$1,309,630
Sport Gisborne	\$184,357	\$444,947	\$392,018	\$131,429	\$1,152,753
Sport Northland	\$269,737	\$705,665	\$663,165	\$227,237	\$1,865,805
Sport Wellington	\$258,480	\$638,140	\$551,580	\$176,920	\$1,625,120
	\$1,690,432	\$4,089,285	\$3,576,109	\$976,635	\$10,347,461

Next steps

26. Following the Board's approval of the recommended investment allocation to the six RSTs, signed Investment Schedules will be provided to partners for signing. The first quarterly payment is scheduled for 20 February 2020.

Recommendations

27. It is recommended that the Board **approve** the total Phase One investment allocation of \$10,347,461 to six RSTs to cover the period January 2020 to December 2022.

28. It is recommended that the Board **approve** individual investment allocation into each of the six RSTs as table below.

RST Phase One Investment Allocation (2020-22)					
Financial year	2019/2020	2020/2021	2021/2022	2022/2023	TOTAL
Aktive	\$504,790	\$1,250,750	\$1,048,665	\$302,705	\$3,106,910
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	\$1,690,432	\$4,089,285	\$3,576,109	\$976,635	\$10,347,461

Geoff Barry
GM Community Sport

Peter Miskimmin
Chief Executive



**HIGH PERFORMANCE
SPORT NEW ZEALAND**

STATUS: Approval

9 December 2021

To : **The Board**
From : **Steve Tew, COO**
Subject : **PARIS 2024 INVESTMENT RECOMMENDATIONS**

Purpose

1. The purpose of this paper is to provide the HPSNZ Board with recommendations on HPSNZ Campaign Investment to sports. The following sequence of events serves to demonstrate the layered approach taken to develop strategy and frameworks to support the provision of investments to sports.

Executive Summary

2. Sport is part of Aotearoa New Zealand's DNA and the country has built a globally competitive high performance system that has seen us excel on the world stage, delivering performances which make our nation proud. Fine tuning our approach to targeted sports means we can continue performing on the world stage while also investing in a wider range of sports that resonate with New Zealanders, as well as support and enhance the wellbeing of all high performance athletes, coaches, officials and staff.
3. HPSNZ currently provides circa \$36.8M per annum of core investment to targeted sports and campaigns on an annual basis. Core investment complements other annual investment programmes in Performance Enhancement Grants (circa \$5.9M); Prime Minister's Scholarships (\$4.25M) and sport requested athlete performance support (\$9.1M in people resource) for carded athletes.
4. Investment recommendations included in this paper are the first to be developed under the guidance of the HPSNZ Strategic Plan 2024 and HPSNZ Investment Guidance 2022-24. The recommendations provided are designed to support the three key system shifts of the 2024 HPSNZ Strategic Plan:
 - a. **Performance Pathways** – with the objective: Significantly enhanced performance pathways delivering a culturally accessible national performance network for the development of future talent, while providing our elite athletes with the support they need to become world class.

- b. **Wellbeing and Engagement** – with the objective: Enriching performance environments that empower and support individuals to optimise their potential and enhance their ability to thrive in their sporting and non-sporting lives.
 - c. **Funding and Investment** – with the objective: An expanded funding and investment framework enabling greater agility and more sports to benefit from investment support, more athletes identified earlier, and more communities engaged and inspired by New Zealand’s success.
5. Te Tiriti o Waitangi is Aotearoa New Zealand’s founding document, HPSNZ is committed to upholding the mana of Te Tiriti o Waitangi and the principles of Partnership, Protection and Participation. The principles of accessible opportunities and culturally distinctive pathways that enable tangata whenua and all New Zealanders to participate and succeed as themselves in the High Performance environment provides the foundation of the three system shifts.
6. The sport designation system (NSO classification) will transition as of 1 January 2022 from targeted tiered sports (Tier 1, Tier 2, Tier 3, & Campaign) to Podium and Aspirational sports. The NZOC and PNZ (when not an NSO) are designated as a NOC – Peak Body.
7. The current Performance Enhancement Grants (PEG’s) and athlete carding systems will transition to the tailored athlete performance support (TAPS) model.
8. Investment into targeted Tier 1 and Tier 2 sports was confirmed in March 2020, at a minimum of 70% of current ‘core’ baseline funding levels for the Paris cycle (2022-2024). This initiative was approved to provide NSOs the ability to retain key personnel for the next cycle.

Cycle Initiatives

9. To advance the three key system shifts within the 2024 strategy, HPSNZ applied the overarching investment principles to this process
 - a. Alignment to HPSNZs vision and strategic objectives
 - b. Promotes enriching performance environments that are inclusive and diverse, that promote trust, respect and belonging, and that enable growth
 - c. Provide appropriate balance between shorter term performance outcomes and long-term high-performance system building
 - d. Empowers a system wide approach to striving for excellence
 - e. Targeted and contestable investment with a priority on achieving overall return on investment across the investment cycle
 - f. Segmented and tailored investment to ensure resources are applied to key system priorities that are based on need and impact
 - g. Balances the aggregated NSO needs with system leadership responsibilities
 - h. Transparent and evidenced based
 - i. Enables alignment and an integrated system approach and;

- j. NSOs earn the right to investment and are accountable for the agreed outcomes aligned to investment

10. The following specific High Performance criteria was also applied when assessing NSO investment, incorporating four contestable considerations including,

- a. Past performance
- b. Future potential
- c. Quality of HP performance pathway, programme and/or campaigns
- d. Individual sport context.

11. The specific sport profiles contained within this paper highlights projections of pinnacle event performances, based on intelligence and the NSO Picture of Performance. The accumulative totals provide the HPSNZs projected medal performances outcomes. (refer table – Targeted Outcomes) Commentary is also included on NSO environments and wellbeing which will serve to form part of the NSO – HPSNZ performance and programme action plan and health check status for 2022 and beyond.

Targeted Outcomes	Podium Sports	Aspirational Sports	Overall Targets
2024 Summer Olympic Games	12-16 medals	1-2 medals	13-18 medals
2024 Summer Paralympic Games	14-18 medals	(258)	14-18 medals
2022 & 2026 Winter Olympic Games	2+ medals		2+ medals
2022 & 2026 Winter Paralympic Games	2+ medals		2+ medals
2022 Commonwealth Games	20+ medals	18+ medals	38+ medals
2022 Commonwealth Games	20+ medals	18+ medals	38+ medals
Performance at pinnacle events for non-Olympic Funded sports 2022-2024	1+ podiums	3+ podiums	4+ podiums
New Pathway investment in Aspirational Sports		8+ sports	8+ sports
New investment in Sports with Culturally Distinctive Pathways		4+ sports	4+ sports

12. The NSO investment recommendations demonstrate the alignment to the above principles and HP criteria that are aligned to the 2024 Strategy. It is important to note the transition from what we have historically known as ‘core funding’ to a holistic investment, focusing on the people, performance environments and campaign components relative to the respective sports designation.

13. The quantum of NSO support when allocating all investment and support (financial, expertise and capability support) to either Podium Sports or Aspirational Sports will now be made up of the following targeted areas of investment:

- a. Campaign Investment (where NSOs demonstrate they have multiple priority campaigns HPSNZ will consider additional investment to support agreed NSO HP programme management costs)
- b. Performance Pathways (end to end)
- c. Coaching (end to end)
- d. Wellbeing
- e. TAPS (end to end)

- f. Performance Support (end to end)
- g. HP Capability Support
- h. Preparation and Games times investment

14. During this investment application process, it became apparent and in fact highlighted internally and by partners that team sports should potentially form another subset within the investment portfolio. Management has agreed to look at this over the next cycle.
15. NSO's were required to submit their financial requirements to support the cost of running their HP programme. The full ask was \$232M over the Paris Cycle, which did not include their commercial or philanthropic revenue. After careful review that considered alignment to the HP Strategy and investment criteria, this was moderated to \$131M over the Paris Cycle.
16. Initial campaign budget assumptions for all sports for the Paris cycle was based on 80% of current core investment values. This was complimented with other initiative budget lines to support the system shifts, e.g.: Wellbeing, Coaching and Pathways, and to shift to a holistic investment. NSO's request was to hold campaign requirements at 100%, in addition to the new initiatives. This created a \$9M campaign investment gap for Podium Sports. Through the moderation process we were able to accommodate requests with a movement between budget lines that allowed overall budget to be achieved.

Investment Consideration

17. The Paris Cycle **Total Direct** Investment to NSO's is recommended to be **\$131M (\$43.7M pa)**, which includes:
- a. **\$104M** - Campaign investment (this includes campaigns, coaching and wellbeing)
 - b. **\$2M** - Athlete Pathways
 - c. **\$25M** - TAPS
 - d. **\$19M** - Performance Support
 - e. **\$1M** – Intelligence
18. We have accounted for expected new athletes in the cycle (regional and aspirational sports). As part of this investment process, we acknowledge there are athletes who have not yet been identified in the NSO requests. This primarily is due to the Covid impacted 5-year Tokyo cycle and now a congested 3-year Paris cycle. Simply the NSO focus has been on the training and preparation of the current elite athletes to get to and from the pinnacle events. A compounding factor is the lack of travel for New Zealand's junior athletes, resulting in this cohort not being identified or tested athlete pathways for our younger athletes is a significant work on as highlighted in the HPSNZ Strategy.

19. Therefore, we have included placeholders of \$6M in the \$131M to account for this support over the next 3 years:

- a. \$2M in Wellbeing (\$0.667M annually)
- b. \$1M in Athlete Pathways (\$0.333M annually)
- c. \$3M in TAPS (\$1M annually)

20. Athlete Performance Support is a critical component of investment. We have identified an annual budget of \$6.5M of direct delivery costs to accommodate NSO requests. Previously one-off Tokyo funding and buy back support is now embedded in NSO requested support, which is resulting in budget pressure on HPSNZ. We expect to manage this through BAU savings from vacant roles and efficiencies. In addition, there are some ongoing discussions with sports relating to the following matters;

- a. 9(2)(a) [REDACTED]
- b. Discussions with NSOs relating to performance support has highlighted the opportunity for some to employ HPSNZ staff, many however are not prepared to take on the added responsibility, citing capacity issues and in some cases the need to use only part FTE's.

21. 9(2)(b)(ii) [REDACTED]

22. 9(2)(b)(ii) [REDACTED]

23. The above Paris Cycle investment excludes some known and anticipated costs. The costs not included are:

- a. Investment to Snow Sports New Zealand. SSNZ are currently preparing for the Beijing Winter Olympics. Formally we have advised SSNZ that as a Priority Sport **70%** of current core funding is guaranteed for the Milan cycle. In anticipation of a successful Winter Games, we have allocated a placeholder of 80% of current core funding and will assess SSNZ performance post the Beijing Games.
- b. 9(2)(b)(ii) [REDACTED]

24. Anticipated support of up to an estimated **\$6M**, will cause budget pressures, and likely additional funding from Sport NZ will be required to support these initiatives. In this regard reference is made to:

- a. Athlete Voice
- b. Instep – Vitae or similar EAP initiatives supporting wellbeing
- c. Core Knowledge (system coaching initiative)
- d. Women in High Performance Sport
- e. NZOC new requests
- f. Hockey NZ Project Kahurangi outcomes. (refer sport profile)
- g. Adjustment to TAPs criteria (BTG considerations)
- h. Adjustment to TAPs criteria (Sustained excellence grant)
- i. Paralympic integration transition support
- j. Consideration for international preparation hub

25. The appendices of this paper provide specific funding details and recommendations for each NSO. The following serves to highlight the significant classification changes in the 2024 NSO investment portfolio

Podium

- a. Eight (8) Olympic /Winter Podium sports
- b. Four (4) Paralympic/Winter Podium sports
- c. One (1) Non-Olympic Podium sport

Aspirational Sports (new portfolio)

- a. Nineteen (19) Olympic Aspirational sports
- b. Three (3) Paralympic Aspirational sports
- c. Seven (7) Non-Olympic Aspirational sports

New Invested Sports

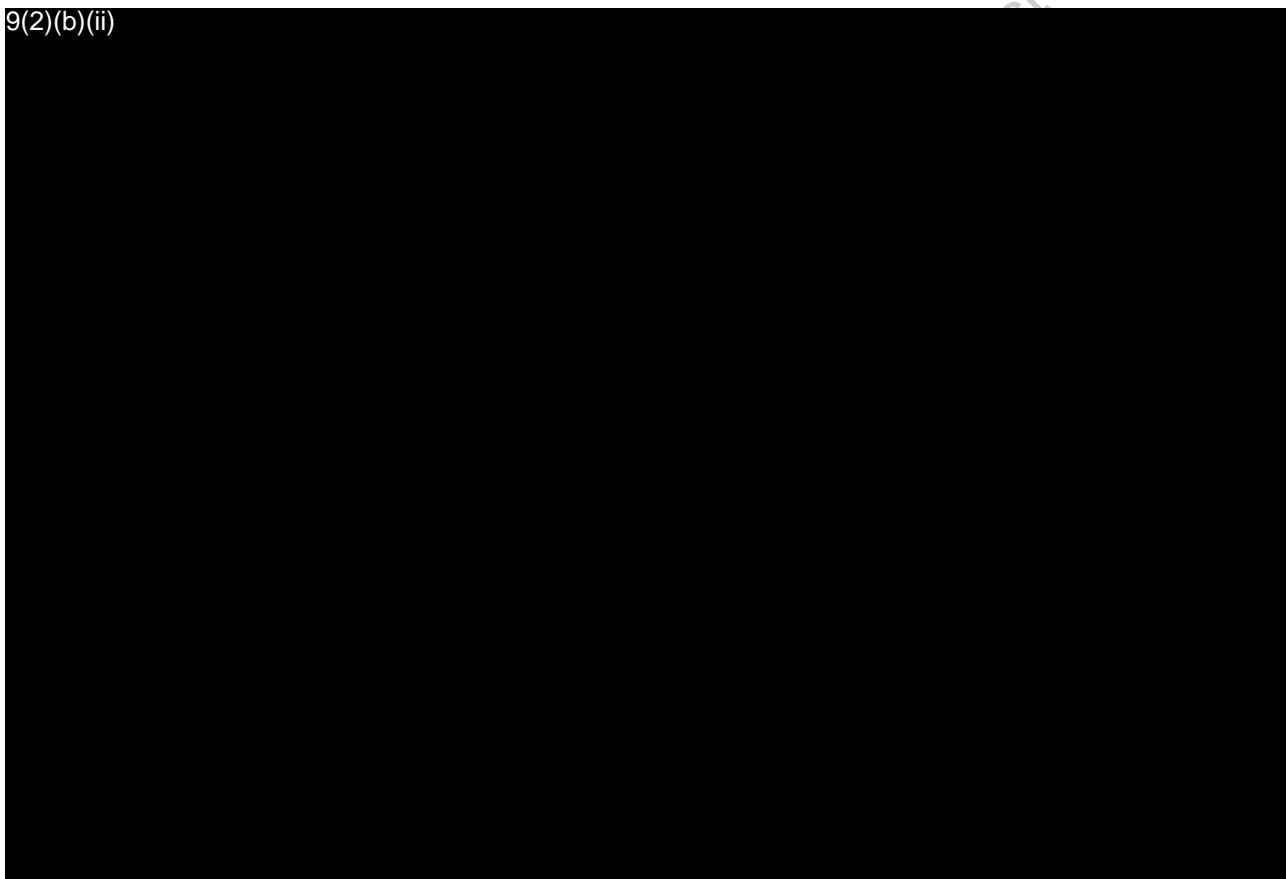
1. Basketball – 3x3 men, 5x5 women
2. Diving
3. Skateboarding
4. Tennis – Doubles men
5. Volleyball – men and women
6. Water Polo – women
7. Shooting Para
8. Waka Ama - Para
9. Motorcycling / Motocross – women
10. Rugby League -women
11. Touch Rugby – men and women
12. E Sports
13. Badminton
14. Rock Climbing
15. Orienteering

Culturally distinctive pathways

1. Rugby
2. Netball
3. Basketball
4. Boxing
5. Olympic Weightlifting
6. Volleyball
7. Rugby League
8. Softball
9. Touch rugby
10. Badminton

26. Key changes in Campaign investment (compared to 2021 Core Investment) that is either a decrease of more than (\$0.1M) or an increase of more than \$0.1M is shown below.

9(2)(b)(ii)



Recommendations

It is recommended that the Board:

27. **Note** the contents of this paper;

28. **Note** SSNZ and NNZ investment consideration will be in 2022 and 2023 respectively

29. **Approve** the proposed HPSNZ Strategic Investment recommendations to sports.

- a. \$131M - Paris Cycle Total Direct Investment
- b. \$6M - additional support requested from Sport NZ
- c. \$1M - Covid Contingency held in reserves

Eddie Kohlhasse
GM Performance & Strategic Investment

Steve Tew
Chief Operating Officer

Released under the Official Information Act 1982

Background

30. High Performance Sport New Zealand (HPSNZ) has the stated vision of “Inspiring Performance Every Day”, and a mission of “Working in partnership to enhance our world leading sustainable high performance sport system that empowers athletes to excel on the world stage”.
31. HPSNZ has the role of allocating investment and support (financial, expertise and capability support) to National Sports Organisations (NSOs), athletes, coaches and support staff, that will enable HPSNZ to achieve its vision and strategic objectives on behalf of the New Zealand Government.
32. HPSNZ’s mission is “working in partnership to create a world leading sustainable, high performance sports system”, and is underpinned by the four key values of; collaboration, wellbeing, integrity, and excellence.
33. Our success is seen through more sporting performances that inspire New Zealanders, and through winning on the world stage at Olympic and Paralympic Games, and at World Championships. We inspire New Zealanders by encouraging pride in the results and the way they are achieved. In doing so they connect people and communities across the country and in turn inspire future success.

2032 High Performance System Strategy (HPSS)

34. The New Zealand High Performance sport system has delivered outstanding performances, particularly in Olympic and Paralympic Games, over the last 12 years. A key strategy that has enabled this success has been a targeted investment approach, focussed on investing in a limited number of sports, and predominantly focussed on performances across the relatively short 4 year cycle and in some cases a pinnacle event focus of one to two years.
35. There has been a number of unintended consequences attributed to this strategy. These consequences include; limited clarity and transparency in the NSO Performance Pathways impacting aspiring athletes and coaches to optimise potential and future success, wellbeing issues, and a relatively small number of sports that gain access to investment and performance support provision. Additionally, this approach has limited diversity and inclusion within the HP sport environment.
36. Throughout the years 2017 and 2018, HPSNZ led an extensive system-wide engagement and consultation process in order to establish the High Performance System Strategy (HPSS). The HPSS identifies what the system must strive to achieve between now and 2032 to drive repeatable sustainable success by more New Zealanders winning in more sports.

37. Within the HPSS three key system shifts (supported by four additional shifts) were identified as fundamental to delivering the transformation required between now and 2032. Each system shift aligns and contributes to the High Performance Sport Outcomes Framework and the New Zealand High Performance Sport System Strategic Objectives.
38. By focusing on the three key system shifts of Performance Pathways, Funding and Investment, and Wellbeing and Engagement, it is envisioned that the HPSS will deliver a world leading system that enables New Zealand to achieve sustainable success on the world stage and leverages that success to inspire the nation and its communities.
39. The three key system shifts are underpinned by investment in Performance Support, Intelligence and Performance Solutions, NSO Capability and Leveraging Success, and have set the direction for the HPSNZ Strategic Plan 2024.

Sport Recovery Fund – Business Case

40. In response to the Covid 19 pandemic the New Zealand Government established the Sport Recovery Fund to enable the NZ sports system to respond to the changing environment. The three areas of focus were:
- a. “Reset and Rebuild” Helping sports to get through the initial impact of COVID-19
 - b. “Strengthen and Adapt” - rebuild in the medium term and make changes to operate successfully in the post-pandemic environment.
 - c. “Different and Better” - Innovative approaches to delivering play, active recreation and sport into the future.
41. HPSNZ initially received an allocation of \$2M from the Sport Recovery Fund under the “Reset and Rebuild” category. The focus and intent of this appropriation was to ensure bespoke training environments were made available to our Tokyo bound Olympians and Paralympians given their Covid impacted daily training environments. Another key focus taken during this time was to ensure pre-HP and HPAD athletes were not compromised given the postponement of the games and the congested cycle. HPSNZ were then requested to develop an additional business case under the “Strengthen and Adapt” and “Different and Better” categories.
42. This business case was aimed at advancing the three key system shifts, and achieving the following:
- a. Broadening the portfolio of sports that HPSNZ can invest in, enhancing culturally distinctive pathways, diversity, and inclusion – and through this, enhancing the ability of HP sport to inspire our nation.
 - b. Enhancing athlete and coach high performance development and engagement.
 - c. Enhancing the development of Pre-HP athletes regionally through a Hubs and Pods model.
 - d. Directly enhancing wellbeing outcomes across the HP sport system.
 - e. Imbedding the Women in HP Sport programme moving forward.
 - f. Enhancing intelligence functions alongside and within NSOs.

43. The outcome of the business case submissions was the appropriation of 33.2M

HPSNZ 2024 Strategy

44. The foundation of the 2024 Strategy was the 2032 High Performance System Strategy however the postponement of the Olympic and Paralympic Games fundamentally brought into focus the development of the HPSNZ 2024 Strategy. The strategy clearly identifies and prioritises what the high performance sport system must achieve over the next three Olympic and Paralympic cycles and the three system shifts required to deliver this.

45. The HPSNZ 2024 Strategy aims to continue achieving podium performances at targeted pinnacle events, while broadening its investment portfolio in order to increase diversity and inclusion, increasing culturally distinctive pathways, and ultimately delivering increased performances that inspire our nation.

46. To support HPSNZ in delivering on the strategy and enabling the facilitation of the system shifts two key pieces of the work were developed. There were the 2022-24 Investment Framework and the Tailored Athlete Performance Support model.

Investment Framework

47. HPSNZ's Investment Framework enables HPSNZ to undertake its role of allocating investment and support effectively and transparently, outlines HPSNZ's overarching investment principles, components of investment and priorities and has been developed to achieve the key goals outlined in the HPSNZ 2024 Strategy. All categories of HPSNZ investment are considered through this process.

48. Through the framework HPSNZ allocates all investment and support (financial, expertise and capability support) to either Podium Sports or Aspirational Sports across the following components of investment:

- a. Campaign Investment
- b. Performance Pathways Investment
- c. Wellbeing Investment
- d. Athlete Support Awards
- e. Performance Support
- f. Intelligence
- g. HP Capability Support
- h. Preparation and Games-Time Investment

49. The Investment Framework 2021-2024 is aligned to the strategic priorities of the HPSNZ 2024 Strategic Plan with a focus on:

- a. The broadening of investment objectives to include not only podium performances, but also include investing in a boarder portfolio of sports that can deliver to HPSNZ's identified system shifts;

- b. Enhanced performance pathways for athletes and coaches delivering an accessible national performance network (national performance hubs and regional performance pods);
- c. The establishment of an Aspirational Investment Fund to support performances on the world stage, performances that inspire and culturally distinctive pathways;
- d. Implementation of wellbeing initiatives to support performance environment and transitions within and out of the pathway;
- e. The reclassification of Targeted Sports and Campaign Sports to Podium Sports and Aspirational Sports;
- f. The alignment of all NSO investment and support decisions to the Investment Framework;
- g. Aligning investment to probable, convert and opportunity campaigns within NSO led pathways as the cornerstone of investment decision making; and
- h. Providing more investment certainty to NSOs by, in most cases, committing investment across a whole cycle (1-4 years)

Tailored Athlete Pathway Support (TAPS)

50. TAPS has the primary objective of supporting and enabling the performance and wellbeing of TAPS Athletes in the New Zealand high performance sport environment. TAPS has the additional objective of ensuring athletes have the right resources at the right time relative to their stage in their respective sport's Performance Pathway.

51. Support provided for TAPS athletes includes:

- a. Base Training Grants or Development Training Grants
- b. Excellence Grants
- c. Medical insurance premiums
- d. Access to apply for Prime Minister's Athlete Scholarships

52. TAPS are available to TAPS Eligible Sports, with the decision to provide TAPS opportunities and the priority for allocation based on the following:

- a. Designated Podium Sports;
- b. Invested Aspirational Sports on a case by case basis;
- c. Demonstrated need of the sport / athletes in order to achieve their performance goal; and
- d. The availability of HPSNZ resources.

53. Under the TAPS guidelines, Excellence Grants "recognise performance excellence, and are aimed to support further performance excellence from these individuals and teams. The current TAPS criteria provide Base Training Grants and Excellence Awards totaling \$65,000 p.a. for gold medalists, and \$55,000 for medalists. HPSNZ recommends an additional category of Excellence Grants is established to account for those that have consistent podium performances over 3+ cycles. The criteria for this category would be:

- a. medals in 3 consecutive games, with at least one Gold Medal, and continuing (or considering continuing) for the next cycle."

System Leadership Initiatives

Performance Pathways

54. The Performance Pathway will focus on NSOs led pathways for world class success that are clear, consistent and connected., with attention on key phases; development, performance and transition.
55. The system changes seek to enhance performance pathways through delivering an accessible national performance network for the development of future talent, while providing elite athletes with the support they need to become world class.
56. Aligned to the athlete pathway is the coaching framework that will look to identify, support and grow coaches specifically aligned to the pathway and specialised in the transition phases in the coaching pathway framework
57. By providing additional support in these coaches, regionally based athletes will be supported with the coaching required at the appropriate age and stage of their journey.

Wellbeing

58. Enriching performance environments that empower and support individuals to optimise their potential and enhance their ability to thrive in their sporting and non-sporting lives. Key focus areas include

Women in High Performance Sport.

- a. Increased women in HP coaching and leadership roles
- b. Gender equitable HR guidelines and processes
- c. Education packages and capability development regarding diversity and Inclusion strategies and approaches

Wellbeing Programme

- a. Mechanisms for athlete and coach voice and representation
- b. Whole of sport code of conduct
- c. Know the Line and mental Health Initiatives
- d. Establishment of 8 wellbeing managers
- e. Establishment of objective measures to monitor wellbeing within NSO environments.

Culturally Distinctive Pathways

- a. Te Tiriti o Waitangi is Aotearoa New Zealand's founding document, HPSNZ is committed to upholding the mana of Te Tiriti o Waitangi and the principles of Partnership, Protection and Participation. The principles of accessible opportunities and culturally distinctive pathways that enable tangata whenua and all New Zealanders to participate and succeed as themselves in the High Performance environment provides the foundation of the three system shifts.

- b. The Aspirational fund and the regional pathways including the South Auckland Hub will strategically target opportunity for all New Zealanders but with a focus on culturally distinctive pathways particularly for Maori and our Pacific and Asian and new immigrant New Zealanders.

Investment Overview

59. All proposed reductions and increases to sports have been reviewed in the context of the sport's overall HP budget, as well as HPSNZ affordability, assessing both performance impact and risks on their respective Paris medal potential campaigns. HPSNZ internal pillar budgets for the Paris cycle have been through a detailed review, and where appropriate moderated, to ensure the right balance of internal and external investments to increase the probability of delivering on the HPSNZ 2024 strategic plan targets.
60. A detailed communications plan has been developed by HPSNZ, in consultation with Sport NZ, identifying the key messages, opportunities and risks. A number of positive case studies are also being prepared to demonstrate the holistic support being provided to our podium and aspirational sports over and above the campaign investment allocations.

NSO Performance Review and Investment Applications Process

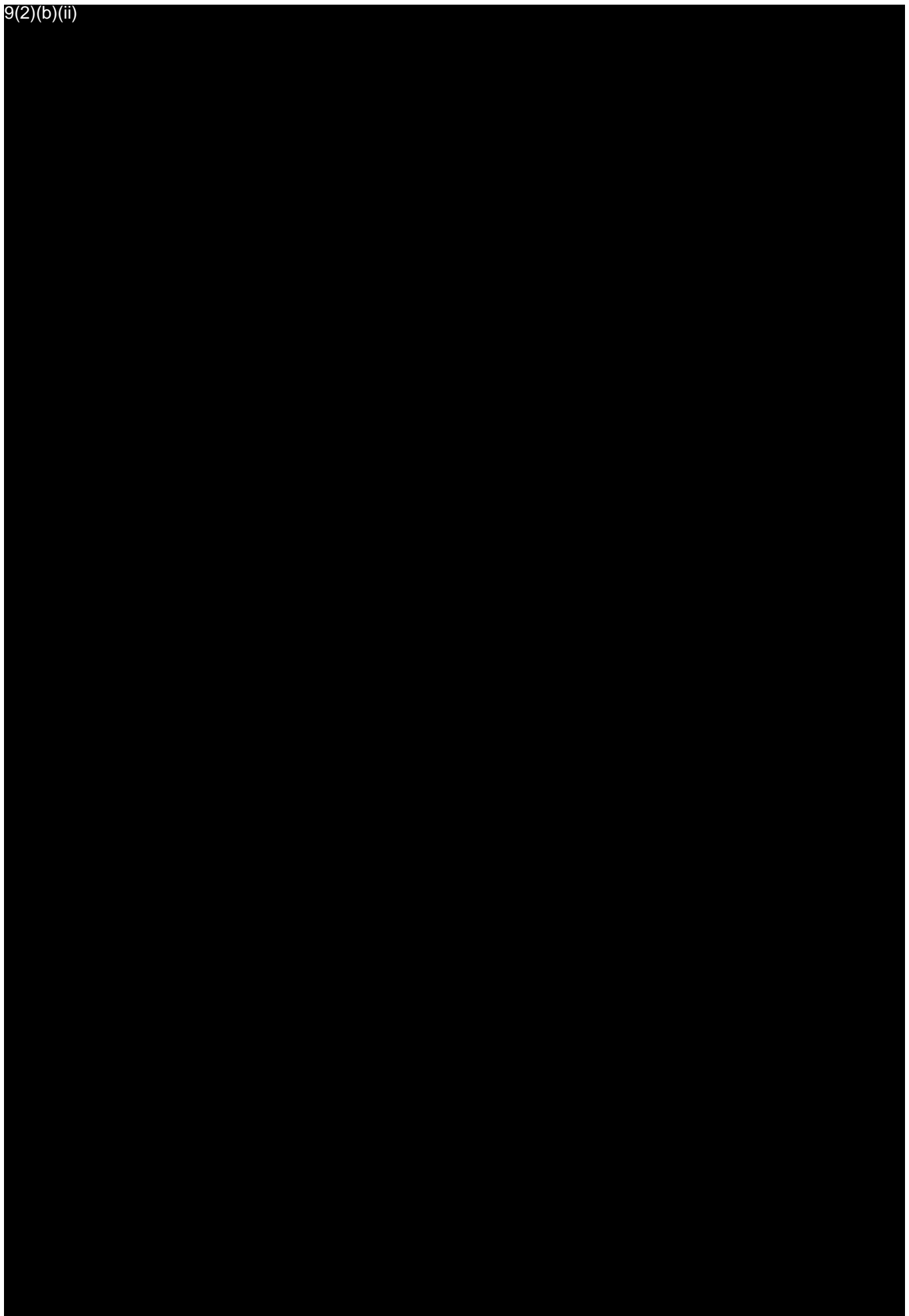
61. Performance reviews for all currently invested sports were conducted in October and November. Applications for investment for all sports with investment concluding 31 December 2021 or not currently receiving investment closed on 15 October 2021. A meeting was also held with all non-invested sports who had applied for investment.
62. The performance review process builds on the consistent work from previous years. The process has been largely consistent over the past 3-years and sports are clear on expectations and the format for the reviews. The meetings are positioned as a 'point in time' performance partnership discussion. The driving themes of this year's meetings were; alignment to the 2024 strategy, confirmation of key campaigns and key learnings for the Tokyo cycle.
63. The primary purpose of the 2021 NSO performance reviews was to assess the progress of each sport against their agreed KPIs for the Tokyo-cycle as well as discuss and challenge the Paris 2024 HP plans and strategies. The review also took a detailed look at the key medal potential campaigns for Paris and other relevant pinnacle events for the cycle.
64. The reviews were conducted with very open and honest dialogue and questioning, to ensure the right level of accountability and challenge particularly for those sports that did not perform to expectations in Tokyo.

65. Applications for investment were received from the following sports currently receiving investment; athletics, para athletics, basketball, bowls, boxing, canoe racing, para canoe, canoe slalom, cricket, cycling, para cycling, equestrian, football, gymnastics, hockey, karate, Olympic weightlifting, rowing, rugby league, rugby sevens, shooting, shooting para sport, softball, squash, surf lifesaving, surfing, swimming, para swimming, triathlon and yachting.
66. Applications for investment were received from the following sports not currently receiving investment; badminton, beach volleyball, climbing, diving, esports, motorcycling, orienteering, skateboarding, table tennis, tennis, touch rugby, waka ama, para waka and water polo.
67. A moderation process was used assessing applications focussing on the below criteria. The process and criteria are scalable relative to the sport designation, targeted outcomes and sport context.
- a. Confirmation of priority campaigns.
 - b. Quality assurance of TAPS athletes to ensure alignment to priority campaigns and including broader pathway athlete numbers.
 - c. Assessment of priority and pathway campaign and coaching requirements.
 - d. Assessment of priority and pathway campaign costs.
 - e. Assessment of HP organisation overhead costs.
 - f. Assessment of HP and HPAD leadership and core operational staff costs.
 - g. Assessment of the Pathway initiative asks and applying consistency with the proposed plan relative to the number of athletes the pathway.
 - h. Cross-checking pre-HP athlete numbers and regional based support value-in-kind requirements.
 - i. Overall sense check – will the investment and support enable a sport to execute their targeted outcomes, support a base pathway and have the base capacity to run a decent programme that can support more sophisticated wellbeing and planning execution.
 - j. Alignment to broader HPSNZ 2024 strategic initiatives

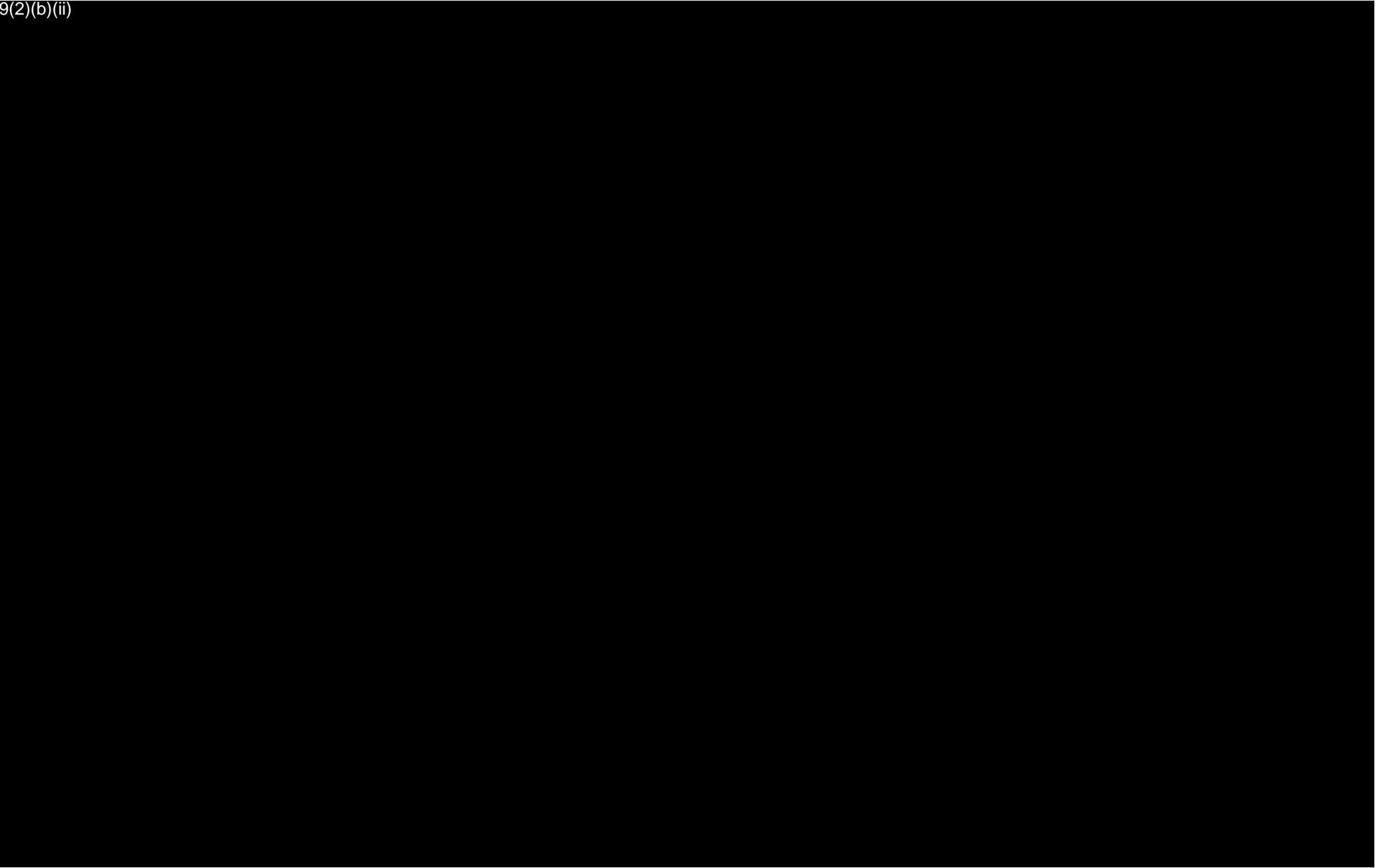
Sport designation and investment change summary

68. Based on the assessment of sports past and future performance against the new investment framework, the following designation of podium and aspirational sports are proposed. These designations unless otherwise confirmed will remain through to 31 December 2024.

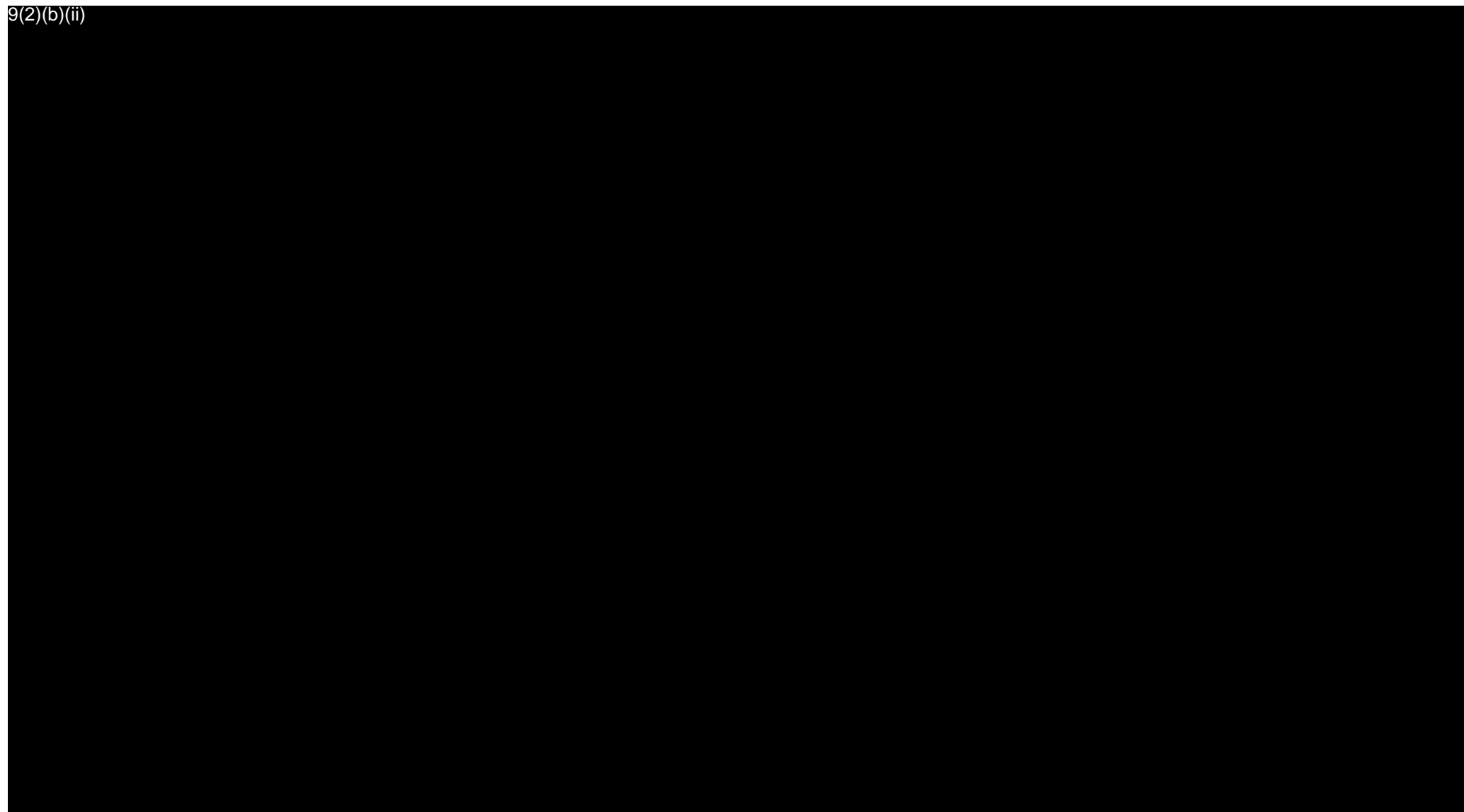
Podium	Aspirational
Olympic	
Athletics	Basketball / 3x3 & 5x5 – Men & Women
Canoe Racing	Boxing
Cycling	Canoe Slalom
Equestrian / Eventing	Cricket – Women
Rugby Sevens – Men & Women	Diving
Rowing	Football - Women
Snow Sports	Golf
Yachting	Gymnastics / Trampoline
	Hockey – Men & Women
	Ice Speed Skating
	Olympic Weightlifting
	Rock Climbing
	Shooting
	Skateboarding
	Swimming
	Surfing
	Tennis / Doubles - Men
	Triathlon
	Volleyball / Beach – Men & Women
	Water Polo - Women
Paralympic	
Para Athletics	Para Canoe
Para Alpine	Shooting Para Sport
Para Cycling	Para Waka Ama
Para Swimming	
Non-Olympic / Non-Paralympic	
Netball	Bowls including Para Bowls
	Motorcycling / Motocross - Women
	Rugby League
	Softball - Men
	Squash
	Surf Lifesaving
	Touch Rugby
	E Sports
	Badminton
	Orienteering



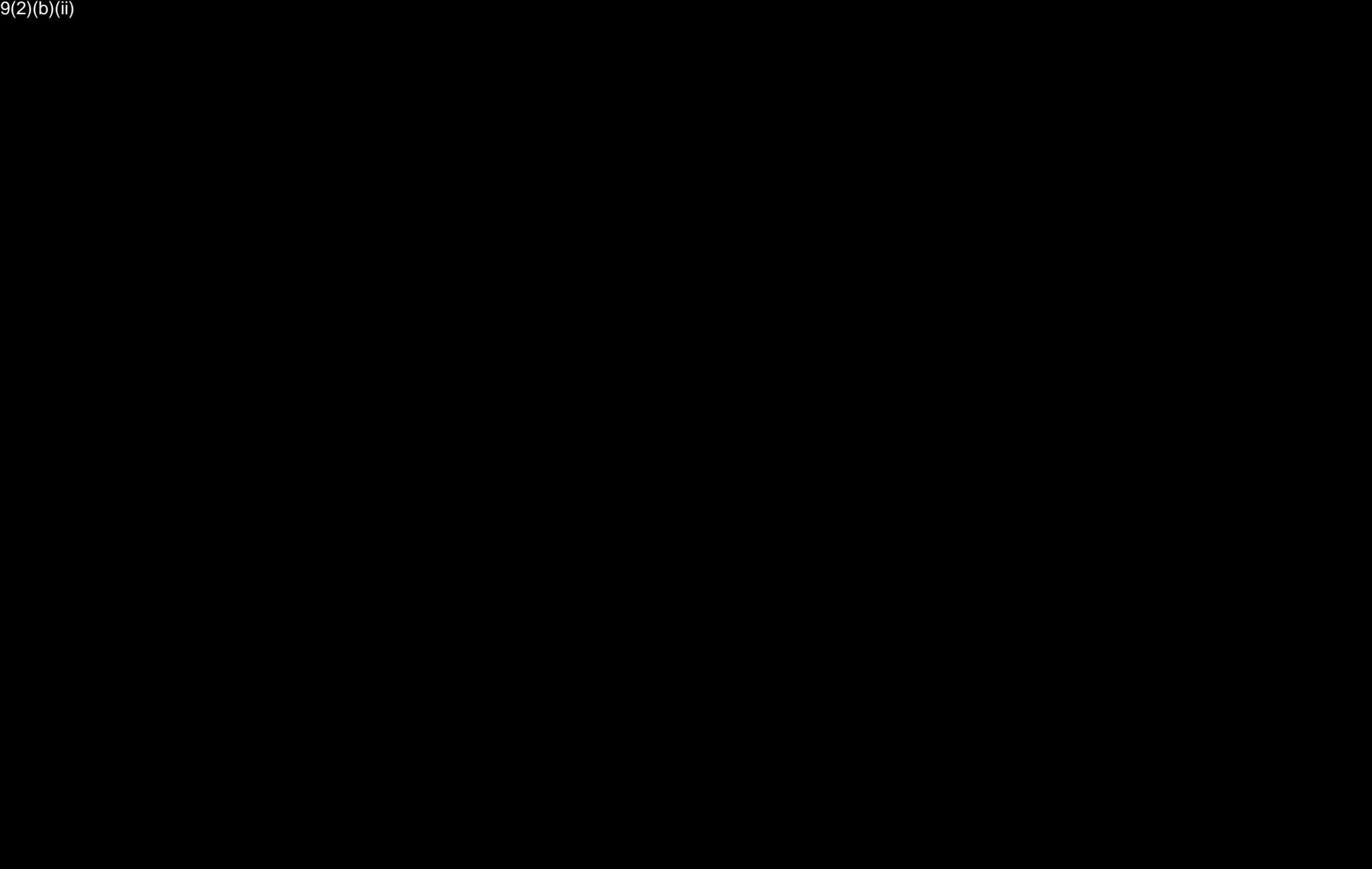
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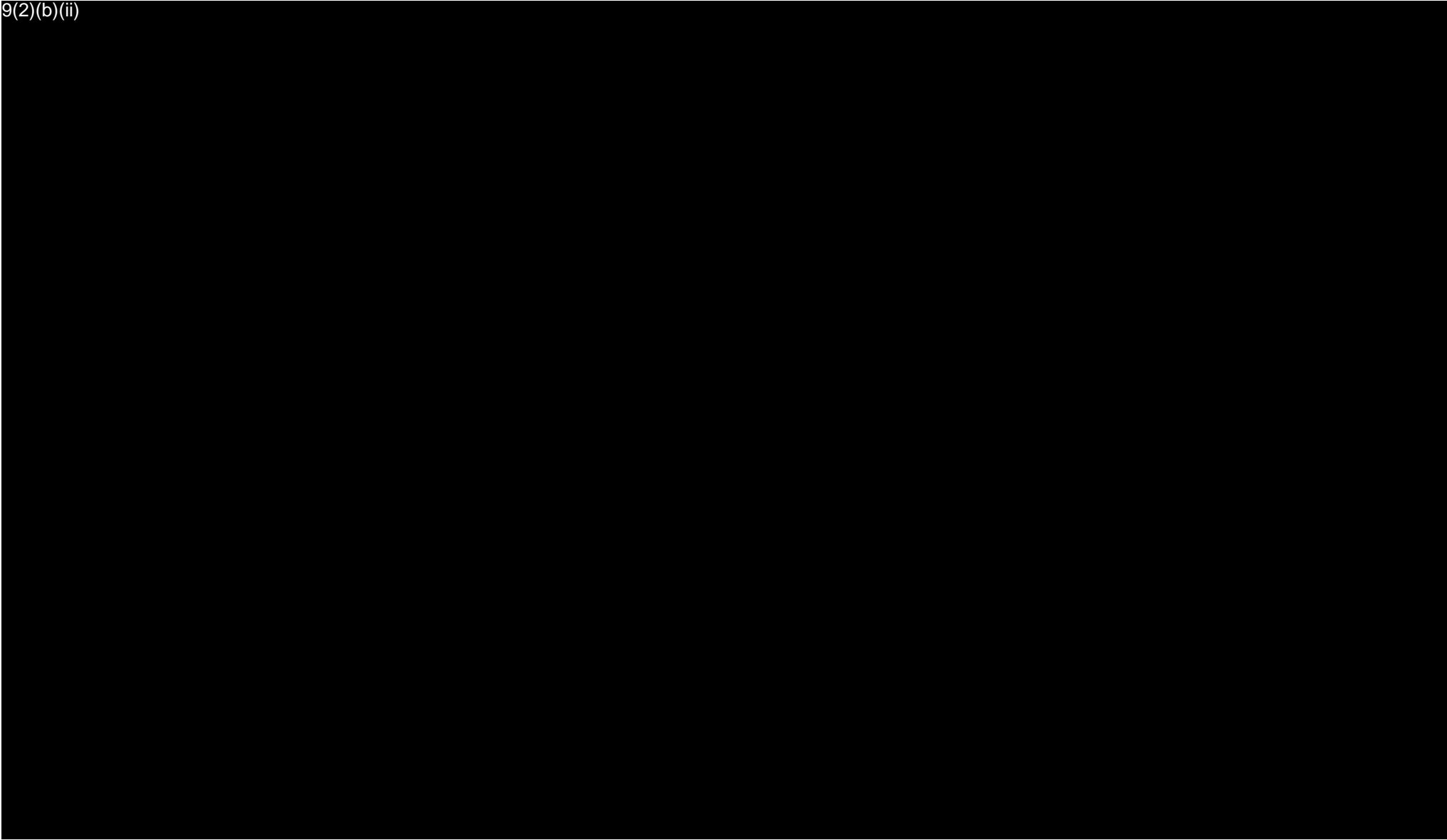
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9(2)(b)(ii)



9(2)(b)(ii)



Preparation and Games Delivery Investment

Paralympics New Zealand (PNZ)

69. HPSNZ has budgeted \$1.5M in preparation and games-time investment towards supporting the PNZ over the remainder of the Paris Olympiad.

70. This is comprised of \$0.5M per year, a \$0.35M per year increase over the Tokyo Olympiad. This increase is provided to service greater performance support resource and the support PNZ as they transition to a new operational model.

NZ Olympic Committee (NZOC)

71. An additional \$0.25M has already been approved by the HPSNZ Board for preparation and games-time support. Total investment into NZOC is now \$1.25M per annum and \$3.75M over the Paris Cycle.

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