



**HIGH PERFORMANCE
SPORT NEW ZEALAND**

High Performance Sport New Zealand

PIF – SELF REVIEW

MAY 2016

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Agency's Response

Executive Summary

In June 2010, the New Zealand Government announced an increase in annual investment for high performance sport of \$20 million per annum with the objective “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. In 2011, the Sport NZ Board established High Performance Sport New Zealand (HPSNZ) as a Crown Entity Subsidiary within the Sport NZ Group, with a mandate to lead the high performance sport system to new levels of performance. The Government has also invested circa \$40 million into high performance facilities which has been leveraged to a total investment of more than \$110 million through private/public partnerships. This new investment has provided an immediate return for New Zealand high performance sport.

HPSNZ’s mission is creating a world leading, sustainable high performance sport system. The agency’s value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets, thereby instilling national pride and shaping our national identity. Under HPSNZ’s leadership, the New Zealand high performance sport system is experiencing an unprecedented level of success. New Zealand was ranked 26th in the world with nine medals at the Beijing 2008 Olympic Games. The performance target for the London 2012 Olympics was 10+ medals and New Zealand improved to 15th on the medal table with 13 medals and ranked 4th per capita. For the upcoming Rio Olympic Games, HPSNZ believes a range of 15 to 19 medals is the most accurate prediction, surpassing New Zealand’s previous best of 13 medals and achieving the agreed target of 14+ Rio medals.

New Zealand Paralympians are also reaching new levels of performance with five world records broken in 2015. For Rio 2016, Paralympics NZ and HPSNZ are targeting 12 Paralympic gold medals (up from six in London 2012) and to maintain the number one world ranking per capita. New Zealand remains on track to achieve this target with predicted gold medals in swimming, cycling, shooting and possibly athletics.

HPSNZ also contributes to exceptional New Zealand sporting achievements in a variety of non-Olympic sports such as the Black Caps in cricket, All Blacks in rugby, Kiwis in rugby league, Lydia Ko in golf, Blackjacks in bowls, Silver Ferns in netball, Black Sox in softball and the World Champion Black Fins surf lifesaving team.

The performance targets agreed with Sport NZ for the next four years are challenging, including record levels of medals in the Tokyo 2020 Summer Olympics and Paralympics, and Pyeongchang 2018 Winter Olympics and Paralympics, in addition to winning World Championships in targeted non-Olympic sports. To achieve these targets, while improving system sustainability, HPSNZ will need to continuously improve its ability to deliver on its mandate of leading the high performance system in New Zealand, working in partnership with NSOs and key stakeholders by:

- a) Allocating resources to targeted sports and athletes
- b) Delivering world-leading support to impact NSO, coach and athlete performance
- c) Constantly striving to outperform international benchmarks

HPSNZ is also mindful of responding to the Minister’s recently articulated broader expectations for the Sport NZ Group regarding links to sport participation and health outcomes as well as the financial stability of NSOs and the effectiveness and efficiency of the HP sport system. This is viewed not as a change in purpose or targets, but as leveraging high performance sport success for broader benefits to New Zealand.

HPSNZ’s 2013-2020 strategy is articulated through the following key strategic priorities:

1. Leading a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes
2. Assisting NSOs to build world-leading coaching and HP programme leadership
3. Enhancing the daily training and competition environments
4. Delivering world-leading performance support for our athletes and coaches
5. Working in partnership to increase the high performance capability of NSOs
6. Strengthening HP athlete development
7. Leading an integrated and robust innovation, research, and technology programme

These strategies are fundamental to HPSNZ’s leadership role of the high performance sport system. The programmes and tactics behind each strategy continue to develop as the agency adapts to the changing international HP sport environment and responds to the evolving needs of NSOs and requirement for system leadership.

HPSNZ’s current organisational management was assessed as sound, with “strong” and “well placed” ratings across 90% of the structured PIF evaluation questions. The agency operates efficiently, with 94% of high performance funding invested directly in HP programmes, athletes and coaches. The PIF review also found strong partner relationships with NSOs, the NZOC and Paralympics, ensuring alignment across the HP sport system.

The Four-Year Excellence Horizon coincides with the upcoming Tokyo Olympic and Paralympic cycle, and HPSNZ has been planning the evolution to that cycle for the past year. The upcoming four years will offer heightened challenges including increasingly competitive nations that are well resourced across New Zealand’s targeted sports. The recently announced additional Government investment of \$4 million per annum will assist in maintaining, our nation’s standing on the world stage, and further investment is required to make additional gains.

The key Performance challenges for the HP system and for HPSNZ include:

- Improving HP system sustainability
- Enhancing NSO sustainability and capability
- Developing a sustainable and affordable portfolio of winning athletes and teams
- Ensuring seamless athlete development pathways

- Stronger links between HP success and broader benefits for New Zealand
- Greater clarity on the breadth of HPSNZ's system leadership role

In responding to these performance challenges, HPSNZ's aspiration is that in four years New Zealand will be recognised as having one of the world's leading high performance sport systems. The high performance sport system will have inspired and united the nation through athletes and teams achieving an exceptional level of medal winning success on the world stage. HPSNZ, with the support of Sport NZ, will have developed a more efficient and sustainable high performance sport system, including NSOs with increased capability, leadership and self-reliance. The timing is right to lift the bar once again and position the HP sport system for continuous improvement across the next four years.

Four –Year Excellence Horizon

In undertaking this review, the Lead Reviewers considered the contribution that New Zealand needs from High Performance Sport New Zealand (HPSNZ) in leading the New Zealand high performance sport system. The Performance Improvement Framework was used to identify gaps and opportunities between the current assessment and desired future capability, capacity and performance, which define the performance challenges for HPSNZ and the sector. The Four-Year Excellence Horizon first discusses environmental trends and potential impacts for HPSNZ and the HP sport system. This is followed by an explanation of the performance challenges for the HP sport system the agency and how HPSNZ will respond to those challenges over the next four years. The Four-Year Excellence Horizon then identifies what success would look like in four years for the HP system, and for HPSNZ to best fulfil its role for New Zealand.

Environment

In June 2010, the New Zealand Government announced an increase in annual investment for high performance sport of \$20 million per annum with the objective “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. In 2011, the Sport NZ Board established HPSNZ as a Crown Entity Subsidiary within the Sport NZ Group, with a mandate to lead the high performance sport system in New Zealand to new levels of performance. HPSNZ’s key competitors are the other highly developed international high performance sport systems, including those of Great Britain, Australia, Germany, the United States, Japan, France and the Netherlands. The level of international competition increases markedly within each four year Olympic, Paralympic and World Cup cycle, with each of our rivals advancing and evolving their HP programmes and many increasing their HP sport investment. HPSNZ targets investment into the sports, campaigns and support programmes that have the greatest impact on athlete performance. The agency works closely with Sport NZ and leverages partnerships within the high performance sport system, i.e. the National Sport Organisations (NSOs), New Zealand Olympic Committee (NZOC) and Paralympics NZ to ensure a streamlined and aligned approach. With the increased Government investment and HPSNZ leading the HP sport system, New Zealand is currently achieving an unprecedented level of sporting success. That success is fragile, however, and dependent on continued improvement of the HP system, with an increased focus on sustainability.

The Four-Year Excellence Horizon coincides with the upcoming Tokyo Olympic and Paralympic cycle, and HPSNZ has been planning the evolution to that cycle for the past year. Tokyo 2020 will offer heightened challenges including increasingly competitive nations that are well resourced across New Zealand’s targeted sports and pressure to retain HPSNZ’s world-leading staff as they are head-hunted by competitors. The timing is right for HPSNZ to

lift the bar once again and position the HP sport system for continuous improvement across the next four years.

New Zealand's size and geographic isolation are significant ongoing factors in the challenge of competing on the world stage. With 4.6 million people, New Zealand is dwarfed by every nation ranked ahead of us on the Olympic medal table, as well as by our key competitors in the traditional sports of rugby, netball and cricket. Our small size means that domestic competition is often not deep, requiring more international travel to learn to compete and win at an international level. HPSNZ needs to provide tailored support to the targeted sports and athletes as New Zealand cannot afford any attrition or not fully optimising potential.

New Zealand is one of the most geographically isolated nations in the world, which makes access to international competition more costly and time consuming than for our international competitors. The international competition programme for most Olympic sports operates largely in Europe during the northern hemisphere summer. While our European rivals can often drive to their international competitions, New Zealand athletes and coaches must travel the world and stay overseas for long periods of time. Extended training blocks overseas between competitions are a core feature of most of New Zealand's medal potential campaigns, and require increased planning and resources as well as resilient athletes and coaches. The challenge of beating much larger and often heavily resourced nations is a key element of the inspiration of New Zealanders winning on the world stage.

The context for New Zealand's challenge in achieving sustained sporting success includes noteworthy trends in international high performance sport and within New Zealand. Environmental and contextual challenges for HPSNZ and the New Zealand high performance sport system include:

- 1) Increased global competitiveness
- 2) Increased cost pressures at HP system, NSO and campaign levels
- 3) NSO sustainability, capacity and capability
- 4) The world of HP Sport is watching
- 5) Olympic Agenda 2020
- 6) Trends in health and participation
- 7) Integrity in Sport

1. Increased global competitiveness

More countries are winning Olympic medals than ever before, with an increase from 74 to 85 nations from Athens 2004 to London 2012, and will continue to increase in Rio 2016 and Tokyo 2020 as more countries have developed economies and invest in high performance sport. Population and GDP are the highest predictors of medal winning success, but together explain less than half of the variability, with investment in, and sophistication of,

HP sport programmes shifting nations up or down the medal table. The top 20 nations win a relatively stable 71 to 74% of total Olympic medals and are in an arms race to improve their high performance programmes to climb the medal table (Shibli, 2015). New Zealand has the smallest population of those nations, with the motivating challenge of maximising outcomes from its high performance sport investment.

Competitor countries are investing significantly more into their HP programmes and the sophistication of science and technology support is increasing. Sports that are strengths for New Zealand and targeted by HPSNZ are also targeted by very well-resourced countries, (such as Great Britain, Australia and Germany), making medal targets increasingly challenging as they further develop their HP systems. As an example, HPSNZ currently invests approximately NZ\$20M over four years into rowing, whereas Great Britain allocates approximately NZ\$65M into its rowing programme. Recently, UK Sport and Own The Podium (Canada) have announced significant investment increases in their HP programmes, and it is anticipated that the Australian Institute of Sport (AIS) will announce increases post Rio 2016. The recently announced additional Government investment of \$4 million per annum will assist in maintaining our nation's competitive standing on the world stage. Further investment would be required to make additional gains.

2. Increased cost pressures at HP system, NSO and campaign levels

With the current high levels of success, the New Zealand HP sport system is under increasing cost pressures and financial sustainability is a key risk. More sports are experiencing high performance success and evolving from isolated individual campaigns to full high performance programmes with the associated costs in developing leadership, coaching and other capability. The HP programmes of the Tier 1 sports (rowing, cycling and sailing) are also growing in sophistication with more athletes moved into centralised training environments and more support is required and starting to flow into regional development centres. These HP programmes also require additional operational management support with more sophisticated logistics planning and systems.

With increased numbers of successful athletes, costs have increased for international travel, accommodation, meals, ground transport, science and medical support, training venue hire, specialised equipment, etc. Costs for the Performance Enhancements Grants (PEGs) programme for athletes continue to increase with more athletes achieving higher placings at pinnacle events. HPSNZ's medical and physiotherapy support costs have particularly increased with more full-time domestic training environments and extended overseas tours. The cost of participating in pinnacle events is also increasing, i.e. the Rio 2016 Olympic and Paralympic Games are the most expensive Games in New Zealand's history and costs will continue to increase for the Pyeongchang 2018 Winter Olympics and Tokyo 2020 Summer Olympics and Paralympics. Additionally, the costs of qualifying for Olympic events have

increased due to International Sporting Federations requiring increased numbers of qualifying events to secure a greater proportion of athletes' racing schedules. Unfavourable changes in the exchange rate, compared to the largely favourable past several years are further increasing the costs of preparing New Zealand athletes and teams for international competition.

3. NSO sustainability, capacity and capability

NSOs in the New Zealand sport system are significantly smaller in both staffing and operating budgets than those of our international competitors. As many sports grow in numbers and sophistication so does the need to have the right level of organisational capacity and capability to run an effective business. The professional HP sport sector is relatively immature in comparison to other industries and NSOs in New Zealand are very lean and operate highly efficiently, and given current workloads and the operating environment, are often unsustainable in the long-term. The majority of targeted NSOs average only 30 days of working capital, effectively surviving month to month. Salaries for NSO executive staff are well below market rates internationally or within the commercial sector. Priority high performance sports in the New Zealand system require increased capacity to lead their sports to remain stable and internationally competitive. Sustainable NSO HP programmes also require strong internal leadership, coaching and athlete development capability, and most targeted NSOs have significant gaps in one or more of these key areas. HPSNZ and Sport NZ both have important roles in ensuring the financial viability and capability of the targeted NSOs that can contribute to HP system medal targets.

4. The HP sport world is watching

New Zealand is recognised as having a world-leading high performance system, and clearly the most effective system of nations with a population less than 10 million. Areas of competitive advantage are becoming harder to protect, in particular: a targeted investment strategy, Prime Minister Scholarships for athletes, coaches and support staff, performance enhancement grants (PEGs) and the integrated 'one-stop-shop' delivery model. In the coming four years, more nations will attempt to copy HPSNZ's current points of difference. In addition, HPSNZ and NSOs compete for talented people in a global marketplace, and New Zealand's talented HP Directors, coaches and HPSNZ staff are increasingly targeted with job offers by our key competitors. As an example, in 2015 Rowing NZ lost a top coach to Switzerland, who then went on to coach a gold medal winning crew at the World Championships against New Zealand. During the next 18 months, New Zealand will be particularly vulnerable to head hunting our best talent as other nations seek to lock in staff for the Tokyo 2020 Olympic cycle.

5. Olympic Agenda 2020

The International Olympic Committee (IOC) conducted a thorough review of the Olympic programme in 2014 and made a variety of recommendations to ensure a strong future for the Olympic movement. Among the changes potentially impacting New Zealand are that the Olympics will move from a sport-based to an event-based programme, with regular reviews of the programme based on specific events. The IOC Session will decide on the inclusion of any sport in the programme, and the IOC will allow the Organising Committee for the Olympic Games (e.g. Tokyo 2020 Organising Committee) to propose additional events on the programme for that edition of the Olympics. In that case, an event may be in the Olympics for just one cycle, making it a challenge to adapt with the objective of sustainability. The IOC will also work with the International Federations to achieve 50 per cent female participation in the Olympic Games and to encourage inclusion of mixed-gender team events. These changes indicate a higher degree of flux in events between Olympic cycles. HPSNZ is kept abreast of possible changes for future Olympic Games by IOC Member Barry Maister. HPSNZ also requires the latest intelligence on potential changes in each International Federation's competition programme and to retain the flexibility to respond quickly and effectively at the sport and campaign level.

6. Trends in Health and Participation

Sport and physical activity are known to have positive benefits on health and wellbeing, including lower healthcare costs, improved mental health, the prevention and management of age-related issues, and long-term conditions such as diabetes and cardiovascular disease (Synergia, 2014, Future of Sport in New Zealand). New Zealand currently ranks highly internationally for sport participation and physical activity. New Zealand children were ranked 1st equal in a global report card on physical activity and three-quarters of New Zealand adults take part in sport and recreation each week, but those statistics are starting to slip with changes in the demographics of New Zealand, including a more urban population and increasing Asian population and more children opting out of sport when they reach high school. Childhood obesity is on the rise with the New Zealand Health Survey Annual Update of Key Results 2014/15 finding 11% of children (aged 2–14 years) were obese and a further 22% were overweight but not obese. A challenge for the Sport NZ Group is to strengthen the link between high performance sport success and positive health outcomes for New Zealanders, as well as reinforcing the link with increased sport participation, such as New Zealand Golf reporting that Lydia Ko's success is leading to more young women playing golf.

7. Integrity in Sport

Threats to integrity in international high performance sport have become increasingly visible, with high profile doping cases and match-fixing scandals demonstrating both the success of anti-doping and other integrity efforts and the magnitude of the challenge to keep sport clean. The recent revelations regarding systematic doping in Russia and

ineffective doping control systems in Kenya, Belarus, Ethiopia, Morocco, Ukraine and other nations highlight the importance of ensuring an even international playing field for New Zealand athletes. Drug Free Sport NZ (DFSNZ) leads and implements one of the most rigorous sport anti-doping programmes in the world, with New Zealand athletes regularly tested both in and out of competition. Minister Coleman's representing New Zealand and Oceania on the WADA Executive Committee, as well as the recently announced \$1 million per annum increase in DFSNZ funding, show the Government's strong stance on anti-doping. The lower standard of anti-doping among some of our competitor nations indicates that our athletes are sometimes at a disadvantage when adhering to the WADA code.

International criminals seek to gain unfair advantage to illegally profit from sports betting. The New Zealand Policy on Sports Match-Fixing and Related Corruption was launched in 2014, including rules that governing sports bodies need to put in place to prevent and respond to match-fixing, such as bans from participation in sport for breaching the rules. The Policy provides a national approach to address risks from match-fixing to the integrity of New Zealand sport. This policy has been developed by Sport New Zealand (Sport NZ) as the sports sector is where match-fixing incidents would impact most directly. The policy involves collaboration between several other government agencies working within associated legal frameworks, covering areas such as sports betting. Fortunately, match-fixing and other manipulation of competition does not seem to be prevalent in the individual Olympic sports which are strengths for New Zealand, but team sports and judged sports (e.g. martial arts, gymnastics, diving) are more at risk. Sport NZ and HPSNZ must continue to keep a watchful eye on trends in match-fixing to ensure an even playing field with the highest standards of integrity.

Performance Challenges and HPSNZ's Mandate and Strategy

HPSNZ's mission is creating a world leading, sustainable high performance sport system. To achieve inspirational medal targets while improving system sustainability, HPSNZ will need to continuously improve its ability to deliver on its mandate of leading the high performance system in New Zealand, working in partnership with NSOs and key stakeholders by:

- Allocating resources to targeted sports and athletes
- Delivering world-leading support to impact NSO, coach and athlete performance
- Constantly striving to outperform international benchmarks

HPSNZ is also mindful of responding to the Minister's recently articulated broader expectations for the Sport NZ Group regarding links to sport participation and health outcomes as well as the financial stability of NSOs and the effectiveness and efficiency of the high performance sport system. This is viewed not as a change in purpose or targets, but as leveraging high performance sport success for broader benefit to New Zealand.

HPSNZ's Strategic Plan 2013-2020 was developed in 2012 and the key strategic priorities are fundamental to HPSNZ's leadership role in the HP sport system. The key strategic priorities will be reviewed and fine-tuned late in 2016 leading into the Tokyo 2020 Olympic and Paralympic cycle, and the programmes and tactics behind each strategy will be adjusted as the agency adapts to the changing international HP sport environment and responds to the evolving needs of NSOs and requirement for system leadership.

Performance and Agency Challenges and HPSNZ's Response

The dynamic international high performance sport environment, as well as specific factors in New Zealand, provide performance challenges for the HP system and HPSNZ. In meeting its mandate to lead the high performance sport system, and within the context of the Sport NZ Group meeting the Minister's recently articulated future expectations, HPSNZ faces the following strategic performance challenges:

1. Improving HP system sustainability
2. Enhancing NSO sustainability and capability
3. Developing a sustainable and affordable portfolio of winning athletes and teams
4. Ensuring seamless athlete development pathways
5. Stronger links between HP success and broader benefits for New Zealand
6. Greater clarity on the breadth of HPSNZ's system leadership role

The sections below describe each performance challenge and how HPSNZ will respond over the next four years to best fulfil its role in leading the New Zealand high performance sport system.

Challenge 1: Improving HP System Sustainability

New Zealand has a significant challenge in enhancing the sustainability of the HP sport system. The goal of sustainability is clear and requires the agency, with support from Sport NZ, and in partnership with NSOs, the NZOC and Paralympics NZ to look ahead and respond to gaps in capability, capacity and financial stability. Sport NZ provides valued work aligning the support of other stakeholders, such as local councils, the tertiary sector, philanthropists and potential commercial partners in the interests of enhancing HP system sustainability.

HPSNZ is committed to further developing its understanding of the key strategies and resourcing required for a more sustainable high performance sport system. In the coming year, HPSNZ will develop deliberate strategies in a refreshed Strategic Plan in 2016-17 and the 2017-2024 investment framework for HP system sustainability. The HPSNZ Board and the SLT have identified the key strategic considerations for sustainability of the HP sport system and NSO HP programmes as leadership, investment and human resources, culture, strategy, talent and competitive advantage. The HPSNZ Board has challenged the SLT to further develop strategies over the next year to enhance HP system sustainability as well as the sustainability, capability and capacity of NSO high performance programmes.

Across the high performance system financial sustainability is a key risk. A variety of cost pressures at HP system, NSO and campaign levels contribute to the need for additional investment, as discussed above in the Environment section. Additional one-off funding of \$9 million has been spent on high performance programmes to maximise opportunities for the Rio Olympic and Paralympic Games. This funding has been provided from one-off LGB revenue (\$5 million), \$2 million from HPSNZ internal reprioritisation and \$2 million from reserves specifically held for the Rio campaign. The increased Government investment of \$4 million per annum will assist HPSNZ to maintain current levels of support, however, increased investment is required to further enhance performance levels.

The increased Government investment over the past four years has yielded the high levels of HP success evident today. In allocating investment for the coming four years a number of decisions need to be made to live within the budget. Those decisions require the following considerations across the HP system:

- Scaling back selected NSO high performance programmes , which would further narrow the already targeted investment approach and reduce the likelihood of achieving medal targets
- Reduction in provision of Athlete Performance Support, particularly in Medical and Rehabilitation
- Reduced ability to retain world class staff by HPSNZ and NSOs leading to a reduction in the quality of support

- Talented athletes who could not afford to self-fund all or part of their training and competition costs may drop out of their sport's high performance programme
- Reduced numbers of carded athletes
- Some campaign sports that are less likely to contribute to New Zealand's high performance medal targets would need to be cut
- Campaign investments to small minority sports such as Judo, Weightlifting, Boxing, etc. would cease and as a result would impact on New Zealand's Gold Coast 2018 Commonwealth Games performance

This would put at risk the gains made from additional Government investment since 2010 and New Zealand's likelihood of future success. To assist in meeting increasing cost pressures and bolstering financial sustainability, HPSNZ, with support from Sport NZ, has a challenge to broaden its income from commercialisation and philanthropy. With HPSNZ no longer in its infancy and a successful Olympic Games looking likely, there are increasing opportunities to leverage commercial links for the brand in collaboration with Sport NZ. While taking care to not cannibalise opportunities for NSOs and other partner organisations, HPSNZ can take advantage of commercial prospects related to its unique leadership role in the HP sport system.

A proactive stance has been adopted relative to increased funding. A budget bid was lodged, which was not successful, but ultimately the agency secured a \$4 million annual increase in Government investment. In addition, a new programme called Blackgold was launched in 2014 as a collaborative venture between HPSNZ, Sport NZ and the NZOC to generate philanthropic support for the HP sport system. Blackgold has had initial success, raising close to \$9 million in less than two years. The Blackgold programme will be evaluated after the Rio Olympics, with the aim to enhance its effectiveness for the next cycle and a decision will be made regarding the contribution to resourcing of the programme by HPSNZ, Sport NZ and the NZOC. There is still untapped potential and a successful Rio 2016 Olympics combined with a stronger HPSNZ brand would improve the receptiveness of potential philanthropists to contribute to the New Zealand HP sport sector.

In a competitive Government funding environment HPSNZ will be seeking to inform New Zealanders of how it is achieving success, connecting brand recognition and the value proposition, for example the current campaign leading to the Rio 2016 Olympics and Paralympics, "*This is high performance.*" A number of priority NSO partners have already advised of their genuine willingness to promote the HPSNZ brand on their HP athletes as well as other NSO products and events. HPSNZ also looks for strategic opportunities to host international events, including World Championships and Olympic qualifying competitions to provide high quality competition on home turf, reduce international travel costs, enhance sport participation and contribute to the New Zealand economy.

People are HPSNZ's and the New Zealand high performance system's greatest asset and vital for sustainability. Human resources management is inconsistent across NSOs, and HPSNZ and Sport NZ are committed to providing leadership to the sector in understanding good practice and implementing improved processes. Succession planning is another area for focus and improvement within the HP sport sector. HPSNZ is identifying and prioritising the retention of critical positions and people within the HP system. This is a tailored individualised approach which will ensure the appropriate incentives and remuneration to be market competitive to ensure the HP system retains the best talent.

Challenge 2: Enhancing NSO Sustainability and Capability

Viable NSOs are necessary for the strength of the sport sector and for sustainable high performance success. Relative to international competitors, NSOs in New Zealand operate highly efficiently with low numbers of operational staff. The targeted NSOs currently operate with very little reserves and while many are working to generate alternate revenue sources with some level of success, the small market for commercial partners has limitations. The new Sport NZ Community Sport investment strategy, which is focused on achieving Community Sport outcomes, has led to reduced investment and business improvement prioritisation for a number of HPSNZ's targeted sports. This has further revealed the fragile financial viability of some of these sports, and places those NSOs and the medal targets for the high performance system at greater risk. It has become more evident that the differing investment strategies of Sport NZ Community Sport and HPSNZ can inadvertently put sports at risk if they receive a reduction in investment from both organisations. The aggregated impact on NSOs and HP outcomes as a result of the reprioritisation of support needs to be closely monitored as stable NSO partners are fundamental as a platform for high performance success.

Minister Coleman has challenged Sport NZ and HPSNZ to better understand the health of the sector, including NSOs' financial stability, quality of governance and capability to deliver Government outcomes. HPSNZ and Sport NZ have key roles in aligning support to improve the financial viability and further develop the capability and capacity of targeted NSOs. HPSNZ will step up efforts to ensure the financial stability of targeted NSOs by gaining greater clarity regarding at-risk NSOs, communicating more closely with Sport NZ Community Sport and working across the Sport NZ Group. This will ensure that investment strategies support the head office component of NSO operations, where required, for financial sustainability and strategic support to bolster NSO capability.

The Sport NZ Group operating model, of which HPSNZ is a key component, requires further development. The value chain to deliver a broader set of benefits requires consideration of strengthened interfaces between HPSNZ's and Sport NZ's operations. HPSNZ and Sport NZ

Community Sport have worked closely to develop an agreed set of operating principles and protocols (see Appendix F) to ensure an appropriate level of alignment and communication is achieved when determining their independent investment recommendations..

HPSNZ partners with a small group of high priority sports, which are critical to the success of the HP sport system and the achievement of medal targets. Some of these sports are being challenged by their operational demands and the growth in HP complexity relative to their limited capacity. HPSNZ needs to be more deliberate in its priorities and the support required from Sport NZ towards these critical sports. Sport NZ and HPSNZ are engaging on how to better align and leverage support across the Sport NZ Strategic Support (e.g. investment funding and grants, business improvements and sector capability operations) to enhance NSO capability and capacity to HP targeted sports.

Challenge 3: Developing an affordable and sustainable portfolio of winning athletes and teams

HPSNZ needs to ensure sustained medal winning success for New Zealand. The performance targets agreed with Sport NZ for the next four years are: 16 or more medals in the Tokyo 2020 Olympics, 10-14 gold medals in the Tokyo 2020 Paralympics, one medal in the 2018 Pyeongchang Winter Olympics and one gold medal in the 2018 Winter Paralympics, in addition to winning in World Championships and World Cups in targeted non-Olympic sports. These are challenging targets, with New Zealand's previous best performances to date being 13 Summer Olympic medals (1988, 2012), nine Summer Paralympic gold medals (1996) and one Winter Olympic medal (1992), with only one Winter Paralympic gold medal over the past three quadrennial cycles.

To achieve sustainable success for the high performance sport system in an increasingly competitive global sporting environment requires an affordable and sustainable portfolio of winning athletes and teams, including a core group of multi-medal winning sports; a group of sports developing towards multi-medal winning success and the ability to respond to emerging opportunities. HPSNZ will tailor its investment and support programmes based on the changing needs of sports and campaigns that can contribute to achieving these ambitious targets for the New Zealand HP system.

i. Core group of multi-medal winning sports: Support a tight portfolio of repeatable winning sports that are adequately resourced to maintain a stable and sustainable HP programme that provides 'consistent value' and a strong return on investment for each performance cycle. HPSNZ will invest more deeply in these sports, tailoring support and building the NSOs high performance capability. This group of sports will be the engine room of medal winning, with Rowing NZ as the best current example.

ii. Sports developing repeatable multi-medal winning success: These sports are currently reliant on a small number of athletes and coaches for their present success, and are still developing the systems and processes to develop athletes for ongoing success. HPSNZ will invest in, and support these sports to improve their leadership, coaching and athlete development systems, but not as deeply as the established group of multi-medal winning sports.

iii. Emerging opportunities: Incremental medals can be gained from responding to emerging support opportunities in an unpredictable international HP environment, such as athletes and coaches who demonstrate potential in non-targeted sports or opportunities arising from transfer of athletes between sports or changes to the Olympic or Paralympic programmes. These outside medal opportunities may provide a small number of medals in each four year cycle with a relatively low level of investment and other support.

Challenge 4: Ensuring Seamless Athlete Development Pathways

There is currently a gap in the New Zealand sporting system in the development of athletes below high performance. Young athletes develop over many years before achieving high performance success. Community Sport provides an entry point and critical early development period for talented athletes competing in HP targeted sports. HPSNZ is focussed on meeting ambitious medal targets for Tokyo 2020 and beyond, which proves a particular challenge because the HP sport system will need to replenish a high proportion of medal winning athletes who will retire post-Rio 2016 Olympic and Paralympic Games.

HPSNZ's HP athlete development programme and level 3 athlete carding support athletes who are five to eight years from the podium for a number of the targeted sports, and five to six years from the podium for others. Currently Sport NZ Community Sport and HPSNZ partner in supporting the Pathway to Podium programme, which is a cross sport education-based development programme to better prepare athletes and their coaches for the demands of high performance. Sport-specific athlete and coach development remains the primary responsibility of the NSO, and associated parties (clubs, schools, events, etc). There is an opportunity to enhance alignment with Sport NZ Community Sport and increase support towards development of athletes in the HP targeted sports. This will bolster the number and breadth of athletes capable of ultimately achieving high performance success. Most NSOs do not currently have athlete development pathways or appropriate levels of resourcing to prepare athletes for high performance.

Improved alignment and increased resourcing between Sport NZ Community Sport and HPSNZ towards the development of athletes in the HP targeted sports will enhance the sustainability of medal winning achievement for the New Zealand HP sport system. HPSNZ's

HP athlete development and HP coaching teams have contributed to the development of Sport NZ's new Talent Development Strategy and look forward to working alongside Sport NZ to ensure that the targeted HP sports have robust pathways for both athletes and coaches through the development stages up to high performance. HPSNZ will prioritise building the capability and capacity of NSO HP Athlete Development Managers, including implementation of robust athlete development pathways. This approach applies for both individual sports and team sports, and will improve the sustainability of NSOs in producing medal winning campaigns.

Challenge 5: Stronger links between HP success and broader benefits for New Zealand

In the Ministerial Letter of Expectation dated 4 March 2016, Minister Coleman indicated he would like to see an adjusted set of priorities for the Sport NZ Group. Two key areas detailed in the Ministerial Letter of Expectation relate to broader outcomes for New Zealanders:

- How does the HPSNZ strategy lead to overall participation in sport
- Explore opportunities to maximise synergies between the Health and Sport portfolios in delivering better health outcomes for New Zealand

The Sport NZ Group is currently investigating how to effectively respond to these priorities. Responding proactively will require careful planning so as to positively impact these outcomes without negatively impacting HPSNZ's focus on performance.

There is an opportunity to improve mutual understanding of how high performance sporting success and the healthy behaviours associated with successful athletes can transfer to support the Government's health initiatives. A key example of the potential is the Ministry of Health's Childhood Obesity Plan, which is a package of initiatives that aims to prevent and manage obesity in children and young people up to 18 years of age. The package brings together initiatives across Government agencies, the private sector, communities, schools, families and whānau. Sport NZ has a role in the Childhood Obesity Plan through promoting physical activity and sport in young people and HPSNZ is linked via access to high performance athletes as role models as part of the campaign in recognition of the positive impact such athletes can have within our communities. HPSNZ is prepared to work via Sport NZ to support the Ministry of Health to gain leverage from medal winning performances. As a key example, the Performance Enhancement Grants (PEGs) programme guidelines currently require athletes who receive PEGs grants to attend up to two events per annum when requested by HPSNZ. HPSNZ will increase the requirement to four appearances per athlete annually for the next four year cycle and align strategically to provide greater access to athletes for cross-Government initiatives such as improving health outcomes.

The Sport NZ Group is looking to develop an improved quantitative and qualitative evidence base to better understand and strengthen the links between HP success and sport

participation in the New Zealand context. The current (e.g. Lydia Ko in golf) and historical (e.g. Hamish Carter in triathlon) anecdotal evidence of high performance success leading to increased sport participation needs to be backed up with more solid evidence, and supported by strategies to sustain the increase. Sport NZ will lead the required research to understand and strengthen the links between high performance sport success and sport participation. The objective is to improve understanding of the connection with participation rates on a sport-by-sport and cross-sport level. This will underpin Sport NZ Group strategies to bolster sport participation.

HPSNZ's value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets. Winning on the world stage builds national pride and shapes our national identity. Victorious New Zealand athletes and teams promote brand New Zealand with our trading partners and the global tourism market. While the value proposition of high performance sport has strengthened as the number of sports and athletes winning medals on the world stage has increased, a challenge exists to enhance the New Zealand public's understanding of HPSNZ's role and the significance of its value proposition. As a new agency and a subsidiary of Sport NZ, there has not been a high level of communication with the New Zealand public to articulate the value proposition. There is an opportunity over the Four Year Excellence Horizon to improve HPSNZ's understanding of inspiring New Zealanders and to further increase the value proposition of high performance sport with the New Zealand public. Increased brand recognition would provide greater exposure to the Government for its investment and position HPSNZ more favourably within the commercial market to generate alternate forms of revenue.

New Zealand's sporting successes on the world stage and the association of those sports and events with many of our trading partners offer opportunities to use Olympic medallists and world champions to further national representation and trade outcomes. An example of using high performance sport success to leverage national identity was NZTE leveraging the All Blacks to portray New Zealand as "a nation full of innovation, creativity and can-do people." The Sport NZ Group sees opportunities working with NZTE to promote the connection between New Zealand's sporting success and business potential as an innovative and dynamic nation. Events are planned for the Rio 2016 Olympics to support the business goals of Government and New Zealand business, and ongoing opportunities exist for the 2018 Gold Coast Commonwealth Games, 2018 Pyeongchang Winter Olympics, 2020 Tokyo Olympics and upcoming World Championships and World Cups.

Challenge 6: Greater clarity on the breadth of HPSNZ's system leadership role

The New Zealand HP sport system has stepped up performance under HPSNZ's leadership and implementation of the 2013-2020 Strategic Plan. One of HPSNZ's strengths is the

targeting of investment and other resources. There is a risk, however, of not providing sufficient opportunities for less developed sports to learn and develop their high performance programmes. HPSNZ is looking to expand its reach by providing opportunities for a broader range of sports to learn how to achieve high performance outcomes, without compromising the focus on the targeted sports. The agency will thereby have a positive impact on a greater range of sports in New Zealand, enabling more sports to aspire to high performance success. This approach is consistent with HPSNZ's mandate to lead the high performance sport system and the ambitious targets for Summer Olympic and Paralympic, Winter Olympic and Paralympic and non-Olympic sports. One element of this approach is to provide greater clarity to non-targeted and non-campaign sports on the potential opportunities to access HPSNZ capability building support within current resource constraints.

HPSNZ's response to broaden its impact on the New Zealand HP system include:

- A new on-line learning system developed in partnership with Sport NZ to provide an effective platform to efficiently share good practice, grow capability and connect HP system partners
- Continuation of the bi-annual performance summit ensuring content is relevant, and can be applied, in non-targeted sports
- Partnering with New Zealand Rugby to provide a competitive advantage by sharing high performance sport IP throughout the HP sport system
- Exploring opportunities to more proactively invite non-targeted sports to appropriate HP workshops and share HP system resources (i.e. HP Selection forum, HP coaching community forum and dinner, etc.)
- Continuing to invest in non-targeted sport individual athlete medal potential campaigns
- Investment levels allowing, there is also the opportunity to provide support to selected Commonwealth Games sports during the final year of preparation to bolster New Zealand's medal tally.

Capability to implement change

The agency's structure, programmes and systems are already in place to implement its seven key strategic priorities. The agency is making progress against each of those priorities. HPSNZ is already well-positioned to apply its existing financial and people resources to achieving medal targets, and has put considerable thought into fine-tuning its programmes to ensure medal targets are achieved over the coming four years. HPSNZ also has tight financial control systems for internal expenditure and a high degree of visibility into NSO HP expenditure through detailed quarterly reporting, ensuring the efficiency of HP investment both internally and into sports. The implementation challenge primarily involves responding

to the performance challenges in improving the sustainability of the high performance sport system and strengthening the link via Sport NZ to broader benefits for New Zealand. As a new and relatively small agency, HPSNZ has the ability to implement change quickly and effectively. In a competitive global environment and with a focus on continuous improvement, HPSNZ's SLT are committed to ensuring the agency has the capability to adapt to changing needs. The high degree of focus on the HPSNZ Culture Plan, including "maximising human potential to achieve outcomes that inspire the nation" and "we aspire to be world leading in all that we do" provide confidence in the agency's commitment to implementing change for continuous improvement.

An important issue for the SLT is to determine the realistic level of sustainability within the HP sport system, understanding that only a limited number of NSOs can be supported to achieve sustainability for their HP programmes. The links to broader benefits for New Zealand, with an emphasis on sport participation and health outcomes, will be addressed via close collaboration with Sport NZ and substantial changes in HPSNZ's operating model should not be required.

What will success look like?

In four years, New Zealand will be recognised as having one of the world's leading high performance sport systems. Under HPSNZ's leadership, the high performance sport system will have inspired and united the nation through an unprecedented level of medal winning success on the world stage. HPSNZ will have developed a more efficient and sustainable high performance sport system, including NSOs with increased capability, leadership and self-reliance. More NSOs will have HP programmes developing athletes and teams for repeatable medal-winning success. NSOs will also have athlete development pathways developing talent from a young age through to high performance. Athletes and coaches from Olympic, Paralympic and non-Olympic sports will receive world leading support from HPSNZ as well as through their internal capability to enhance their development.

In four years, HPSNZ will be a well-respected organisation, known for strong leadership, clear strategies and a proven operating model, with the ability to adapt to the evolving challenges of the global sporting landscape. The HP sport system, including NSOs, HPSNZ, the NZOC, Paralympics NZ and Sport NZ will be aligned and working together to provide the best preparation for athletes and coaches. The value proposition of high performance sport will be clear to Government and the New Zealand people. High performance sport success and athlete role models will be more closely linked to increased sporting participation and improved health outcomes for the nation, as well as promoting New Zealand within the global tourism industry. The New Zealand HP sport system will be a recognised leader

internationally, enhancing New Zealand's standing as an innovative nation able to outperform our competitors and win on the world stage.

Summary of Ratings

HPSNZ utilised the below rating system to formulate its ranking across all thirty core questions. Three separate teams were each given the opportunity to provide a rating. These teams were the PIF project team, the voice of staff focus group and senior leadership focus group. Once these results were compiled the entire Senior Leadership Team (SLT) discussed, assessed and moderated the results to achieve a final ranking. Across the initial three teams and the SLT there was a high level of consistency in responses, with minor movements across the average and range in the assessed rating scores.

Rating System

Rating	Judgement	What it means
	Strong (Excellent)	<p>Best practice/excellent</p> <p>High level of capability and sustained and consistently high levels of performance Systems in place to monitor and build capability to meet future demands Organisational learning and external benchmarking used to continuously evaluate and improve performance.</p>
	Well placed	<p>Capable</p> <p>Delivering to expectations with examples of high levels of performance Evidence of attention given to assessing future demands and capability needs Comprehensive and consistently good organisational practices and systems in place to support effective management.</p>
	Needing development	<p>Developing</p> <p>Adequate current performance – concerns about future performance Beginning to focus on processes, repeatability, evaluation and improvement and management beyond and across units Areas of underperformance or lack of capability are recognised by the agency Strategies or action plans to lift performance or capability, or remedy deficiencies are in place and being implemented.</p>
	Weak	<p>Unaware or limited capability</p> <p>Significant area(s) of critical weakness or concern in terms of delivery and/or capability Management focuses on tasks and actions rather than results and impacts Agency has limited or no awareness of critical weaknesses or concerns Strategies or plans to respond to areas of weakness are either not in place or not likely to have sufficient impact.</p>
	Unable to rate/not rated	<p>There is either:</p> <p>No evidence upon which a judgement can be made; or The evidence available does not allow a credible judgement to be made.</p>

Summary of Results

Results

Government Priorities	Rating
Create a world leading high performance system	

Core Business	Rating (Effectiveness)	Rating (Efficiency)
Podium Performance		
System Sustainability		
Prime Minister Scholarships		

Organisational Management

Leadership & Direction	Rating
Purpose, Vision & Strategy	
Leadership & Governance	
Values, Behaviour & Culture	
Review	

Delivery for Customers and New Zealanders	Rating
Customers	
Operating Model	
Collaboration and Partnerships	
Experience of the Public	

Relationships	Rating
Engagement with Ministers	
Sector Contribution	

People Development	Rating
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

Financial and Resource Management	Rating
Asset Management	
Information Management	
Financial Management	
Risk Management	

Agency Context

Government expectations of HPSNZ were made clear in June 2010, when major changes were announced with the aim “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. The structural foundation for this system was the merger of the NZ Academy of Sport North Island, NZ Academy of Sport South Island and SPARC high performance unit in August 2011, to create HPSNZ as a wholly owned subsidiary of Sport New Zealand, the Crown agency that oversees sport and recreation. HPSNZ is funded from Vote Sport and Recreation, with over \$62 million towards HPSNZ and \$4.25 million for the PM Scholarships programme.

HPSNZ was established to create an athlete focussed, coach-led and performance driven system, which provides athletes and coaches with world class support services and facilities, so they can focus on performance. HPSNZ is supported by Sport NZ and works closely with key partners, including NSOs, the NZOC and Paralympics NZ, creating a seamless high performance system with minimal duplication and bureaucracy.

“We invest in High Performance Sport to make New Zealanders proud. As a nation we love to see our athletes win on the world stage.”

Prime Minister Right Hon John Key

HPSNZ was purposefully formed to ensure a focus on high performance achievement. To this end it has its own Board and SLT. Together they implement the mandate of leading the high performance system in New Zealand, working in partnership with Sport NZ, NSOs and key stakeholders by:

- Allocating resources to targeted sports and athletes
- Delivering world-leading support to impact NSO, coach and athlete performance
- Constantly striving to outperform international benchmarks.

The founding priorities identified in HPSNZ’s constitution are:

- a) make New Zealand the most successful sporting nation in the world by developing high performance sport;
- b) create a more focused high performance sport system in order to advance the other objectives;
- c) ensure the high performance sport system is as efficient as possible in order to advance the other objectives;
- d) effect a culture change in New Zealand high performance sport with an increased focus on excellence;

- e) be the lead agency for New Zealand high performance sport including athletes and sports people and provide a holistic and multi-disciplinary educational approach for overall personal, career and athletic development of high performance sports people;
- f) ensure that world-class coaches are recruited, developed and retained to train our high performance athletes and sports people;
- g) maximise the use of technology and innovation in high performance sport;
- h) educate, and support the education and development of high performance sports people including by providing access to financial support such as scholarships and grants;
- i) increase the number of high performance sport facilities and services in New Zealand;
- j) ensure that national sports organisations are accountable for meeting agreed high performance outcomes; and
- k) ensure alignment and continuity between high performance sport and community sport.

HPSNZ is led by Chief Executive Alex Baumann and four General Managers each leading an organisational pillar. The four pillars are Performance & Strategic Investment, Athlete Performance Support, Capacity & Expertise and Business Operations. The organisational structure is discussed in more detail under Operating Model.

“When we see New Zealanders competing and winning on the world stage it unites us as a nation, and inspires youngsters to get out and participate in sport. We have a world-leading high performance system, led by High Performance Sport New Zealand. Its uncompromising culture of excellence and dedication to providing world-class support means kiwi athletes will be able to perform to their full potential and continue to make us proud.”

Minister of Sport Dr Jonathan Coleman

Results Section

Part One: Delivery of Government Priorities

This section reviews how HPSNZ is delivering on its strategic priorities agreed with the Government.

1. How well is HPSNZ responding to Government priorities?

Performance Rating: Well placed
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Create a world leading high performance sport system:

HPSNZ is a new organisation, formed in August 2011 with a mandate to lead the high performance sport system in New Zealand. Its objectives and goals have been formulated to deliver improved performances on the world stage. HPSNZ is currently meeting its strategic plan objectives and delivering to Government priorities as evidenced by the Statement of Intent and Statement of Performance Expectations.

Government expectations of HPSNZ were made clear in June 2010, when major changes were announced with the aim “to ensure that New Zealand is consistently one of the most successful sporting nations in the world”. The foundation for the new high performance system was laid by the merger of three previous entities; the New Zealand Academy of Sport North Island and South Island and the high performance component of SPARC, to create HPSNZ as a wholly owned subsidiary of Sport New Zealand, the Crown agency that oversees sport and recreation in New Zealand. This established a ‘one-stop-shop’ to respond quickly and decisively to meet the needs of high performance athletes. Sport NZ enables HPSNZ to focus on HP success, by providing a range of support including Government reporting, policy, facilities, events, business improvement, relationship management and shared services. Discussions with international counterparts, including the Canadians, Germans, Australians and others have found this to be a distinct competitive advantage over other international HP systems.

The new HP system structure has made an immediate impact on New Zealand’s sporting landscape, demonstrated by podium performance targets exceeded from 2012 to 2015. These results have created a platform to deliver further success at the Rio 2016 Olympic and Paralympic games evidenced by independent sport analytic agency Infostrada.

HPSNZ was intentionally formed to ensure it can solely focus on performance and remove prior fragmentation within the system which had no one true leader of high performance. To this end it has its own Board and SLT with demonstrated world class experience and an understanding of what is required to win. As a key example the Chief Executive is a double Olympic gold medallist with experience in both the Australian and Canadian HP sport systems. Together, the Board and the SLT, implement the Government mandate of leading

the high performance system in New Zealand, supported by Sport NZ and working in partnership with NSOs and key stakeholders by allocating resources to targeted sports and athletes, delivering world-leading support to impact NSO, coach and athlete performance, and striving to outperform international benchmarks.

Uniquely, HPSNZ has a direct line of sight to the athlete and coach, and can also apply best practice sport science and sports medicine or strategic decision making without having to work through multiple agencies. This is a strong competitive advantage, which many international systems are only now beginning to address. As an example the Australian Institute of Sport has a federated model where it has to work through national, state, regional & district agencies in order to achieve outcomes with athletes.

HPSNZ has a strong understanding of the needs of sports and works in partnership with NSOs to achieve the desired results. The agency has a proven track record to-date with key performance targets being met or succeeded in successive years. The targeted investment approach ensures only genuine medal potential sports and athletes are supported and no stone is left unturned in preparation for competition. This includes specific Key Performance Indicators (KPIs) for sports, with annual performance targets to enable tracking of progress.

A core focus of HPSNZ is to retain expert sports science and medicine and other sport consultants who have been strategically immersed in the New Zealand high performance sport system for many years and who are recognised for their contribution to athlete and coach success. Leveraging the new levels of expertise and capability in the system was complemented by creating a culture of excellence across the high performance system. HPSNZ has implemented a successful culture plan within the organisation evidenced by its high staff engagement and partner surveys scores and is working with the wider sector to ensure a consistent approach to achieving excellence.

The NZAS and SPARC had emerging technology support programmes for sports without a unified approach. HPSNZ have developed a coordinated system-wide innovation strategy that ensures technology and innovation provide our athletes with a winning edge. The interview notes and partner survey results recognise the contribution to athlete performance results by HPSNZ's internal innovation team called Goldmine.

Over the past 4 years Sport NZ, in partnership with HPSNZ, has led a strategic approach to the development of multi-sport performance and training hubs across the country. These hubs have deliberately been located in the areas that have a critical mass of athletes and support staff and/or targeted towards the centralised national programmes of priority sports. The facilities now include national hubs in Auckland (National Training Centre),

Waikato (including the Avantidrome and National Rowing Centre) and regional performance centres in Dunedin, Wellington and Christchurch. A snow sport facility is located in Wanaka.

Prior to additional Government funding in 2010 return on investment risk for government was high. There is now a clear understanding across the system of what is required to achieve international success and how to implement successful HP programmes across sports and campaigns.

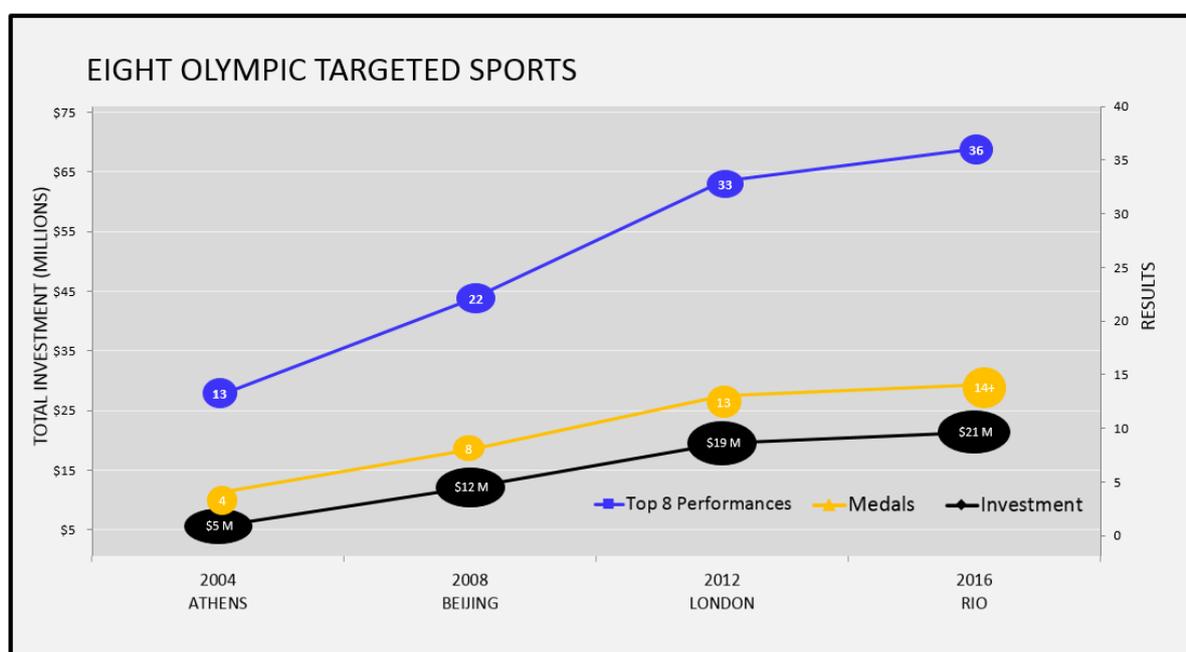
Part Two: Delivery of Core Business

This section reviews HPSNZ's effectiveness and efficiency in delivering its core business of Podium Performance.

Core Business 1: Podium Performance
Performance Rating – Effectiveness: Strong
Performance Rating – Efficiency: Well placed

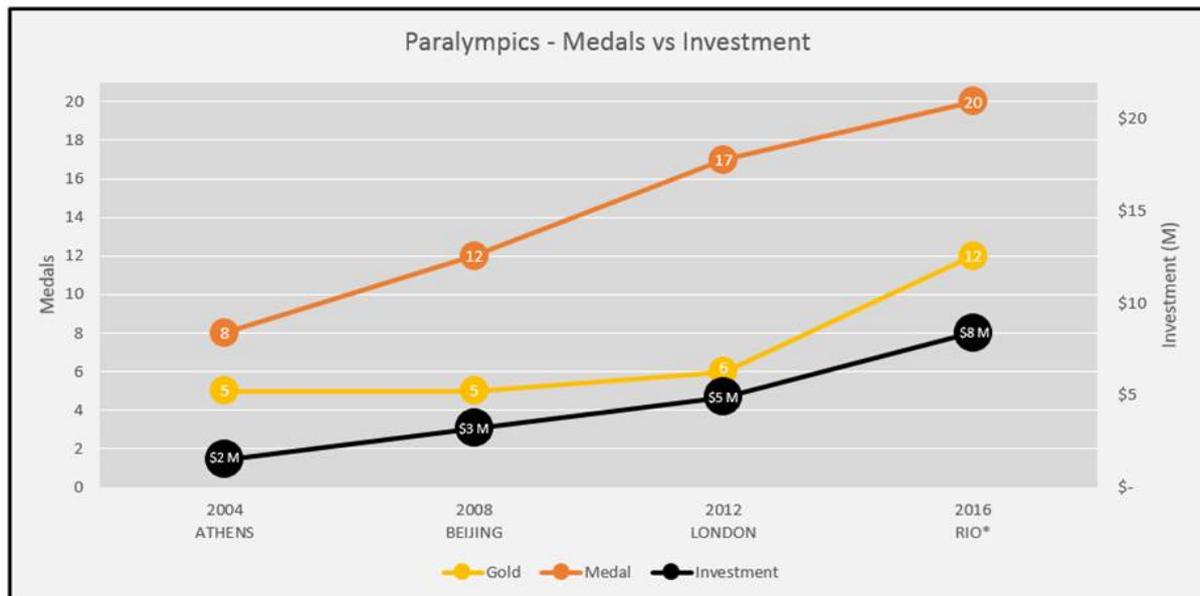
This core business involves delivering increased and repeatable podium performances at Olympic, Paralympic and non-Olympic World Championships and World Cups. HPSNZ's Strategic Plan sets ambitious stretch targets with increased medal performances across Olympic, Paralympic and non-Olympic World Championship and World Cup pinnacle events. The review team considered the effectiveness as strong given the international podium results explained below. New Zealand was ranked 26th in the world with nine medals at the Beijing 2008 Olympic Games, which was a step up from the five medals in the Athens 2004 Olympic Games. The performance target for the London 2012 Olympics was 10+ medals. The London 2012 Olympic Games saw New Zealand improve to 15th on the medal table with 13 medals and ranked 4th in the world per capita.

The chart below highlights New Zealand's medal winning and top eight performances in the Olympic Games since 2004 and the correlation with Government investment.



The Pearson correlation between increased investment and Olympic medals is 0.999, with an R-squared of 0.999, indicating that 99.9% of the increase in Olympic medals can be explained by the increase in investment. Similarly, the Pearson correlation between

increased investment and top 8 performances is 0.989, with an R-squared of 0.978, indicating that 97.8% of the increase in top 8 performances can be explained by the increase in investment. This high correlation between investment and medals and top 8 performances achieved suggests that New Zealand's full potential is yet to be realised. London 2012 also saw Paralympic success with six gold medals and New Zealand ranked number one per capita in the world.



The Pearson correlation between increased investment and Paralympic gold medals is 0.928, with an R-squared of 0.860, indicating that 86% of the increase in gold medals can be explained by the increase in investment. Similarly, the Pearson correlation between increased investment and total Paralympic medals is 0.964, with an R-squared of 0.929, indicating that 92.9% of the increase in New Zealand's total Paralympic medals can be explained by the increase in investment.

New Zealand's podium performances have continued to improve over the past three years. Independent analysis by Infostrada in 2015 showed New Zealand with a virtual Olympic medal count of 21 across nine sports and ranked 10th on the virtual medal table. New Zealand is the only small nation (i.e. population less than 10 million) in the world capable of winning Olympic medals across a breadth of nine sports. HPSNZ's own data analysis of 2015 results indicates the HP system is tracking towards 19 medals. Given the unpredictability of Olympic competition; the unique Rio environment; new Olympic disciplines; injuries and untested returns for some key athletes, HPSNZ believes that a range of 15 to 19 Rio Olympic medals is the most accurate prediction, surpassing New Zealand's previous best of 13 medals achieved in Seoul 1988 and London 2012 and achieving HPSNZ's agreed target of 14+ Rio medals.

"HPSNZ has changed the landscape of sport in this country."

Mahe Drysdale, Olympic Gold Medallist and 5-time World Champion

New Zealand Paralympians also continue to excel with five world records broken in 2015. For the Rio 2016 Paralympic Games New Zealand is targeting 12 gold medals and to maintain its number one world ranking per capita. New Zealand remains on track to achieve this target with predicted gold medals in swimming, cycling, shooting and an outside chance in athletics. The 12 gold medals would be double the six gold medals won by New Zealand at the London 2012 Paralympics.

"As an organisation we are immensely grateful for the support received to date from HPSNZ through HP programme funding, Games Campaign funding, PEGS and Prime Minister's Scholarships. This investment has enabled us to support high performing programmes and systems in Para-sport and has been critical to the achievements of our Para-athletes and Paralympians."

Fiona Allan, Chief Executive Paralympics NZ

The 2014 Sochi Winter Olympic results were promising compared to New Zealand's previous Winter Olympic performances, but fell short of the target of one medal and four top 8s, with 4th, 5th, and 6th place finishes in the halfpipe in freestyle skiing and 7th place in the 10,000 metres in speedskating. In the 2014 Winter Paralympics, New Zealand won a silver medal in the giant slalom in alpine skiing and had three other 4th place results. The targets for the 2018 Pyeongchang Winter Olympics are one Olympic medal and one Paralympic gold medal and HPSNZ is working closely with Snow Sports NZ and Paralympics NZ to support campaigns to achieve these goals.

HPSNZ has also contributed to improving the high performance system and exceptional sporting achievements in non-Olympic sports such as the Black Caps, All Blacks, Kiwis Rugby league, Lydia Ko, Blackjacks, Black Fins and Black Sox, summarised within the list of accomplishments below. The key achievements over the last eighteen months include:

- New Zealand's best performance at a Commonwealth Games outside New Zealand winning 45 medals (including 14 gold) at the Glasgow 2014 Commonwealth Games
- Rowing NZ won seven medals in Olympic events at both the 2014 and 2015 world championships and is now ranked the number 1 rowing nation in the world
- The All Blacks becoming the first team in history to win back-to-back World Cups
- Cycling Men's Sprint Team won a gold medal at the 2016 World Championships to back up their silver in 2015 and gold in 2014
- Three-time world champion Lisa Carrington won two gold medals at the 2015 World Championships and is recognized as the leading female kayak paddler in the world
- Tom Walsh winning shot put gold at the 2016 IAAF World Indoor Championships

- Sailors Peter Burling and Blair Tuke won their 4th consecutive World Championship accumulating their 24th consecutive regatta win since the London 2012 Olympics and Peter's selection as Team NZ skipper of the America's Cup campaign
- Lydia Ko won her first major in 2015 and was the youngest ever golfer to be ranked number one in the world
- Black Caps inspiring and uniting the nation making it through to the final of the 2015 ICC Cricket World Cup
- Kiwi rugby league team beating the highly favoured Australian Kangaroos for the third straight time and breaking new ground in rugby league in 2015
- Sophie Pascoe breaking world records and new territory in Paralympic swimming; 1st S10 category para-swimmer to go under the one-minute mark in the 100m freestyle
- Young pole vault star Eliza McCartney broke the World Junior Record in 2015 and senior Oceania record in 2016 at age 19
- Men's softball Black Sox achieved a silver medal at the 2015 World Championships
- NZ Surf lifesaving Black Fins successfully defended their World Championships gold medals in 2014
- Blacksticks women's hockey team winning a silver medal at the World League finals
- Paralympic shooter Michael Johnson continued his impressive international results by winning another gold medal in 2015
- Swimmer Lauren Boyle won silver medals in the 800m freestyle and 1500m freestyle events at the 2015 World Championships
- Paralympic tandem cyclists Emma Foy and Laura Thompson defended their World Championship title in 2016 for the second year in the Women's 3km Pursuit.

One of the key priorities in 2016 is to improve conversions of high potential campaigns into Olympic and Paralympic medals by responding quickly to key performance needs. HPSNZ is closely monitoring campaign preparation to ensure New Zealand has the most successful Olympic and Paralympic Games in its history. The opportunity to inspire the nation has never been greater.

New Zealand's high performance sport system and podium performances have been noticed by international competitors, including our closest rivals in Australia.

"In addition, our neighbours in New Zealand have demonstrated what can be achieved with a very targeted and considered investment and performance approach."

Australian Institute of Sport (AIS) Winning Edge – Sports Tally 2015

"I consider your national high performance system one of the top three with regards to its development and dynamics (and success) today."

Dr Hartmut Sandner, Germany Institute of Applied Training Science

working to improve aspects of the integration of its support. HPSNZ strives to maximise high

performance outcomes through optimal allocation of investment and personnel to targeted podium potential sports and athletes. As discussed in more depth in the financial and resource management section, in 2015 94.2% of total high performance funding was invested in high performance programmes and initiatives.

High performance sport never stops; functioning as a 24 hour x seven day operation in a multinational environment placing high demands on staff. Over 70% of HPSNZ staff work directly with sports, athletes, coaches and teams in their training environments. Up to 30% of staff may be offshore at any point in time due to the majority of qualifying events and international competition occurring outside of New Zealand.

Part Two: Delivery of Core Business

This section reviews HPSNZ’s effectiveness and efficiency in delivering its core business of System Sustainability.

Core Business 2: System Sustainability
Performance Rating – Effectiveness: Well placed
Performance Rating – Efficiency: Needing development

HPSNZ’s goal of sustainability is defined by ‘achieving a sustainable high performance sport system capable of constant improvement through collaborative leadership and investment’. The review team considered the effectiveness as well placed, given the prioritisation and range of initiatives explained below, whilst noting that aspects of financial sustainability of the HP system are beyond the agency’s control. The review team considered operational efficiency as needing development given the magnitude of the system sustainability challenge, the financial fragility of some targeted NSOs and the newness of the agency.

The goal of sustainability is clear and requires the organisation to look ahead and respond quickly to environmental changes. The Board and the SLT have prioritised understanding the key elements of sustainability at the high performance sport system and NSO level. HPSNZ’s environment is continually changing as New Zealand’s international competitors develop their programmes and athletes and the agency strives to be world leading. HPSNZ builds sustainability through: 1) investment in NSO HP programmes to build their capability; 2) the support of staff who work alongside NSOs to build capability; and 3) sector-wide programmes to build capability. In addition, Sport NZ supports sustainability through sector-wide workforce planning strategies and NSO-specific business improvement initiatives.

HPSNZ provides core investment to targeted NSOs to deliver HP programmes for athletes and coaches. Investment into these HP programmes focusses on HP people capability, systems and processes for both current and future cycle athletes. This investment provides

the foundation for the systematic development of athletes over time and enhances the sustainability of repeatable success.

Each targeted NSO has a small team of HPSNZ consultants working alongside it, termed the “Performance Team” led by the Performance Consultant and including an HP Coaching Consultant, HP Athlete Development consultant and Sport Performance Manager. This team agrees priority support areas with the NSO HP Director and works strategically with the sport to enhance the capability and sustainability of its HP programme.

“Without doubt the performance of the New Zealand track cycling team can be directly attributed to HPSNZ’s ongoing support, and the world class training environment that now exists in Cambridge at the Avantidrome.”

Andrew Matheson, Chief Executive Cycling NZ

“HPSNZ is a great relationship, wonderful systems and phenomenally responsive.”

Hillary Poole, Chief Executive Netball NZ

The agency leads a variety of programmes to build the capability of NSOs and of the HP sport system to support sustainability, including the Performance Teams, HP leader capability development programme, HP coaching programme, HP athlete development programme and Prime Minister’s Scholarship programme.

The HP Leader Capability Development Programme supports sustainability through the career aspirations as well as personal and professional development needs of 45 leaders across the New Zealand high performance sport system with the aim of creating influential leaders who consistently enable coaches and athletes to achieve high performance programme goals by:

- Demonstrating effective leadership of self, team, stakeholders, strategy and change;
- Sustaining a culture of collaboration and connectedness that contributes to the success of individuals, each sport and the New Zealand High Performance system.

The programme achieves these aims via the following strategies: 1) developing individual high performance leader capability; 2) leveraging a culture of collaboration across the NZ high performance environment; 3) proactively identifying and developing future HP leaders; and 4) supporting high performance leaders to build people capability.

HPSNZ’s Coach Performance Programme supports sustainability through the development of approximately 90 HP Coaches as people and professionals, to deliver optimal coach performance. It offers integrated learning opportunities in partnership with their employers (NSOs) via:

- Coach Accelerator Programme: a transformational three year leadership programme with six to eight places available each year.
- Coach Campaign Leadership Programme: a four month programme assisting coaches to lead people in their current environment. 10-15 places available each year
- PM Coach Scholarship programme: resources and enables HP Coach professional development based on identified personal development priorities, of \$1m annually
- One-to-One support for approximately 50 coaches: individualised on the job support for the personal and professional growth and development of the coach
- HP Coach Workshop programme: 10-15 workshops per year based on coach needs within the framework of ‘people, professional, performance’.
- HPSNZ supports NSOs’ to develop and implement strategies that create learning, collaborative coaching environments.

The HP athlete development (HPAD) team supports sustainability by ensuring that NSOs have quality athlete development practices and environments in place for athletes who are five-eight years from reaching their performance potential. The HPAD team ensures appropriate systems are developed and implemented at both the HP system and NSO level to deliver the number and quality of athletes required across NSO HP pathways to meet or exceed their HP medal targets.

The Knowledge Edge programme supports system sustainability by leveraging cross-sport knowledge for optimal preparation for the Rio 2016 Olympics and establishing a framework and legacy for 2020 and beyond. This team’s purpose is to develop a competitive advantage for New Zealand through enhancing NSOs’ understanding of key winning behaviours and the critical factors to track in athlete campaigns.

HPSNZ leads a variety of HP sector wide initiatives supporting sustainability, including biannual Performance Summits, and several HP Director forums and HP athlete development forums per year. In addition, the Prime Minister’s Scholarship Programme supports NSO and HP system sustainability through professional development of athletes, coaches, officials and support staff as discussed in core business Section 3.

Financial Sustainability

Across the high performance system financial sustainability is a key risk related to a variety of increased costs. The increased Government investment of \$4 million per annum will enhance sustainability, but cost pressures remain, including:

- 1) Incremental increases in campaign costs for New Zealand’s priority sports and athletes to successfully compete on the world stage:
 - a. New Zealand’s elite athlete numbers have grown
 - b. International Federations are requiring more qualifying events

- c. Extended training blocks overseas between competitions are now a core feature of many of New Zealand's medal potential campaigns
 - d. Costs have increased for travel, accommodation, meals, ground transport, science & medical support, training venue hire, specialised equipment, etc.
- 2) Retention of the system's best people who are typically paid less than international market rates and are being approached with job offers by our international competitors. As an example in 2015, Rowing NZ lost a quality coach to Switzerland who then went on to coach a world champion winning crew at the 2015 world championships against New Zealand.
 - 3) Increases in PEGs to cater for increasing number of athletes as well as those achieving higher placings at pinnacle events.
 - 4) Expanding the number of emerging talent PEGs to support more high potential athletes to ensure continued success for New Zealand in 2020 and 2024.
 - 5) Providing improved athlete performance support in medical and physiotherapy support particularly within full-time training environments and during extended overseas tours.
 - 6) Additional operational management support for New Zealand's expanding and more complex HP sport programmes, requiring more sophisticated logistics planning and systems.
 - 7) New technology and advancements to innovate and keep pace with our international competitors particularly for sports with high equipment needs such as rowing, cycling and sailing.

Relative to international competitors, NSOs in New Zealand are small in scale and operate highly efficiently as lean operations. NSOs, the NZOC and Paralympics NZ all operate with very little reserves and while most are trying to generate alternate revenue sources with some level of success it is recognised the small overcrowded market place for commercial or philanthropic providers has limitations. The majority of targeted NSOs average only 30 days of working capital, effectively surviving month to month. The majority of New Zealand's medal success is in Rowing and Cycling and the working capital of these NSOs is seven and - 35 days respectively. The precarious financial position of these organisations pose a significant risk to New Zealand's success on the world stage and impose unmanageable constraints in maximising the systems potential. HPSNZ and Sport NZ are working together to assess and reduce the financial fragility of targeted NSOs.

Part Two: Delivery of Core Business

This section reviews HPSNZ's effectiveness and efficiency in delivering its core business Prime Minister's Scholarship Programme.

Core Business 3: Prime Minister's Scholarship Programme
Performance Rating – Effectiveness: Well placed
Performance Rating – Efficiency: Well placed

The agency supports the high performance sector with access to Prime Minister Scholarships. The scholarship programme was established in the year 2000 to fund scholarships for athletes, coaches, officials and other support persons and allow athletes to pursue study or develop skills that contribute to the quality of performance at the elite level. The review team considered the effectiveness and efficiency of the PM Scholarships programme as well placed given the well-established application and approval processes for each of the four programmes and the low administration costs.

Scholarship applications must align with HPSNZ's high performance strategy and scholarship outcomes must positively impact on HPSNZ's vision of more New Zealanders winning on the world stage at Olympic/Paralympic Games and world championships in targeted sports. Prime Minister's Athlete Scholarships allow athletes to undertake tertiary study and vocational qualifications while pursuing elite level sport at the same time. The purpose of the Athlete Scholarship Programme is to invest in educational opportunities that enable world leading performances from New Zealand's top athletic talent, by assisting athletes to develop holistically outside sport in ways that contribute towards their post-athletic career and enable the sustainability of our athlete talent pool. Athlete scholarships are also available for retired athletes who meet additional criteria to complete qualifications once they are no longer competing in their chosen sport.

The programme supports the achievement of tertiary and vocational qualifications while pursuing excellence in sport. The programme provides support in:

- High performance planning, including career advice to assist recipients to make well-considered decisions regarding Study Plans and workloads, and manage their lives effectively in the pursuit of sporting excellence
- Financial contribution to academic fees (up to a maximum of \$10,000 per year, including GST if applicable)
- Financial contribution towards other study costs (up to a maximum of \$5,000 per year, including GST if applicable), referred to as the Study Support Allowance, which may include living expenses, study expenses (for example, exam-related fees), and books.

The purpose of the Coach, Officials and Support Team Scholarships programme is to invest in education opportunities to enable world leading performance from New Zealand's top athletic talent, by prioritising resources for increasing expertise that will directly impact

athlete performance and enable the sustainability of our coaching, officiating and support personnel talent pool.

Examples of activities supported by the programme include:

- multi-sport or cross-sport leader development initiatives
- accreditation requirements
- business coaching, mentoring, training, internships, conferences or study visits
- observations or officiating at key sporting events
- discussions on 'best' practice
- on-the-job shadowing
- participation in peer network activities
- participation in international committees or working groups
- peer review of professional work
- travel, accommodation, and in some cases limited reimbursement for lost income.

HPSNZ ensures efficient management of Prime Minister's Scholarships by maintaining administration costs within 4% of the total \$4.25M Government investment. Additionally HPSNZ actively promotes and ensures elite athletes, coaches and support team have access to Prime Minister's Scholarships.

"I have recently been awarded a Prime Minister's Athlete Scholarship for kayaking. I would like to thank you very much for having these scholarships available. It is allowing me to go to university next year and study as well as following my kayaking dreams. Over the past year I have attended the Junior World Championships in Portugal and have won 3 National age group titles. I am very excited about attending Waikato University to study a Bachelor of Science in Earth and Environmental Science. The scholarship will be invaluable to me."

Elise Legarth, Kayaker

All scholarship applications must meet specific eligibility criteria including NSO and HPSNZ endorsement prior to assessment. Decision making is made through a combination of prioritisation according to pre-set criteria and panel-led assessment and discussion. Assessment panels consist of industry experts including relevant levels of independence. All panel recommendations are ratified by the General Manager – Performance and Strategic Investment.

Sixty-eight percent of New Zealand's London Olympians had received a Prime Minister's Athlete Scholarship since becoming carded, up from 53% of Beijing Olympians. The PMAS recipients included all nine of New Zealand's gold medallists and 17 of 27 medallists.

In 2015 a total of 372 Athlete Scholarships were awarded of which 31 were for eligible retired athletes. For the Coach, Official's and Support Team programme, 44 scholarships were awarded in the Coaching programme, 144 to Support Team members and 38 to our nation's top level Officials.

Organisational Management

Part One: Leadership and Direction

This section reviews the agency's organisational management. The standardised set of 30 questions guided the reviewers in making assessments of retrospective and current performance. The ratings are ultimately linked to the forward-looking scope of the performance challenge.

5. How well do the staff and stakeholders understand the agency's purpose, vision and strategy?
Performance Rating: Strong
6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
Performance Rating: Well placed
7. How well does the senior team provide collective leadership and direction to the agency and how well does it implement change?
Performance Rating: Strong
8. How effectively does the Board lead the Crown entity?
Performance Rating: Well placed
9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?
Performance Rating: Strong
10. How well does the agency encourage and use evaluative activity?
Performance Rating: Well placed

HPSNZ's mission is creating a world leading, sustainable high performance sport system. HPSNZ's goals are agreed with Sport NZ and the review team found that they provide a high level of focus for the agency and are well understood throughout the high performance sport sector. For example, the targets of 14+ medals in the Rio 2106 Olympic Games and 12 gold medals in the Rio 2016 Paralympic Games provide a clear focus for investment and for the daily work of HPSNZ staff whether on the front line with athletes and coaches or in leadership and support roles.

Vision, Mission and Strategy

HPSNZ's vision, mission and strategy are clearly articulated in the Strategic Plan 2013-2020 and are clear to NSOs and HPSNZ staff. The Chief Executive regularly communicates HPSNZ's strategic objectives and targets to the sport sector, NSOs and staff. The Chief Executive communicates via a variety of channels, including meetings with NSO Boards, meetings with NSO CEOs and HP Directors, presentations at HP Director forums, HPSNZ staff meetings, HPSNZ on-line newsletters and frequent contact with staff. HPSNZ full staff meetings are used to reinforce and further clarify the strategy. Collective effort from the entire organisation went into the development of the strategic plan, which ensures staff understanding and buy-in.

The review team found that the SLT is aligned on strategy and has a tight focus on performance and capability building. The SLT take pride in HPSNZ achievement and achievement of the New Zealand high performance sport system. There is high individual capability among the General Managers and strong, shared clarity from the SLT which provides confidence to NSOs and staff. The General Managers communicate frequently with the managers and overall staff within their pillars to ensure understanding of strategy and operational objectives and priorities. There is clear consistent language and message delivery through organisation-wide and pillar specific correspondence.

The review team found that staff feel connected to HPSNZ's strategy and know where their role fits in the organisation and how their work contributes to the strategic objectives. There is top-down and bottom-up flow of information. In the 2015 Staff Engagement Survey, 95% of staff replied "always or often" to "I understand HPSNZ's values, philosophy and strategic direction" and 89% responded "always or often" to "I understand how my work contributes to HPSNZ's overall strategic direction." Similarly, 89% of staff responded "always or often" to "HPSNZ's leaders clearly communicate our strategic direction."

The HPSNZ Board

The HPSNZ Board provides governance to HPSNZ as a Crown Entity Subsidiary. The review team found that the Board is comprised of highly capable Directors who understand high performance sport and bring a wide range of leadership and governance experience to the Board. The Board members have high levels of expertise in finance, law, Crown Agency regulation and general governance. The Board have overseen rapid change and growth in the initial four years of the organisation.

The Board structure ensures end-to-end alignment across the sports sector in New Zealand. The HPSNZ Chair is also the Sport NZ Chair and two other HPSNZ Board members are also members of the Sport NZ Board. In addition, the CEO of Sport NZ is an ex Officio Officer on the HPSNZ Board. The Board Chair, Sir Paul Collins, has regular meetings with Government Ministers and officials ensuring that the agency is well represented and that Ministerial

concerns are addressed. Sir Paul is highly responsive to Government priorities and changes in priorities. Sir Paul has a high level of understanding of high performance sport and is a highly effective Chair for HPSNZ and Sport NZ.

The HPSNZ Board have representation from the NZOC, which demonstrates the close working relationship between the two organisations, which is a competitive advantage for New Zealand compared to the unproductive tension that exists in many international HP systems. The Board also includes former Olympic athletes and World Champions as well as former NSO Chief Executives and Board members. Appendix C provides a summary of the background of each Board member.

The Board utilises the expertise of Sport NZ Group sub-committees, such as the Audit, Finance and Risk Committee and Remuneration Committee. The Chair of the Audit Committee, Bill Bernie, is a common director across both Boards. The Audit Committee also includes the HPSNZ General Manager Business Operations and the Sport NZ General Manager Corporate Services. The Remuneration Committee is chaired by Murray Gutry, who also sits on both Boards. The Board actively engage with management and have a high level of understanding of the organisation's operations. The Board have a high awareness of organisation risk and risk profile. They have recently embraced Health & Safety changes brought in by Government and ensured that HPSNZ is compliant.

Looking forward

The review team found that the Chief Executive and General Managers are focused on learning and adapting the agency to achieve its purpose and strategic priorities. Chief Executive Alex Baumann and the General Managers and other key managers have strong international networks and constantly look internationally to understand developing trends in the Olympic movement, within each International Federation (IF) and within New Zealand's key international competitors at the high performance system level (e.g. Great Britain, Australia, Canada, Japan, The Netherlands, Germany and France). HPSNZ works in partnership with NSOs to keep up-to-date on possible changes internationally within each sport. HPSNZ is also kept abreast of possible changes in IOC programme for future Olympic Games by New Zealand IOC Member Barry Maister.

HPSNZ's Strategic Plan 2013-2020 includes the goal of achieving a sustainable high performance sport system capable of constant improvement. As discussed in core business, the goal of sustainability requires the organisation to be highly adaptive and have sufficient resources to respond quickly to changes in the external or internal environment. The continued globalisation of elite sport, along with the emergence of the players' association and various athlete leadership groups, is likely to require HPSNZ's targeted sports to adapt and customise their approaches to athlete development and campaign planning to meet

individual need in a growing complex world. The SLT and key managers communicate and consult regularly with NSOs on the vision for the future. As an example, the Chief Executive and General Managers met with the NSO HP Directors three times during 2015 to discuss the evolution of the HP system and requirements through 2020.

The review team found that there can be tension between short-term performance goals and longer-term capability building and sustainability goals. The SLT manage the balance between monitoring and driving performance and building NSO and HP system capability. Collectively, the SLT provides cohesive leadership but each pillar and programme has its own balance between driving short-term performance versus longer term capability building.

HPSNZ is less than 5 years old and consequently has seen a high degree of change during its existence as strategy was developed and implemented. The SLT harness continuous improvement and model the agreed organisational culture. The SLT show a desire to understand context when change is suggested or required to make sure they clearly understand the rationale and are listening to the people involved. Significant strategic or operational changes are communicated well to staff. Minor operational changes have occasionally not been communicated as well, and processes have been adopted to address this. The SLT prioritise regional input and make sure all staff have the chance to contribute.

Results of the annual Staff Engagement Survey have increased year-to-year with total staff engagement increasing from 77% to 82% from 2013 to 2015, compared to the SME benchmark of 72%. The results indicate that the SLT provide strong leadership and management of HPSNZ. In the 2015 Survey, the percentage of staff responding “always or often” was 87% for “Senior managers lead the organisation from a strategic perspective”, 83% for “I believe that there is strong leadership in the organisation”, and 88% for “HPSNZ’s leaders clearly communicate our values and philosophy.” Issues arising in the Engagement Survey lead to follow up to understand and address root causes.

The annual Partner Confidence Survey indicates that NSO CEOs and HPDs understand HPSNZ’s purpose, vision and strategy. The annual results support the strength of HPSNZ’s customer relationships with the 2015 survey finding that 94% of NSO CEOs and HP Directors from targeted and campaign funded sports believe that the clarity of HPSNZ’s strategy is excellent or good and 82% have confidence in the strategy. The partners’ overall rating of HPSNZ was similarly high, with 94% rating HPSNZ overall as excellent (62%) or good (32%).

HPSNZ’s Culture Plan

HPSNZ's Culture Plan was developed through a consultative approach with the overall staff. The Culture Plan clearly articulates HPSNZ's purpose, identity, values, capabilities and behaviours and the review team found that the majority of staff feel part of the HPSNZ culture. The Culture Plan is clearly aligned to HPSNZ's strategy and focused on delivering performance for its customers. The Culture Plan reinforces "how" staff operate in working with athletes, coaches, NSOs and each other to achieve the goals in the Strategic Plan. The Chief Executive fully endorses the Culture Plan and is a member of the Culture Team. The Culture Team ensures an ongoing focus on living the HPSNZ culture on a daily basis in staff interactions. Promotion of the HPSNZ culture is ongoing, and is part of daily communication between staff. The SLT show they are committed to the Culture Plan and take action, such as recent efforts to understand issues and support engagement in the regional performance centres.

The Staff Engagement Survey indicates that 66% of staff feel connected to the Culture Plan and 84%, 83% and 70% feel connected to the values of excellence, integrity and collaboration, respectively. While these results are positive, there are ongoing efforts to increase staff connection with the Culture Plan. There are both culture and organisational KPIs in the Performance Reviews of all staff.

Organisational culture requires ongoing attention and the review team found that HPSNZ is no exception. One area for improvement is the ability of staff to hold each other accountable to the Culture Plan, which requires staff to have the ability to challenge each other skilfully. Workshops on this topic have been encouraging, but there is more development required to achieve the desired level across the organisation. Another area for continued development is living the desired behaviours under the coach-led philosophy. It can be difficult for some Athlete Performance Support staff to live by the coach-led philosophy when some coaches do not have strong leadership skills or do not understand a particular discipline. HPSNZ's induction process for new staff starts the process of ensuring understanding of coach-led behaviours and the Coach Accelerator Programme and Coach Campaign Leadership Programme both develop the leadership capability of coaches. Staff interviews indicated that NSO high performance cultures can be quite different from the HPSNZ culture, thereby creating tension for staff members who are immersed in NSO environments. It is sometimes harder for staff members who are immersed in a sport's high performance environment to live the HPSNZ culture and HPSNZ management is working with those staff to assist them to live within both the HPSNZ culture and the sport's culture. The importance that is placed on the induction process for new staff further shows the commitment to HPSNZ's culture. Almost every staff member has a one-on-one meeting with the Chief Executive and several General Managers and other senior managers as part of the induction process. Values and behaviours are discussed during interviews and also during performance reviews so all staff are aware of their importance.

Customer feedback

The review team found that HPSNZ is a learning organisation in a feedback rich environment. Evaluative activity used by HPSNZ includes evaluation, monitoring, performance measurement, feedback and international benchmarking. A strength of the organisation is the variety and depth of feedback received from NSOs, coaches, athletes and staff. The SLT and each manager strive to understand the implications of feedback to enhance decision-making and drive performance improvement. HPSNZ gains feedback on its performance from sports, coaches and athletes through formal mechanisms and daily interactions. The Partner Confidence Survey, NSO HP Programme Review Process, Athlete Performance Support Survey and Staff Engagement Survey provide evidence of HPSNZ's use of evaluative activity.

The clearest evaluation of the New Zealand high performance sport system is the medal count on the world stage in which HPSNZ's performance is measured versus the HP systems of the rest of the world. By this measure, New Zealand excels and continues to improve as discussed above in the results section in core business and delivering value to customers and New Zealanders. In correspondence after visiting HPSNZ, Anne Merklinger, CEO of Canada's Own the Podium (the equivalent of HPSNZ) stated, "HPSNZ's system is world class and is a best practice model for competing nations to observe. They have adopted a targeted, performance driven and athlete focused approach, which is delivering more medals for New Zealand."

Interviews with NSO Chief Executives found that the annual NSO performance reviews, which are discussed in more detail in delivery for customers and New Zealanders, provide robust two-way feedback with a meaningful balance of trust and accountability. HPSNZ also receives impact evaluations on many of its support programmes, including Athlete Performance Support, the Innovation Programme, the Coach Accelerator Programme, the Coach Campaign Leadership Programme and the HP Leadership Capability Development Programme.

HPSNZ hosts major summits for the high performance sport sector every two years. In March 2015, HPSNZ hosted its most recent Performance Summit for the sector, with a focus on collaborating for New Zealand pinnacle event success. Approximately 200 participants across 40 sports attended and 98.7% of survey respondents either agreed or strongly agreed that "overall the 2015 Performance Summit was a valuable event for them".

The HPSNZ HP Leadership Development Programme, which focuses on developing NSO HP Directors, HPAD leaders and future leaders has achieved an average score of 8.6 (on a 10 point scale) from 45 participants over the last three years in response to the

question: “Please rate how useful you will find this learning experience in your life – both professionally and personally.”

“I believe the HPD CEO relationship is critical to achieving HP outcomes. The leadership programme has provided another mechanism to strengthen the relationship and communication between CEO and HPD. NSOs do not have the resourcing to invest in staff development – Rowing NZ is grateful for the provision of this resource and endorse the positive impact it has made on our staff.”

Simon Peterson, CEO Rowing NZ

The annual Partner Confidence Survey garners direct feedback from NSO CEOs and HP Directors on the effectiveness of HPSNZ’s consultancy support and service delivery. In the 2015 survey, nearly all partners (97%) rated their overall satisfaction with the HPSNZ Chief Executive as excellent or good and 80 percent gave ratings of excellent or good for their overall confidence in HPSNZ to build effective purposeful relationships with NSOs to deliver international performance outcomes. The high performance partners rated timeliness (88%) and overall quality (91%) of contract management services provided by HPSNZ as excellent or good. Similarly, overall quality (93%), impact (90%) and timeliness (97%) of the consultancy and technical advice from HPSNZ were rated as excellent or good. NSOs from non-targeted sports may not feel as strongly connected to HPSNZ’s strategy, however, and there is an opportunity for the agency to ensure clear communication with non-targeted NSOs so they understand what support is available to them and how they can aspire to high performance.

Interviews with NSO Chief Executives found that there is currently a degree of tension among some targeted NSOs regarding the perceived de-emphasising of NSOs in the Sport NZ Community Sport strategy. Some NSOs that are a high priority for HPSNZ are not a high priority for Community Sport, which puts a strain on the relationship and on the financial model for those NSOs. As discussed in the Four Year Excellence Horizon, there is an opportunity for HPSNZ and Sport NZ to work more closely together to align messages to sports that are targeted by HPSNZ but not prioritised by Sport NZ’s Community Sport Strategy.

Part Two: Delivery for Customers and New Zealanders

11. How well does the agency understand who its customers are and their short- and longer-term needs and impact?
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Performance Rating: Well placed
--

12. How clear is the agency’s value proposition (the ‘what’)?

Performance Rating: Well placed
--

13. How well does HPSNZ’s operating model (the ‘how’) support delivery of Government priorities and core business?
--

Performance Rating: Well placed
14. How well does the agency evaluate service delivery options?
Performance Rating: Well placed
15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with partners and providers?
Performance Rating: Strong
16. How well do the agency and its strategic partners integrate services to deliver value to customers?
Performance Rating: Strong
17. How well does the agency employ service design, continuous improvement and innovation to ensure outstanding customer experiences?
Performance Rating: Strong
18. How well does the agency continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?
Performance Rating: Well placed

HPSNZ's Value Proposition

HPSNZ's value proposition is to inspire, enrich and unite the nation by leading the high performance sport system to achieve ambitious performance targets, thereby instilling national pride and shaping our national identity. The review team found that since formation in 2011, HPSNZ and the high performance system have consistently produced medal winning athletes who inspire the nation. Winning on the world stage builds national pride and a sense of identity for New Zealanders and promotes brand New Zealand with our trading partners. The medal winning athletes exhibit the New Zealand values of work ethic, resilience and humility. How the winning athletes conduct themselves is part of the inspiration as people feel connected to New Zealand's champion athletes. The value proposition has strengthened as the number of sports and athletes winning medals on the world stage has continued to increase, providing more role models to motivate grassroots participation.

The review team found that HPSNZ understands that sustainability requires a longer term approach. The agency focuses its financial and human resources on building capability within NSOs to build the sustainability of the New Zealand high performance sport system to deliver longer term outcomes for New Zealanders. Interviews with NSO Chief Executives, the NZOC Secretary General and Paralympics NZ Chief Executive provided evidence that HPSNZ's customers within the sport system clearly understand its role and value proposition.

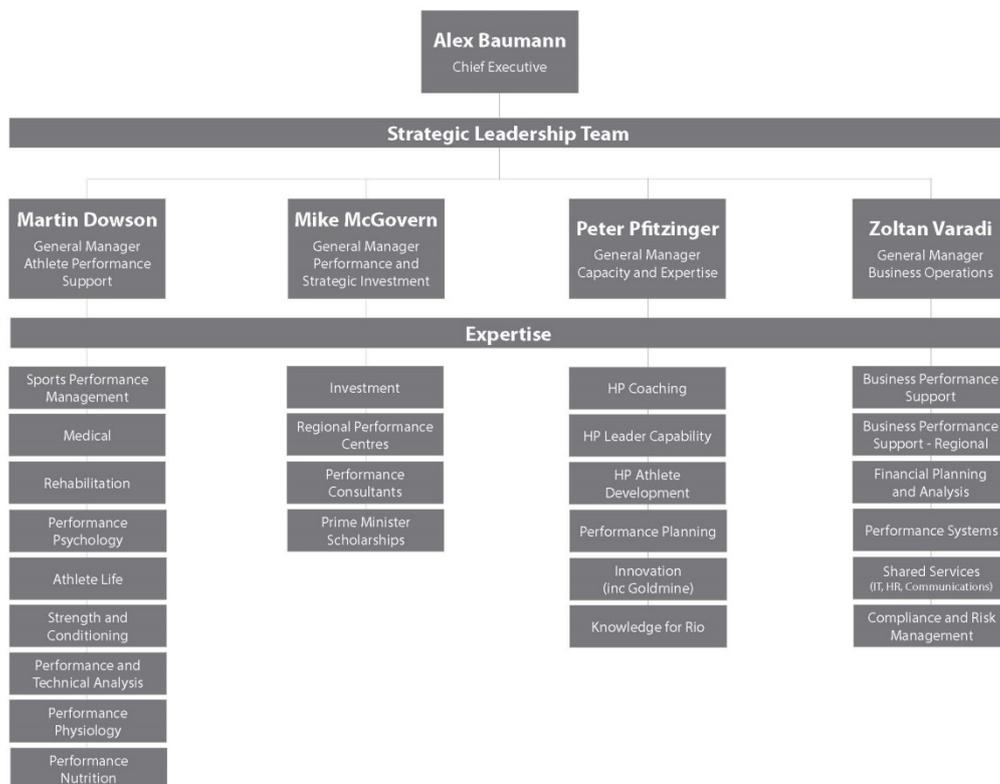
"HPSNZ's value proposition is quite strong and has definitely increased over time. Our programme has benefited during this Olympiad. There is a real sense of order, planning and progress."

Linda Hamersley, Chief Executive Athletics NZ

The review team found that the degree to which the New Zealand public understands HPSNZ's role and value proposition is less clear. As a new agency and a subsidiary of Sport NZ, there has not been a high level of direct communication with the New Zealand public to articulate the value proposition or to explain the relationship of HPSNZ with Sport NZ. There is an opportunity to improve the agency's understanding of building national identity and inspiring New Zealanders and to increase communication of the value proposition to the New Zealand public as discussed within the Four Year Excellence Horizon Framework.

HPSNZ's Operating Model

HPSNZ is led by the Chief Executive and four General Managers each leading an organisational pillar. The four pillars are Performance & Strategic Investment, Athlete Performance Support, Capacity & Expertise and Business Operations.



The role of the Performance & Strategic Investment (P&SI) pillar is to lead and optimise investment in targeted sports and athletes to achieve HPSNZ's medal objectives and work strategically with NSOs to develop world-leading high performance programmes. P&SI also leads and manages the Performance Enhancement Grant (PEGs) programme and the Prime Minister's Scholarship programme as well as HPSNZ's network of training centres across the country.

The goal of Athlete Performance Support is to deliver support to athletes and coaches to have a positive impact on performance through aligning quality people, purposeful collaboration and a commitment to faster learning and action. Athlete Performance Support is provided by dedicated staff and contractors in sports medicine and rehabilitation, athlete life, strength and conditioning, psychology, nutrition, physiology and performance & technique analysis.

The objective of the Capacity & Expertise pillar is to enhance the capability of the high performance sport system to create sustainable success. Capacity & Expertise consists of the following six teams: HP Coaching, HP Leadership Capability, HP Athlete Development, Performance Planning, Innovation and Technology and Knowledge Edge for Rio, each of which builds people capability and HP system capability to meet the needs of NSOs, coaches and athletes.

Business Operations optimise HPSNZ's financial and operational performance to ensure that resources are targeted to impact world-leading performance. Business Operations supports the other three pillars through the following teams: Financial Planning & Analysis, Business Performance Support and Logistics, Performance Systems, Information Technology, Human Resources and Communications. Organisational compliance and risk management is also managed by Business Operations with a focus on minimising distraction and maximising performance for HPSNZ staff.

HPSNZ directly invests in targeted sports and athletes that have the greatest probability of winning on the world stage. The targeting approach is a top down performance-driven model (HPSNZ Investment Framework 2013-2020) that considers past performance, future potential, the quality of the HP programmes and campaigns and individual sport context. The framework guides allocation of investment and other resources to sports and athlete campaigns, and is well understood by the sector. HPSNZ has a dual role of investor into sports and campaigns and service provider to those sports and campaigns, so there is a joint effort and joint accountability in achieving performance targets.

HPSNZ complements investment in NSOs with the deployment of a range of internal consultancy services and support to enhance and add value to NSO HP programmes based on their individual needs. The model recognises that NSOs operate in a highly competitive international market place and the shared resources of both the sports and HPSNZ need to be aligned to maximise impact on performance.

Within the portfolio of targeted sports HPSNZ recognises approximately 450 carded athletes annually. 'Carded' athletes refers to those nationally identified athletes who have the demonstrated ability to contribute to medal and top 8 outcomes in the current or future

four year cycle. The large majority of these athletes train from the following fit for purpose multi-sport performance hubs across the country. The National Training Centre (Headquarters) in Auckland; National Performance Centres – Waikato (Avantidrome and Rowing HP Centre at Karapiro); and three regional performance hubs in Christchurch, Dunedin and Wellington. A snow sport specific facility is also located in Wanaka. To complement these hubs a number of sport specific facilities have also been developed or are in the planning stage. Overall the Government has invested circa \$40 million into these HP facilities which has been leveraged to a total investment of more than \$110 million, mostly through private/public partnerships.

Collaboration with Partners

Interviews with NSO Chief Executives and with the NZOC Secretary General and the Chief Executive of Paralympics NZ indicate that HPSNZ generates common ownership and genuine collaboration on strategy and service delivery with NSOs, the NZOC and Paralympics NZ. The partners and HPSNZ each contribute to the development of winning performances. HPSNZ works collaboratively with NSOs by building trusting relationships that enable common ownership for achievement of performance targets. HPSNZ understands that the most effective way to lead the high performance sport system is to collaborate with NSOs in the development of programmes and systems providing a balance of trust and accountability. The Chief Executive has an open door to NSO CEOs and HP Directors, which contributes to the high trust with partners.

Interviews with staff indicated that HPSNZ gains input from NSO HP Directors in the development of support programmes for NSO HP programmes, coaches and athletes. This ensures that the support provided meets the needs of the partners and resources are allocated efficiently. Examples of collaboration on strategy and service delivery include the development and evolution of Athlete Performance Support, the HP leadership capability programme, the Knowledge for Rio programme, the HP athlete development programme, the Coach Campaign Leadership programme, the Emerging Talent PEGs programme, Prime Minister’s athlete scholarship eligibility criteria, the Innovation Strategy, and many others.

The review team found that HPSNZ puts a strong emphasis on collaboration, continuous improvement and innovation, which is evident in the Strategic Plan 2013-2020 and the Culture Plan. HPSNZ’s values of excellence, integrity and collaboration are expressed as “We aspire to be world leading in all that we do”, “We build trust and mutual respect through open and honest actions” and “We work together with purpose”, respectively. Those three values underpin HPSNZ’s approach to delivering value to customers and are part of the daily conversation among staff. New programmes and adjustments in delivery are tested to ensure they align to performance outcomes and have an impact on delivering value to customers.

HPSNZ works closely with NSOs throughout their four year Olympic/Paralympic cycle or World Cup cycle to ensure optimal preparation of athletes. Interviews with the NZOC Secretary General and Chief Executive of Paralympics NZ indicated that HPSNZ collaborates with the NZOC and Paralympics NZ to ensure the transition from the four year training environment to competition is seamless to support performance in the Olympic Games and Paralympic Games environments. This partnership approach ensures clear roles and responsibilities and no duplication. A practical example is the Rio Planning Group, which has met across the four years leading up to the Rio Olympics and included three HPSNZ General Managers and several NZOC staff plus HP Directors from three NSOs to have an impact on the Rio Games environment.

"This strong relationship provides a seamless transition for athletes as they compete at Olympic and Commonwealth Games and is a genuine competitive advantage. The strong partnerships within the New Zealand sporting system are a genuine core advantage supporting our athletes as we pit our strength, and succeed, against 206 Olympic nations. It is about alignment, collaboration and partnership that ensures an efficient spend with minimal duplication."

Kereyn Smith, Secretary General, NZ Olympic Committee

Interviews with NSO Chief Executives and with HPSNZ staff indicated that HPSNZ works closely with targeted sports in seeking to understand their performance needs. The partnership model requires NSOs to articulate their needs clearly and for HPSNZ to make sure those needs are understood. The performance needs at the sport and campaign level are met between the NSO and HPSNZ. Each sport's support is tailored to its needs so resource allocations are integrated, effective and cost efficient. HPSNZ works with targeted sports to build their capability. There is tension in the relationships all the time as building sport capability is an ongoing challenge.

The total support package (i.e. direct high performance investment, performance enhancement grants (PEGs), Prime Minister's Scholarships, Athlete Performance Support, coach support, innovation projects, etc) provided to each sport is determined based on the ability of the NSO to contribute to achieving HPSNZ's targets (e.g. 16+ medals in the Tokyo 2020 Olympics) and the performance needs of the NSO's high performance programme and its campaigns. The total support package is viewed in an integrated way to ensure effective and efficient use of resources. This tailoring of support provides a flexible model which ensures resources meet customers' (i.e. NSOs' and campaigns') performance needs. The integration of support and the tailored delivery model is a competitive advantage for the New Zealand high performance sport system compared to most other nations.

An example of tailoring support and integrating services based on NSO and athlete needs is the HPSNZ Innovation programme, which is focused on developing technology to improve

performance for sports and athletes and for the high performance system. The Innovation programme develops bespoke solutions for targeted NSOs to enhance performance. Rowing NZ and Cycling NZ now have completely tailor-made performance monitoring and management systems, including custom hardware and software that has been designed and delivered by HPSNZ's Goldmine team. The Innovation Programme meets the needs of sports through a mixed model of employed engineers, contracted engineers and collaborative partners for innovation projects, plus close working relationships with sports' innovation contacts and coaches. Since London 2012, the Innovation programme has supported a total of 40 targeted innovation projects with an average satisfaction level of 8.4 (on a 10 point scale) for delivery and impact.

"To be able to have the data that we collect from Goldmine to personalise training around each person leading into a race is something unique to New Zealand, and we are very fortunate to be in a position where we can adapt training to what we know from the data we collect."

Ethan Mitchell, 2016 World Champion Team Sprint Cyclist

The annual NSO HP Review process provides detailed information on customers' short and longer term needs and the impact of HPSNZ's support. HPSNZ has a role in the full planning and implementation cycle with NSOs, including setting of performance KPIs, clarifying the programmes and campaigns that will receive support, annually reviewing the NSO priority needs and agreeing how to best meet those needs through the four HPSNZ pillars and the sport's own capability and resources. HPSNZ maintains a clear line of sight to campaigns due to dialogue with its consultant roles and adapts delivery to sport and campaign needs. A degree of financial flexibility is retained through a tiered investment approach, with only a small number of NSOs receiving four year investment and the remainder receiving two year or one year funding, with most commitments aligned to the Olympic/Paralympic cycle. This model allows HPSNZ to scale its financial commitments and reprioritise resources quickly.

The critical elements of NSO HP plans include sport programme and performance KPIs across current and future Olympic, Paralympic and non-Olympic World Cup cycles agreed with HPSNZ through an annual 'Performance and Investment Schedule'. The sport's performance against their plans and the schedule including KPIs are regularly monitored and performance managed by a group of experienced internal Performance Consultants. Each invested sport also undertakes a formal annual review process led by the HPSNZ SLT. This robust annual performance review process incorporates formal reporting against agreed KPIs along with structured questioning on learning from the prior international season and an outline of the proposed changes to the programme and/or campaigns for the season ahead. The reviews also scrutinise the detailed financial reports and budget pressures of sports to deliver on the desired outcomes. A meeting is conducted with a deliberate balance of accountability, challenge and performance partnership. HPSNZ is continuing to learn when and how to intervene for long term gain for complex issues, which is a difficult

decision for many international high performance sport systems. NSOs have reported high levels of satisfaction with the performance review process throughout the Rio cycle.

Annually HPSNZ targets that 80% of high performance programme goals are achieved by targeted sports. In 2015, 84% of high performance programme goals were achieved by targeted sports. Some KPI's are longer term and therefore are not able to be reported against, reducing the net overall performance result.

As discussed above in leadership and direction, the review team found that HPSNZ gains customer feedback from NSOs, coaches and athletes using a variety of mechanisms, which ensure the agency has the right data with which to evaluate and enhance service delivery options. For example, the Athlete Performance Support programme has a quality assurance process that gains regular customer feedback and drives continuous improvement with a goal to be world leading. HPSNZ takes this goal seriously as the advice provided to coaches and athletes affect small performance margins and those margins may make the difference in whether an athlete achieves a podium finish. An annual survey is conducted with athletes and coaches to gain direct feedback on the impact of Athlete Performance Support roles in supporting athlete performance. The survey asks a series of questions based around quality, understanding needs, accessibility, etc. for each support discipline that HPSNZ delivers. HPSNZ analyses this data across each sport, region, discipline and level of carded athletes. The results are disseminated to all Athlete Performance Support staff and action plans are developed and implemented as part of the continuous improvement process.

The 2015 survey results were very positive, with 243 athletes and coaches responding and 96% either satisfied or extremely satisfied with the quality of support and advice received, up slightly from 93% in 2013 and 2014. The results were even stronger among Rio 2016 podium potential athletes with 98% responding that the quality of HPSNZ's advice and support had a positive impact on their preparation and/or performance. Across the nine disciplines of athlete life, strength & conditioning, physiology, psychology, performance & technique analysis, nutrition, medical, physiotherapy and massage, 87% to 99% of athletes and 83% to 100% of coaches responded that they were satisfied or extremely satisfied with the delivery of Athlete Performance Support.

Part Three: Relationships

19. How well does HPSNZ provide advice and services to Ministers?
Performance Rating: Needing Development
20. How well does HPSNZ contribute to improve public sector performance?
Performance Rating: Needing development

Ministerial Servicing

Ministerial servicing is centralised through the Sport NZ policy function. This ensures that the Minister's requirements are met efficiently and that HPSNZ can remain focussed on performance and meeting its strategic objectives. HPSNZ contributes and works collaboratively with Sport NZ to ensure Government is provided the highest quality of information. HPSNZ's role is that of subject matter expert providing all necessary plans, briefings, and progress reports to support this servicing whilst Sport NZ provide the consistent link and framework for interaction with Government and Ministers.

HPSNZ has historically maintained a close relationship with the Minister of Sport. This has involved regular visits to the National Training Centre at AUT Millennium to gain insights into the operation and assurance as to the HP objectives and progress against those objectives. An open invitation is extended to the Minister of Sport to visit any of the facilities or HP hubs and attend any of the high-performance events or functions. The change in Minister has seen an adjusted set of Ministerial requirements for the Sport NZ Group, including:

- How does the HPSNZ strategy lead to overall participation in sport
- Explore opportunities to maximise synergies between the Health and Sport portfolios in delivering better health outcomes for New Zealand
- How does Sport NZ and HPSNZ ensure its NSO's are financially sustainable
- The medal targets in the strategic plan need to be complemented with measures that demonstrate effectiveness and efficiency of the system.

The review team found that the Sport NZ Group is preparing to respond to these requirements as discussed in the Four Year Excellence Horizon. HPSNZ's SLT is planning how to respond effectively to this broader definition of success, including working with Sport NZ to support its collaboration with the Ministry of Health. While conscious of the risk of being distracted from the primary task of securing medals, they fully appreciate the breadth of dividend sought by the Crown from this investment, including cross Government, i.e., health, education, etc.

In the past year, HPSNZ has developed a number of additional performance and financial measures, which form part of the six-monthly reporting to Government. These measures provide a greater depth of insight into the effectiveness of the HP sport system. In addition, HPSNZ currently tracks a variety of measures for internal use which provide further evidence of the effectiveness and efficiency of the HP system. HPSNZ and Sport NZ will work cooperatively with the Minister and the Ministry of Culture & Heritage to understand which additional measures would be most useful to include for future Government reporting.

Improved Public Sector Performance

The review team found that HPSNZ has to date had limited opportunity for cross-Government engagement, but is looking to proactively support Sport NZ on cross-Government initiatives. HPSNZ will be seeking to identify where best it can support Sport NZ's impact with the broader public sector whilst not introducing risk against its performance goals and targets as set out in the strategic plan. The interview notes from the Canadian high performance system, 'Own the Podium', emphasise New Zealand's competitive advantage as being able to focus only on lifting performance results with limited distractions.

The manner in which HPSNZ does contribute to public sector performance and the wider New Zealand economy is detailed below. Whilst HPSNZ does not directly 'own' these initiatives, many are achieved through indirect and complementary activity to its core business.

One example of the potential is the Ministry of Health's Childhood Obesity Plan, which is a package of initiatives that aims to prevent and manage obesity in children and young people up to 18 years of age. The package brings together initiatives across Government agencies, the private sector, communities, schools, families and whānau. Sport NZ is involved in promoting physical activity and sport in young people and HPSNZ is linked via access to high performance athletes as role models as part of the campaign in recognition of the positive impact such athletes have within our communities.

The review team found that HPSNZ works collaboratively with Sport NZ to protect the integrity of sport. Recent examples include educating the sector on policy relating to Match Fixing and Sport Betting. Furthermore HPSNZ works collaboratively with international agencies and domestic partners such as the World Anti-Doping Agency, NZOC, Drug Free Sport NZ and Paralympics NZ to further good compliance and accountability across the sector.

The link between New Zealand's sporting successes and the association of those sports/events with many of our trading partners, offer opportunities to use world champions to further diplomacy and trade outcomes. For example, Fonterra have identified opportunities to leverage brand awareness around sporting events with New Zealand representation in China. This is recognised by New Zealand Trade & Enterprise (NZTE) who have developed a series of videos promoting the connection between sport and business. NZTE-led business leveraging programmes have also been run at the London 2012 Olympics, 2015 Rugby World Cup and are planned for the Rio 2016 Olympics, all of which offer opportunities to support the business goals of Government and NZ companies.

As well as the direct economic value attributed to sport, Australian Bureau of Statistics Director Andrew Middleton states "*...that in addition to providing significant health and social benefits, sport and physical recreation has considerable economic importance, which is reflected in the latest household expenditure, production and international trade data.*" It can be concluded that the economic contribution of the sport sector is both direct and indirect when all factors are taken into consideration. Examples of economic snapshots from the New Zealand sport sector include:

- According to a report from financial analysts PricewaterhouseCoopers on the economic impact and benefits of the ICC Cricket World Cup, the tournament provided a significant economic boost for co-hosts Australia and New Zealand, generating more than AU\$1.1 billion in direct spending and creating the equivalent of 8,320 full time jobs.
- The 2011 Rugby World Cup was estimated to have resulted in a short-term expansion of the national economy in the order of \$1,730 million (measured at 2007 prices), sustaining the equivalent of 22,890 extra jobs for the duration of one year. International travel and migration statistics showed that there were 74,400 RWC visitor arrivals in September 2011, and 53,200 in October 2011.

Overall, the Sport sector makes a significant contribution to the New Zealand economy, estimated at 2.3% of GDP or \$4,958 million. Investment into the sport sector through HPSNZ is complementary to Government's policies on stimulating economic growth. Results on the world stage along with the development of world class facilities also allow us to attract world championship events to New Zealand, offering further opportunities for international exposure and event and tourist revenue coming directly into our regions. International events attracting Olympic athletes, hosted in New Zealand since 2010, have netted more than \$30m into the New Zealand economy (based on the New Zealand Major Events (MBIE) model).

Elite sport also has specific human resource and infrastructure needs that closely link it to other economic sectors; such as science, technology, and medicine. In the New Zealand context HPSNZ provides opportunities for our brightest minds to be retained in New Zealand contributing to the knowledge economy within centres of excellence focussed on innovation.

HPSNZ also works closely with Callaghan Innovation in investigating commercialisation opportunities for technology solutions developed through HPSNZ's Innovation/Goldmine programme. The agency is a recipient of commercialisation advice provided by Callaghan using EverEdge IP consultants, which has enabled HPSNZ to better understand its intellectual property and the potential that may be realised if it were to commercialise its technology. HPSNZ has engaged with a number of innovative New Zealand companies, many

of which have a strong relationship with Callaghan, in the tech/start-up space to deliver athlete centred innovation projects.

HPSNZ provides an aspirational vehicle for New Zealanders, regardless of socioeconomic background, disability or ethnicity. As the All Blacks have recently shown, sporting success can unite New Zealand as a nation, shapes our national identity and instils a sense of pride.

Part Four: People Development

21. How well does the agency develop its workforce (including its leadership)?
Performance Rating: Strong
22. How well does the agency anticipate and respond to future capacity and capability requirements?
Performance Rating: Needing development
23. How well does the agency encourage high performance and continuous improvement amongst its workforce?
Performance Rating: Strong
24. How well does the agency deal with poor or inadequate performance?
Performance Rating: Well placed
25. How well does the agency manage its employee relations?
Performance Rating: Strong
26. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Performance Rating: Well placed

High performance and continuous improvement are embedded in HPSNZ’s strategy, philosophy and culture. HPSNZ’s Strategic drivers of people (Retain, develop and attract people who can provide sustained world-leading support to enhance NSO, coach and athlete performance) and high performance environment (Promote a culture of high performance excellence through our people, resources and facilities) support the agency’s strong focus on people development. In addition, the HPSNZ Culture Plan indicates the emphasis placed on high performance and continuous improvement of HPSNZ staff.

A learning environment

The review team found that HPSNZ is a learning environment and staff seek new knowledge to improve their performance. Excellence is one of the three values in the Culture Plan, which is expressed as “We aspire to be world leading in all that we do.” HPSNZ staff gain feedback on living high performance through the annual staff performance reviews and challenging each other. Performance-based monitoring via performance reviews is a formal annual process with a six-month check in, which helps identify and address performance gaps.

Given HPSNZ's vision, mission and mandate, staff desire and have intrinsic pressure to perform well themselves. Continuous improvement is an essential part of a high performance sport culture and the nature of the environment. Ongoing improvement is encouraged and expected if HPSNZ is to be world leading.

The review team found that HPSNZ is committed to professional development of its staff in both technical skills and leadership capability. All staff are encouraged to develop professional development plans and to be proactive in driving their own development. HPSNZ supports professional development through its operational budgets and importantly also has access to Prime Ministers Support Team Scholarships for staff who work directly with sports and athletes. Prime Minister's Support Team Scholarships provide high quality professional development support that Athlete Performance Support staff can access. Interviews with staff indicated that all professional development has the goal of better outcomes for NSO high performance programmes, coaches and athlete campaigns. Due to the highly competitive and evolving nature of high performance sport, HPSNZ's emphasis on purposeful, applied professional development is a competitive advantage compared to other international HP sport systems.

HPSNZ runs leadership capability development programmes, which 24 staff have participated in or are currently participating in. These programmes impart leadership skills and a common language and understanding of leadership behaviours. The SLT and other key senior managers also work with leadership consultants to develop their leadership capability. There are leadership opportunities and career pathways within HPSNZ and more broadly across the high performance sport system.

The interview with the General Manager Athlete Performance Support emphasised that NSOs recognise the importance of learning and are supportive of the development of HPSNZ staff who are embedded with their HP programmes. NSOs also use Prime Minister's Scholarships for the development of their support staff and coaches, which ensures that the high performance sport sector is continually learning.

An early Staff Engagement Survey (2013) indicated that there were gaps in professional development opportunities in parts of the organisation. HPSNZ's SLT and managers responded and addressed these concerns. The 2015 Staff Engagement Survey shows high satisfaction among staff with professional development opportunities, with 93% of staff responding "often or always" to "My manager encourages and supports my development," and 86% to "The organisation provides appropriate opportunities for learning and development."

Interviews with staff indicated that some Athlete Performance Support staff are time-poor due to demands from the sports and campaigns they work with relative to existing capacity and as a result may not have enough time for the optimal level of professional development. HPSNZ's SLT and managers are considering opportunities to adjust workloads and enhance access to professional development opportunities for staff immersed in sports.

HPSNZ gains input from Sport NZ's Organisational Development team to ensure good practice processes for staff recruitment and review. In addition, HPSNZ has recently created a new part-time position of Human Performance Consultant who works closely with teams that are not operating optimally and contributes to solutions that address cultural or other issues.

The review team found that HPSNZ's recruitment processes are rigorous to ensure staff have the required technical skills and fit within the HPSNZ culture and also the required level of resilience to work within a high performance environment. Given the level of high performance sport experience and technical skills required for some roles, HPSNZ has an international workforce bringing high level expertise to New Zealand. It is essential to recruit or place the 'right' people in the 'right' roles, including matching the level of experience, knowledge and overall capability to the role. HPSNZ recruits quality people who are passionate about making a difference and aligned to the organisation's purpose and culture. Staff retention is high at 91% annually, suggesting that the recruitment process clarifies expectations of prospective staff.

Interviews indicated that some staff members are required to travel with sports and be offshore for extended periods of times. Approximately 15% of HPSNZ staff are away from home in excess of two months per year. These staff are generally aware of the commitment and expectation during the recruitment process, but this extended time away can put a strain on staff and their families, particularly after multiple years. Policies for staff with extended work-related travel have not always been clear to the staff or the sports they are working with, and are an area of current focus for the SLT and managers.

Changes in capability and capacity

The review team found that HPSNZ strives to anticipate and respond to future capacity and capability requirements, but believes this is an area for further development. HPSNZ's capacity and capability requirements are primarily related to the needs of sports and campaigns, and HPSNZ's ability to respond is constrained by budget limitations, human resources legislation and the speed with which needs develop within the international high performance sport environment.

HPSNZ constantly monitors international sporting performance and trends in each sport and across the high performance sport system to understand how New Zealand campaigns are tracking and how the high performance sport system is tracking towards medal targets. The NSO HP Programme Review Process explains how HPSNZ gains a depth of understanding of the capacity and capability required to support NSO HP programmes and campaigns. The Performance Consultants and other consultant roles have close regular contact with each targeted sport and each invested campaign and gain insights to anticipate and respond to changes in requirements.

HPSNZ endeavours to be agile and able to respond to the changing needs of the HP system, sports and campaigns. The operating model of employed staff and contractors to meet customers support needs provides flexibility to scale support to meet required changes in capability or capacity.

The interview with the General Manager Athlete Performance Support indicated that an area for development is to better understand NSOs' prioritised performance needs. This is important as HPSNZ must create the appropriate capacity relative to the sport's prioritised Athlete Performance Support needs in proportion to other needs such as coaching and international competition. Sports have varying levels of insight into understanding and articulating their performance needs.

HPSNZ is currently working with NSOs to consider when there is an advantage for HPSNZ to employ Athlete Performance Support staff, and when it may be an advantage for an NSO to employ selected Athlete Performance Support staff directly. HPSNZ is leading this discussion for the upcoming four-to-eight years to ensure the delivery model evolves at the optimal pace. These variables affect long term capability and capacity planning of the HPSNZ workforce.

Dealing with Poor Performance

Interviews with staff indicated that HPSNZ has a daily focus on performance with a demonstrated commitment to improvement. The high performance sport environment lends itself to being performance-driven which is demanded by HPSNZ partners. To hold partners accountable for performance, HPSNZ must hold its own staff accountable for performance.

The interview with the General Manager Business Operations indicated that the expectation for staff is that they perform at an 'excellent' level, which is classified in the performance review process as 'meets expectations'. Staff who do not have the drive to excel quickly learn that HPSNZ is not the right environment for them. Staff performance targets are set annually, reviewed formally six-monthly and informally regularly, with the objective of no

surprises in annual staff performance reviews. Performance issues are identified, discussed and plans put in place to lift performance.

When staff technical performance or cultural fit is an issue, HPSNZ must move quickly to make a change to help sports move forward. It was noted that in HPSNZ's first two years, there was some misalignment of people with roles as staff were brought in from three other organisations in the merger. Some required changes took longer than optimal as the SLT balanced the need to respond quickly with the desire to limit the amount of staff change in the start-up phase while strategy was still being developed. Due to careful recruitment and day-to-day management of people, there have been few examples of poor performance requiring Athlete Performance Support staff or other embedded HPSNZ staff to move out of their assigned roles with sports.

The Cambridge high performance sport environment has grown quickly, with Cycling NZ and Triathlon NZ centralising their HP programmes in 2013 and Canoe racing NZ planning to do the same in 2017. With Rowing NZ based nearby at Karapiro, there has been rapid growth and reduced capacity and space for staff. The SLT and managers are highly aware of these capacity constraints and are developing plans to best support sports and athletes and mitigate staff concerns.

A highly committed and engaged workforce

The review team found that HPSNZ endeavours to hire the best person for each role, and with a limited talent pool in New Zealand and internationally, does not specifically focus on gender or ethnic diversity. Staff are recruited and selected for ability. Overall the proportion of female staff is currently 40%, with Athlete Performance Support (44%) and Business Operations (55%) providing greater gender balance. HPSNZ has high International diversity, with staff from over 10 countries. Staff are predominately of European descent, which is representative of the athletes and coaches in most of the targeted sports. No barriers to diversity in the hiring process, nor in HPSNZ's culture have been identified. It has been noted that high performance sport is a way of life with high demands, long hours and high commitment. Having more female role models within HPSNZ would be helpful in building the confidence of female staff, and the SLT are currently considering opportunities for female staff, including more occasions for female staff to participate in SLT meetings, in addition to the current inclusion of female staff in the HP leadership programme.

Part Four: Financial and Resource Management

27. How well does HPSNZ manage agency and Crown assets, and HPSNZ's balance sheet, to support service delivery and drive performance improvement?
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Performance Rating: Strong

28. How well does HPSNZ manage and use information as a strategic asset?

Performance Rating: Needing development
29. How well does HPSNZ plan, direct and control financial resources to drive efficient and effective output delivery?
Performance Rating: Strong
30. How well does HPSNZ identify and manage agency and Crown risk?
Performance Rating: Well placed

All HPSNZ activity is evaluated against its strategy and the strategic priorities that underpin organisational decision making. One of the key strategic priorities is to “lead a highly effective high performance system that ensures resources are targeted and prioritised to deliver performance outcomes.”

Financial Management

HPSNZ is strongly strategy led. The review team found that financial and other resources are aligned and allocated to strategic pathways and regularly monitored for efficiency and effectiveness. Upon the formation of HPSNZ in 2011, the Government increased investment by a further \$20M with the aim of creating a more focussed world leading high performance sport system. The review team found that the additional funding enabled HPSNZ to deliver on its ambitious Strategic Plan and create a ‘one-stop-shop’ HP sport system with minimal clutter or bureaucracy. In recent months HPSNZ has sought further funding to continue the momentum and alleviate cost pressure across the high performance sector borne by increased success and increased depth within the system. The increased annual Government investment of \$4 million will assist in maintaining New Zealand’s level of high performance success.

HPSNZ operates in a global environment and at the leading edge of athletic endeavour, which is far from a low cost environment. The HP programme draws on world class resource and to a large degree, operates overseas. Funds are carefully allocated across the four specialist pillars to ensure optimum economy, efficiency, and effectiveness. HPSNZ has a comprehensive financial system that allows analysis by campaign, by programme and by partner. The agency can readily assess value for money at any time. This analysis underpins adjustments in funding allocation.

As set out in the Statement of Performance Expectations, 94.2% of Government investment is allocated directly to athletes, coaches and partner NSOs. The remaining 5.8% is utilised to fund HPSNZ governance, operations and logistics, seven national facilities, depreciation and shared services. Shared services provide operational support in marketing and communications, policy, human resources and information technology across the Sport New Zealand Group. After initial growth in the first year of operations, HPSNZ has not had an increase in headcount over the past three years although the demands and increase in sophistication across the high performance sector have grown.

HPSNZ has been strategic and disciplined in its external investment and internal expenditure, demonstrating considered and purposeful restraint. The ethos of the organisation is that every dollar counts and the associated opportunity costs are regularly measured.

As at the 2016/17 financial year HPSNZ has a healthy balance sheet with a small forecast operating deficit (\$57k) due to HPSNZ utilising prior period reserves to fund increased campaign costs leading into the Rio Olympic Games. The recent Government announcement of an additional \$4M per annum offsets the original forecast deficits of \$3.7M per annum for the Tokyo cycle. This new level of government investment protects existing levels of support for targeted sports but still challenges the overall system in maintaining the momentum and success built over the Rio cycle. HPSNZ's SLT has completed detailed planning and developed a range of options on strategies, adjustments and priorities. HPSNZ is well placed to respond with a clear, transparent and scalable investment framework to maximise Government's return on investment.

Knowledge Management

Knowledge management is an important strategic component in the world of high performance sport. HPSNZ management has a strong focus on data identification, collection, analysis, and interpretation. To underpin the partnering effort, a number of special purpose CRM systems are in operation. In an operational sense, detailed information is collected on athletes and coaches with specialist sport science and strategic analysis/reporting captured to maximise performance.

Specific knowledge management pools have been adopted, e.g. Knowledge for Rio and Goldmine. HPSNZ is leaning on the cutting edge of technology and data analytic/management. The focus is to support decision making to optimise outcomes. HPSNZ has identified that there are multiple and often bespoke applications utilised by different teams across the agency, which can create complexity for staff in accessing information and in interacting with customers. HPSNZ is currently investigating approaches to bring together the various systems to ensure streamlined access for staff and for the HP system. There is also an opportunity to strengthen the information technology collaboration between Sport NZ and HPSNZ.

Risk Management

The review team found that a comprehensive risk management approach is adopted by the agency. HPSNZ has its own subsidiary Board and also operates through a shared Sport NZ Group Audit, Finance and Risk Committee and Remuneration Committee. A comprehensive approach to risk management is adopted throughout the organisation supporting the value for money decision making. Risks are regularly reviewed, mitigations developed and

assessed, and risk appetite confirmed with the Board and AFRC subcommittee. HPSNZ's management and Board have embraced Health & Safety changes brought in by Government and ensured that HPSNZ is compliant, with a specific H&S risk register and safety officers in each of seven locations.

The most significant risks facing the organisation are people related, in particular the poaching of staff by international systems. The loss could be significant due to the specialised intellectual property and limited access to successful high performance sport professionals internationally. HPSNZ also conducts an analysis of foreign currency exposure for the HP sector, which is updated monthly.

Appendix A

List of Interviews

This review was informed by input provided by a number of HPSNZ staff and relevant NSO's and other stakeholder organisations as listed below.

HPSNZ Alex Baumann –CEO Peter Pfitzinger – GM Capacity and Expertise Zoltan Varadi – GM Business Operations Mike McGovern – GM Performance Strategic Investment Martin Dowson – GM Athlete Performance Services Rachel Williams – Financial Planning and Analysis Manager Matt McKerrow – Innovation and Technology Manager Chris Bullen – Manager Coaching and HP Capability Development Susan Thomason – Athlete Life and Psychology Lead Holly Grimmer- Business Performance Support Manager
VOICE OF STAFF Holly Grimmer-Business Performance Support Manager Michael Flynn– Performance Consultant Dean Horo– Regional Relationship Manager - Dunedin Stephen Hotter - Regional Relationship Manager – Wellington Paul Heron – Sport NZ Relationship Manager John Lythe – Performance Systems Manager
CYCLING NEW ZEALAND Simon Perry – Chair Andrew Matheson – CEO
ROWING NEW ZEALAND Gerry Dwyer – Chair Simon Peterson – CEO
SWIMMING NZ Christian Renford-CEO
NZOC Kereyn Smith-Secretary General
PARALYMPICS NZ Fiona Allan-CEO
ATHLETICS NZ Linda Hamersley-CEO
OWN THE PODIUM Anne Merklinger-CEO

Appendix B

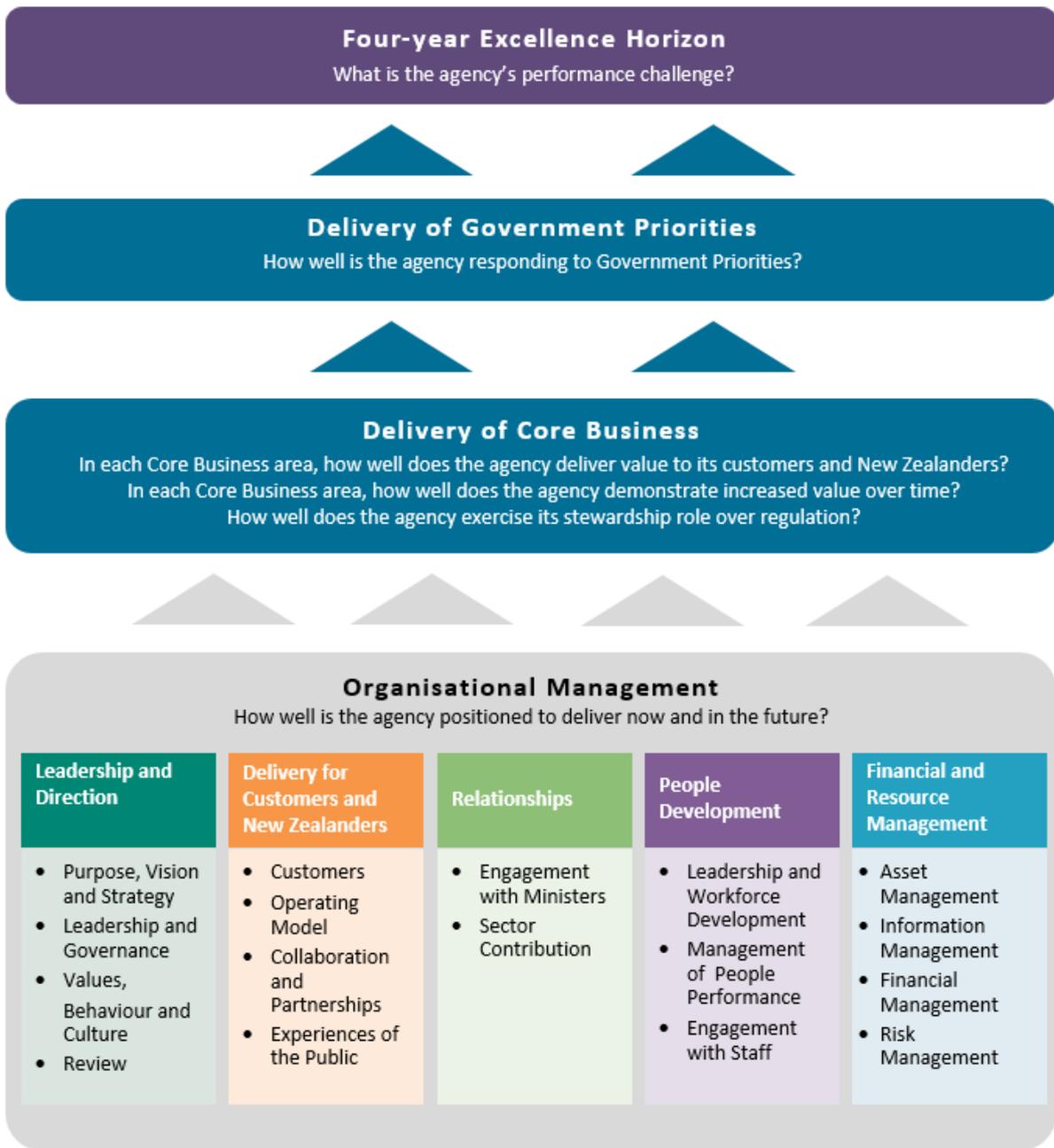
PIF Questions

Lead Questions

Four-year Excellence Horizon		
What is the agency's performance challenge?		
Results		
Critical area	Lead Questions	
Government Priorities	1. How well is the agency responding to Government Priorities?	
Core Business	2. In each Core Business area, how well does the agency deliver value to its customers and New Zealanders?	
	3. In each Core Business area, how well does the agency demonstrate increased value over time?	
4. How well does the agency exercise its stewardship role over regulation?		
Organisational Management		
Critical area	Element	Lead Questions
Leadership and Direction	Purpose, Vision and Strategy	5. How well do the staff and stakeholders understand the agency's purpose, vision and strategy? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership and Governance	7. How well does the senior team provide collective leadership and direction to the agency and how well does it implement change? 8. How effectively does the Board lead the Crown entity? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?
	Review	10. How well does the agency encourage and use evaluative activity?
Delivery for Customers and New Zealanders	Customers	11. How well does the agency understand who its customers are and their short- and longer-term needs and impact? 12. How clear is the agency's value proposition (the 'what')?
	Operating Model	13. How well does the agency's operating model (the 'how') support delivery of Government Priorities and Core Business? 14. How well does the agency evaluate service delivery options?
	Collaboration and Partnerships	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with partners and providers? 16. How well do the agency and its strategic partners integrate services to deliver value to customers?
	Experiences of the Public	17. How well does the agency employ service design, continuous improvement and innovation to ensure outstanding customer experiences? 18. How well does the agency continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?
Relationships	Engagement with Ministers	19. How well does the agency provide advice and services to Ministers?
	Sector Contribution	20. How effectively does the agency contribute to improve public sector performance?
People Development	Leadership and Workforce Development	21. How well does the agency develop its workforce (including its leadership)? 22. How well does the agency anticipate and respond to future capacity and capability requirements?
	Management of People Performance	23. How well does the agency encourage high performance and continuous improvement amongst its workforce? 24. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	25. How well does the agency manage its employee relations? 26. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Financial and Resource Management	Asset Management	27. How well does the agency manage agency and Crown assets, and the agency's balance sheet, to support service delivery and drive performance improvement?
	Information Management	28. How well does the agency manage and use information as a strategic asset?
	Financial Management	29. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?
	Risk Management	30. How well does the agency identify and manage agency and Crown risk?

Appendix C

The Performance Improvement Framework



Appendix D

PIF RATINGS GRID				Summary	Count	%	Code
RATINGS							
1 = Strong (Excellent)				1	12	40%	
2 = Well Placed				2	15	50%	
3 = Needing Development				3	3	10%	
4 = Weak				4	0	0%	

Critical Area	PIF Question	PIF Team	SLT Prelim	Staff	Avg	Range	Final SLT Assessment
Leadership & Direction	1 How well is HPSNZ responding to government priorities?	2.5	2.0	2.0	2.2	0.5	2
	2 In each core business area, how well does HPSNZ deliver value to its customers and New Zealanders?	2.0	1.0	2.0	1.7	1.0	2
	3 In each core business area, how well does HPSNZ demonstrate increased value over time?	1.0	1.0	2.0	1.3	1.0	1
	4 How well does HPSNZ exercise its stewardship role over regulation?		2.0	1.5	1.8	0.5	2
	5 How well do the staff and stakeholders, understand HPSNZ's purpose, vision and strategy?	1.0	1.0	1.5	1.2	0.5	1
	6 How well does HPSNZ consider and plan for possible changes in its purpose or role in the foreseeable future?	2.5	2.0	1.5	2.0	1.0	2
	7 How well does the senior team provide collective leadership and direction to HPSNZ and how well does it implement change?	1.0		1.0	1.0	0.0	1
	8 How effectively does the board lead the Crown entity? (For Crown entities only)	1.0	2.0	2.0	1.7	1.0	2
	9 How well does HPSNZ develop and promote the organisational values, behaviours and culture it needs to support its strategic direction and ensure customer value?	1.5	1.0	1.0	1.2	0.5	1
	10 How well does HPSNZ encourage and use evaluative activity?	1.0	2.0	1.0	1.3	1.0	2
Delivery to Customers & NZers	11 How well does HPSNZ understand who its customers are and their short and longer term needs and impact?	1.5	2.0	2.0	1.8	0.5	2
	12 How clear is HPSNZ's value proposition (the 'what')?	1.5	2.5	1.0	1.7	1.5	2
	13 How well does HPSNZ's operating model (the 'how') support delivery of government priorities and core business?	2.0	1.0	2.5	1.8	1.5	2
	14 How well does HPSNZ evaluate service delivery options?	1.5	2.0	2.5	2.0	1.0	2
	15 How well does HPSNZ generate common ownership and genuine collaboration on strategy and service delivery with partners and providers?	1.5	1.0	1.0	1.2	0.5	1
	16 How well do HPSNZ and its strategic partners integrate services to deliver value to customers?	2.0	1.0	2.0	1.7	1.0	1
	17 How well does HPSNZ employ service design, continuous improvement and innovation to ensure outstanding customer experiences?	1.0	1.0	1.0	1.0	0.0	1
	18 How well does HPSNZ continuously seek to understand customers' and New Zealanders' satisfaction and take action accordingly?	2.5	2.0	2.0	2.2	0.5	2
Relationships People Development	19 How well does HPSNZ provide advice and services to Ministers?	2.0	2.0	2.0	2.0	0.0	2
	20 How effectively does HPSNZ contribute to improve public sector performance?	2.5		2.0	2.3	0.5	3
	21 How well does HPSNZ develop its workforce (including its leadership)?	1.0	1.0	1.0	1.0	0.0	1
	22 How well does HPSNZ anticipate and respond to future capacity and capability requirements?	2.0	2.0	2.0	2.0	0.0	3
	23 How well does HPSNZ encourage high performance and continuous improvement amongst its workforce?	1.0	1.0	1.0	1.0	0.0	1
	24 How well does HPSNZ deal with poor or inadequate performance?	1.5	2.0	2.0	1.8	0.5	2
	25 How well does HPSNZ manage its employee relations?	1.5	1.0	1.5	1.3	0.5	1
	26 How well does HPSNZ develop and maintain a diverse, highly committed and engaged workforce?	2.0	2.0	2.0	2.0	0.0	2
Financial & Resources	27 How well does HPSNZ manage agency and Crown assets, and HPSNZ's balance sheet, to support service delivery and drive performance improvement?	1.0	1.0		1.0	0.0	1
	28 How well does HPSNZ manage and use information as a strategic asset?	2.0	2.0	2.0	2.0	0.0	3
	29 How well does HPSNZ plan, direct and control financial resources to drive efficient and effective output delivery?	1.0	1.0	2.0	1.3	1.0	1
	30 How well does HPSNZ identify and manage agency and Crown risk?	1.0	2.0	2.0	1.7	1.0	2
Average Ranking Across all 30 Questions & Across All Teams		1.6	1.6	1.7	1.6	0.6	1.7

Appendix E

Summary of HPSNZ Board: (from HPSNZ website)

SIR PAUL COLLINS (CHAIRMAN)

Sir Paul has been Chairman since HPSNZ was formed in 2011, and also chairs the board of Sport New Zealand. He has extensive governance experience in business and sport, having served on the board of more than 50 listed companies in New Zealand, Australia, Hong Kong and London, and on numerous boards in the sports sector.

Sir Paul was a governor of the New Zealand Sports Foundation from 1986 to 1999 (which he chaired from 1992 to 1999), a member of the Rugby 2011 World Cup Bid Committee which won the hosting rights for the 2011 World Cup, and a director of Rugby New Zealand 2011 Limited. He was also Chair of the Wellington Regional Stadium Trust from 2000 to 2012. Currently, Sir Paul is a director and investor in the Hurricanes Super Rugby franchise.

Sir Paul is also an executive director of the private investment company Active Equity Holdings Limited, and is a former Chief Executive of Brierley Investments.

In the New Year Honours 2015, Sir Paul was made a Knight Companion of the New Zealand Order of Merit for services to sport governance.

BILL BIRNIE

Bill Birnie gained experience in the investment banking sector with Fay Richwhite before establishing his private equity firm Birnie Capital Ltd, of which he is Chairman and Managing Director.

Previous directorships have included ENZA (Chair), the New Zealand Film Commission (Deputy Chair), the Screen Council of New Zealand, and Equestrian Sports New Zealand. Bill was also a Commissioner of the Hillary Commission (a forerunner of Sport New Zealand), and a Founding Trustee of the Wellington Stadium Trust.

Currently Bill is Chairman of the KidsCan Charitable Trust and a Trustee of the James Wallace Arts Trust. He was appointed to the board in 2011, and is also on the board of Sport New Zealand.

MIKE STANLEY

Mike Stanley joined the board in 2011. He has had a long involvement in sport, as an international rower, coach, commentator and administrator.

Mike is currently CEO at the Millennium Institute of Sport and Health, a role he has held since 2004. Prior to this he was Chief Executive of Rowing New Zealand (1994 – 2003). He is also in his second term as President and Chairman of the New Zealand Olympic Committee.

Mike became a New Zealand rowing representative in 1976, and was a member of the rowing eight which came fourth at the 1984 Los Angeles Olympic Games, and the eight which won back-to-back world championship gold medals in 1982 and 1983.

SIMON WICKHAM

Simon Wickham joined the board in 2011. His experience in sport and the governance/management of sport spans many years and roles, including former roles as Chief Executive of Yachting New

Zealand, Gymsports New Zealand's Chairman, a member of Sport NZ's Talent Identification Taskforce, and a member of the NZ Olympic Committee.

Simon is the Deputy Chairman of the New Zealand Olympic Committee and is chair of the committee's selection panel for the Rio 2016 Olympic Games. He has been on the Olympic and Commonwealth Games selection panels since 2006.

Currently Simon is Chief Executive of West Auckland Trust Services (The Trusts), one of West Auckland's largest employers, responsible for the management of several restaurants, bars, hotels and hospitality businesses in West Auckland. He was previously Chief Executive of The Trusts Stadium, a \$40 million sports and entertainment complex in Auckland.

MURRAY GUTRY

Based in Hamilton, Murray Gutry is the deputy chairman of the Perry Group and holds directorships with current Perry investment companies, as well as a number of other organisations.

Prior to joining the Perry Group in 2001 where he was Chief Executive 2007-12, he held positions with Sport Waikato as Chief Executive for four years and as the National Programme Manager with the Hillary Commission. He is currently a trustee of the Lion Foundation and St Paul's Collegiate School.

Murray has held a number of national sprint titles and was a New Zealand Athletics representative for many years, competing at the Commonwealth Games in 1990, the World Cup in Barcelona in 1989, and the Pacific Conference Games in 1985. He also represented Waikato in rugby.

Murray joined the Sport NZ board in August 2011, and the board of High Performance Sport New Zealand in August 2014.

ALISON SHANKS

Alison was appointed to the HPSNZ Board in July 2015 and brings a wealth of experience from an athletes perspective across various sporting codes.

A World Champion Track Cyclist in the Individual Pursuit in 2009 and 2012, she competed at the 2008 Beijing and 2012 London Olympics finishing 4th and 5th respectively. In her first Commonwealth Games in Melbourne, 2006, Alison placed 4th before returning four years later in 2010, Delhi, to deliver New Zealand's first Gold medal of the Games. After nine years of competing at the top level Alison retired at the beginning of 2014.

Born and bred in Dunedin, Alison is now based in Cambridge, Waikato, with her husband Craig and young son Lucas.

Alison has a background in marketing having completed a double degree at Otago University, Bcom Hons in Marketing, BSc in Human Nutrition. During this time Alison played for the Otago Rebels netball franchise and was capped as a New Zealand U21 player. Alison also played basketball for Otago and has been a carded athlete as part of the original Academy of Sport system since 2001.

Alison now undertakes marketing contract work under her AS Performance Projects brand and continues her work as an NZOC Ambassador delivering inspiration to school children throughout New Zealand. Alison is a member of the NZOC Athletes Commission and was elected to the Cycling New Zealand board in 2014.

PETER MISKIMMIN, EX-OFFICIO

Peter Miskimmin is Chief Executive of Sport NZ, a role he has held since April 2008. He came to Sport NZ (then Sport and Recreation New Zealand) in late 2006, after 17 years at New Zealand Post where he was head of Corporate Sales. Prior to that he had held a number of senior management roles in the Marketing and Commercial division of New Zealand Post.

Peter has a wealth of experience as an athlete, coach, and administrator. A former captain of the New Zealand hockey team, he played 150 test matches for New Zealand from 1978 to 1992. He played at the 1984 Los Angeles and 1992 Barcelona Olympic Games as well as the 1982 and 1986 Hockey World Cups. He went on to become the leader of Athlete Services in the Games Management Team for the 1998 Kuala Lumpur Commonwealth Games, and the 2000 Sydney Olympic Games.

Peter is a former chairman of the New Zealand Olympic Committee's Athletes Commission, and has been a board member of the New Zealand Olympic Committee and the New Zealand Sports Foundation, and President of the Olympian Club.

IAN HUNT

Ian is a litigation partner with Young Hunter Lawyers in Christchurch, and has had extensive involvement in sport, legal issues affecting sport, ethical issues in sport, and the governance and management of sporting organisations.

Ian has acted for individual athletes, clubs, and NSOs over a wide variety of sports, in proceedings before the High Court, Sports Tribunal of New Zealand, the Court of Arbitration for Sport and numerous domestic Tribunals in relation to doping, selection, governance and conduct related matters.

Ian was the President of ANZSLA, the Australian and New Zealand Sports Law Association, between 2007 and 2012. He was an elected Director of Swimming New Zealand from October 2012 – September 2014 and was appointed as a member of the inaugural FINA Ethics Panel in 2013. Ian is the President of Broken River Ski Club Inc, is an Association Commissioner for New Zealand Cricket, and from 2004 – 2008 was the Chair of the Board of the Canterbury Flames netball franchise. Ian joined the Board of High Performance Sport New Zealand in July 2015.

Appendix F

HPSNZ and Sport NZ Community Sport Agreed Operating Principles and Protocols for Investment Recommendations

HPSNZ and Sport NZ Community Sport have worked closely to develop the following agreed set of operating principles and protocols to ensure an appropriate level of alignment and communication is achieved when determining the independent investment recommendations for HPSNZ and Sport NZ Community Sport.

Philosophy & Beliefs:

- HPSNZ and Sport NZ Community Sport have deliberate and separate strategies to deliver Government High Performance and Community Sport outcomes
- HPSNZ and Sport NZ Community Sport have different processes and approaches to allocate investment which are fit for purpose and target specific High Performance or Community Sport outcomes and strategic priorities
- HPSNZ and Sport NZ Community Sport independently lead, and have separate investment approaches, which enables absolute focus and clarity on ROI
- We mutually recognise the benefits of a seamless pathway for competitive sport and the end to end role and accountabilities of NSOs We mutually recognise that the investment decisions from either HPSNZ or Sport NZ Community Sport may have an impact on the delivery of each other's outcomes and the sustainability of the NSO.

Principles & Protocols:

- HPSNZ and Sport NZ Community Sport commit to proactively engage and consult each other in advance to fully understand the implications, risks and opportunities of increases or decreases in investment in priority NSO partners
- Any proposed decreases will need to specifically consider the sustainability and stability of the NSO partner and likelihood of the business impact of such a decision
- When considering investment [and the associated funding bucket] for the 'common areas' of talent and coaching, consideration will be given to the overall weighting of the specific NSO partner's value proposition to HP and CS outcomes
- HPSNZ and Sport NZ Community Sport recognise that some NSO High Performance and Sport NZ investment initiatives may not be mutually exclusive and a joint or shared investment approach may be considered [this will be reviewed on an individualised case by case basis]
- NSOs have legitimate operational costs [and a level of corporate overheads] that are required to enable HPSNZ and Sport NZ Community Sport outcomes to be achieved. The specific allocation or proportionate spend from HPSNZ and/or Sport NZ investment on this support is to be considered and determined on an individual sport and case by case basis.