



Sport and Recreation New Zealand

Post-election briefing for

Minister for Sport and Recreation

November 2008

Purpose

The purpose of this briefing is to provide the incoming Minister for Sport and Recreation with:

- a) an overview of SPARC;
- b) a description of governance and monitoring arrangements;
- c) an overview of the sport and recreation sector;
- d) a list of key issues in the current environment;
- e) an overview of priority issues; and
- f) background information about SPARC's relationship with other sport and recreation agencies.

Overview of SPARC

Establishment of a dedicated agency for sport and recreation

1. In 2000/01 a ministerial taskforce chaired by John Graham recommended the establishment of a single entity responsible for sport and recreation in New Zealand. The taskforce was prompted by a concern that although sport and recreation are central to the lives of New Zealanders, they had suffered as an area of policy development and investment for several reasons including lack of coordination, direction and resources. Establishment of a dedicated government agency to provide greater coordination and direction was integral to the taskforce's recommendations. The government agency would also be responsible for providing leadership in policy areas that required urgent attention, including coaching, regional delivery and volunteer development.
2. SPARC was subsequently established as a Crown agent on 1 January 2003 under the Sport and Recreation New Zealand Act 2002 to "promote, encourage and support physical recreation and sport in New Zealand". SPARC was established through the amalgamation of three agencies: the Hillary Commission (which was tasked with promoting participation in physical activity), the Sports Foundation (which funded elite sport), and part of the Office for Tourism and Sport (which provided policy advice on sport).
3. In November 2006 SPARC released an external review of its performance over the period 2002-06. The review was carried out by Deloitte. The review found that SPARC can be proud of its achievements. It noted that "the organisation has performed well, 'lifting the bar' across the board both in terms of its own performance and sector capability".

Functions and activities

4. SPARC's functions are set out in section 8 of the Act (see Appendix 1). Broadly, these cover investment, promotion of participation, support for capability development in the sport and recreation sector and provision of

policy advice. SPARC is unusual for a Crown entity in that it has a policy advisory function as well as operational functions.

5. The key areas of SPARC's functions are set out below, with a summary of SPARC's work programme in each of the areas.

Strategic Investment	<ul style="list-style-type: none"> • Formulating investment strategies to support long-term development of the sector. • Targeting investment to support sport and recreation organisations at the national and regional levels. • Coordinating investment by other organisations including territorial authorities and gaming trusts.
Policy and research	<ul style="list-style-type: none"> • Setting strategic policy for the sport and recreation sector in areas such as coaching, high performance sport, outdoor recreation and community-level sport. • Undertaking and disseminating research into participation levels, high performance sport, new technologies and other topics of importance to the sector.
Increasing participation	<ul style="list-style-type: none"> • Promoting participation in sport and recreation through national campaigns and sponsored events. • Supporting regional initiatives to promote participation in sport and recreation. • Assisting sport and recreation organisations to increase numbers of volunteers, officials, coaches and participants through national programmes. • Developing skill levels in young children through a national initiative that is delivered by local and regional organisations. • Supporting sport and recreation in schools through dedicated sports coordinators and teaching resources.
Development of sector capability	<ul style="list-style-type: none"> • Providing targeted advice and support to develop the capability of sport and recreation organisations at national and regional level. • Developing and disseminating of resources on governance and administration of sport and recreation organisations at all levels.
Dispute resolution	<ul style="list-style-type: none"> • Supporting the Sports Tribunal of New Zealand, an independent statutory body.

Funding of SPARC

6. In 2008/09 SPARC's budgeted total income of \$111.555 is forecast to derive from:
- Vote funding of \$73.159 million (forecast to decline to \$64.579 in 2009/10);

- New Zealand Lottery Grants Board funding of \$30.89 million;
- contract revenue of \$6.056 million; and
- interest and sundry income of \$1.45 million.

7. In 2008/09 Vote funding will be provided to SPARC through three separate output classes as follows:

Sport and recreation programmes	\$53.176 million for carrying out its functions under the Sport and Recreation Act.
Prime Minister's Sport Scholarships	\$4.250 million to fund scholarships for athletes, coaches, officials and other support persons.
Mission-On campaign	\$15.733 million to lead an inter-agency campaign and deliver 7 of the 11 initiatives that comprise the campaign. Note that most of this money was transferred from Votes Education and Health.

Expenditure

8. As total operating expenditure is forecast at \$114.914 million (2007/08: \$108.011 million), SPARC is expected to run a deficit of \$3.359 million for the 2008/2009 year (2007/08: \$2.712 million deficit). These deficits are funded from reserves.
9. The majority of SPARC's expenditure is budgeted for strategic investment into sport and recreation organisations. In 2008/09, this investment is forecast to total nearly \$80 million. In 2008/09 \$27.607 is budgeted to be spent on support for programmes that will be delivered by a frontline sport and recreation workforce, including staff of regional sports trusts. Administrative costs in 2008/09 are budgeted to be \$7.513 million.

Programme Investment	\$79.794 million (2007/08: \$75.709 million)
Programme support	\$27.607 million (2007/08: \$25.468 million)
Administrative Costs	\$7.513 million (2007/08: \$6.834 million)
Total expenditure	\$114.914 million (2007/08: \$108.011 million)

People

10. SPARC currently has a quota of 105 positions, including a mixture of frontline and administrative staff.
11. SPARC's delivery model means that most front-line services are provided through third parties such as regional sports trusts, national sport and

recreation organisations, sport and recreation coordinators in schools and the New Zealand Academy of Sport. For example:

- Secondary schools employ approximately 430 sports coordinators under contracts with SPARC.
- Regional sports trusts employ approximately 550 people in full-time and part-time roles.
- The New Zealand Academy of Sport regional operations employ approximately 75 staff.
- Approximately 100 people are employed in coach development roles through regional sports trusts and national sports organisations.

Governance and monitoring

Board of SPARC

12. The Board of SPARC is responsible for the governance of SPARC and the setting of SPARC's strategic direction. It usually holds ten formal meetings a year.
13. The Board currently comprises eight members, with one vacancy. The terms of four Board members, including the Chairperson, expire in mid-2009. Current Board members are:

Name	Biographical note	Expiry of term
John Wells (Chair)	Chairperson of the Board. Member of Remuneration Committee, Audit, Finance and Risk Management Committee, and Information Technology Review Board. Merchant banker and founding shareholder and Chairman of the Bancorp Group. Extensive governance experience in business and sport. Director of RNZ 2011 Ltd and Karapiro 2010 Ltd.	30 Jun 2009
Christopher Doig	Member, Remuneration Committee. Former CEO of NZ Cricket. Former professional opera singer with extensive governance experience in the arts and commercial sectors. Former Chair of the Arts Council	30 Jun 2009
Dr Sarah Sandley	Member of the Audit, Finance and Risk Management Committee. Publisher and CEO of NZ Magazines. Strong commercial background. Former Executive	30 Jun 2009

	Director of Sport Waitakere. Represented England and New Zealand at table tennis.	
Tina Karaitiana	Marketing Manager for Gisborne Herald. Former council member of the International Federation of Netball Associations. Former board member of NZ Netball and Sport Gisborne.	30 Jun 2009
Rob Fisher	Chairman of Simpson Grierson. Former Chairman of NZRFU and Vice-Chairman of the International Rugby Board.	30 Jun 2011
Donald Stewart	Chairperson of the Audit, Finance and Risk Management Committee. Managing Director of Skellerup Holdings Ltd. Former Chairman of Canterbury Rugby Union.	31 Mar 2010
Nicki Turner	Head of the School of Sport at Unitec Institute of Technology, Auckland. Former NZ Cricket representative. Former NZ Coaching Coordinator.	1 Sep 2010
Paul Allison	Chief Executive of Central Lakes Trust. Television and radio sports commentator. Former CEO of Sport Otago. Former international marathon runner.	1 Sep 2010

14. Board members are appointed by you after you have consulted with a Nominations Advisory Group¹ in accordance with sections 18 to 22 of the Sport and Recreation New Zealand Act 2002 and relevant sections of the Crown Entities Act 2004. The Ministry for Culture and Heritage manages the appointment process.

Management of SPARC

15. The Chief Executive of SPARC is Peter Miskimmin who was appointed to this role in April 2008. Peter has previously served on the Board of SPARC and has considerable experience in the corporate world as Head of Corporate Sales at NZ Post. Peter was a Board member of the New Zealand Olympic Committee from 1993 to 2000, a Board member of the New Zealand Sports Foundation from 1995 to 1999, and has been the President of the Olympian Club of New Zealand since 1999. Peter is a double-Olympian in the sport of hockey and is a high performance hockey coach.

¹ Current members of the Nominations Advisory Group are John Hart, Hon Barry Paterson and Ian Farrant

Your relationship with SPARC

16. SPARC was established as a Crown entity on 1 January 2003. The subsequent passage of the Crown Entities Act 2004 has established clear roles and responsibilities for the Board of SPARC and the Minister.
17. You are accountable to Parliament for the funding and performance of the Board and its obligations under the Crown Entities Act. The SPARC Board is the governing body responsible for decisions relating to the operations of SPARC.
18. The Crown Entities Act provides that you can direct SPARC to give effect to a government policy that relates to SPARC's functions and objectives. However, s10 of the Sport and Recreation New Zealand Act excludes from this any directions that relate to the allocation of funds to, or for the benefit of, any persons.
19. The formal power of direction set out in the Crown Entities Act has only been used once in relation to any portfolio. The usual practice is for Ministers and Boards to engage in an 'ongoing conversation' on strategic issues to ensure that Boards have a clear understanding of government policy. To this end, the Chairman and Chief Executive of SPARC are accustomed to monthly meetings with the Minister to update him/her directly on issues and progress.
20. It is usual for a staff member from SPARC has been seconded to the Minister's office to act as private secretary, manage ministerial processes and your relationship with stakeholders, and provide advice in relation to the portfolio.

Monitoring department

21. The Ministry for Culture and Heritage (MCH) provides you with purchasing and monitoring advice in relation to SPARC and the other agencies in the sport and recreation portfolio.
22. More information including key reporting dates can be found in the 2008/09 Memorandum of Understanding (MOU) between the Minister and SPARC.

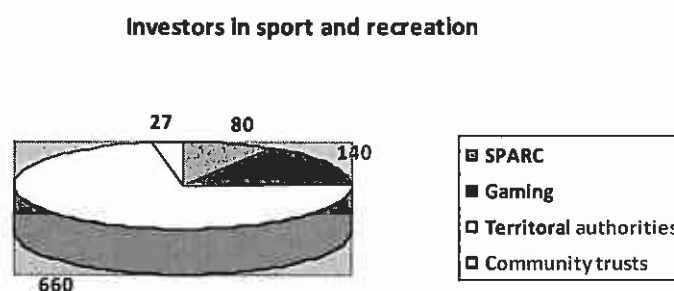
Overview of the sport and recreation sector

SPARC's delivery model to the sector

23. SPARC works with a wide range of partners. These partners deliver sport and physical recreation at 'grassroots' to New Zealanders. There are an estimated 15,000 clubs and gyms at a local level, and approximately 800,000 volunteers support these clubs and organisations.
24. Because of the vast number of organisations in the sector, SPARC's delivery model is to liaise directly with national-level sport and recreation organisations and regional sports trusts and invest in them strategically to manage the development of their sports and recreational activities at regional and

grassroots level. That is, SPARC is not primarily a delivery agency, but is responsible for direction-setting and strategic investment. A diagram in appendix 2 illustrates SPARC's relationships in the sport and recreation sector.

25. While SPARC targets its investment mainly at national and regional organisations, grassroots investment is predominantly provided by territorial authorities (estimated at \$660 million per annum) and gaming and community trusts (estimated at \$140 million and \$27 million per annum respectively). SPARC is increasingly working with these organisations to maximise the value returned from their investment by encouraging a more strategic and coordinated approach to funding. The following diagram illustrates the estimated amounts invested each year in millions of dollars:



National Sport and Recreation Organisations

26. SPARC recognises approximately 80 national sport organisations (NSOs) that are the peak organisations for their sport in New Zealand. Recognition as an NSO does not automatically result in investment from SPARC. Investment is contingent on the NSO's ability to increase participation or achieve high performance sporting success. Recognition does, however, increase the likelihood that an NSO will receive funding from third parties such as gaming trusts.
27. SPARC also recognises a number of national recreation organisations (NROs) that are important stakeholders in the recreation sector. These are a mix of delivery, educational and advocacy organisations and include the Mountain Safety Council, Outdoors New Zealand, and the Sir Edmund Hillary Outdoor Pursuits Centre. Investment in these bodies is contingent on their ability to influence participation in recreation.

Regional sports trusts

28. Regional sports trusts (RSTs) form a network of 17 independent, community-based organisations, with 50 satellite offices around New Zealand that deliver community-level ('grassroots') sport, recreation and physical activity initiatives. In 2008/09, SPARC will invest a total of approximately \$18 million in the RSTs to deliver nationwide programmes such as Push Play, Green Prescriptions, Active Schools and Coachforce.

29. SPARC also invests in RSTs to facilitate locally-developed or regional-level initiatives, such as a recent initiative to develop leadership and governance skills in regional sports organisations, or the establishment of regional sports houses, where community-based sports organisations can share facilities, expertise and reduce their operational overheads.

Territorial authorities

30. Territorial authorities invest over \$600 million per annum in sport and recreation. SPARC has been developing and strengthening relationships with the largest territorial authorities over the last two years in order to encourage coordination and collaboration between territorial authorities and sector organisations (particularly the RSTs).

Gaming

31. Current estimates indicate that gaming machine societies and community trusts make annual grants to the sector totalling approximately \$167 million - gaming being the larger portion at \$140 million. Allocations from these bodies largely contribute to the areas of community sport and facilities. SPARC is developing strategic partnerships with these groups to encourage greater efficacy in making grants. SPARC also provides advice to the sport and recreation sector on the challenges, impacts and trends with gaming grants in particular. SPARC maintains regular contact with the Department of Internal Affairs on gaming matters.

Government agencies

32. SPARC works closely with a range of government partners, in particular the Ministries of Health and Education (sharing programmes, research and interventions in schools and communities), the Department of Conservation (on outdoor recreation matters), the Department of Internal Affairs (gaming funding distribution and regulation), and ACC (injury prevention and levy setting).

Key issues in the operating environment

33. There is evidence that SPARC's response to declining participation levels has been working. The latest evidence shows that New Zealanders' participation in sport and recreation, volunteering and being members of a club or centre has remained relatively stable between 2001 and 2008. This is against a backdrop of international trends of declining physical activity and increasing sedentary behaviour.
34. Similarly, SPARC's High Performance Strategy appears to be having a beneficial effect on elite sport, with a steadily increasing number of athletes placing in the world top-16 in the targeted sports and a significant improvement in results at the 2008 Beijing Olympics as compared to the 2004 Athens Olympics.

35. There is, however, a wide range of challenges facing the sport and recreation sector. Without attention to these challenges, it is likely that participation in sport and recreation will restart declining. For example:
- Some national organisations have poorly developed infrastructure and are not delivering adequate support to their regional or club network. Organisations also face challenges attracting and retaining qualified and competent staff. Sport and recreation at grassroots is not, on the whole, a high salary industry, and the recruitment, retention and up-skilling of the human resource is a constant struggle. In addition, although financial and non-financial resources available to sport and recreation organisations have increased over the past four years, these are still limited and highly contested.
 - New Zealanders are participating in more informal sport and recreation – such as ‘pay-for-play’ where they may not belong to a club but take advantage of events or activities on an irregular basis. The traditional club structure is struggling to find its place in this new environment, and commercial providers are becoming an increasingly important part of the sector.
 - Winning on the international stage is becoming increasingly challenging for New Zealanders. Being a small country, we have a smaller pool of athletes, and less access to expertise and resources than our much larger rivals. We have to be innovative and strategic in how we invest, and build upon our ability to adapt quickly to opportunities.
 - SPARC focuses on improving New Zealand’s high performance infrastructure through people, planning and targeted investment. SPARC contracts the New Zealand Academy of Sport to deliver performance services (sport science, sport medicine and athlete career education) to athletes and coaches identified by national sports organisations. Most New Zealand sports organisations do not have the resources to sustain full high performance programmes on their own and, as a result, many of the high performance programmes require significant support from SPARC. One particular weakness within high performance sport in New Zealand is talent development: there is a lack of integrated and well resourced pathways for identifying and developing talented athletes into world champions.

Priority issues for SPARC

Strategic Direction 2009-2014

36. A new strategic plan is being prepared for the period 2009-2014. The strategic plan is in the early stages of being drafted at present, and the Board of SPARC

looks forward to receiving your views on the government's priorities for sport and recreation and the strategic direction of SPARC.

Community Sport

37. The majority of New Zealanders access sporting opportunities at a community level. SPARC is currently reviewing community sport to inform its business planning for the next strategic period 2009-2014 and develop a Community Sport Strategy.
38. The community sport review will provide SPARC with an overview of the community sport sector and information on which to build an evidence base that can inform SPARC's future investment and leadership. SPARC aims to complete consultation with the sport sector by January 2009, with the final report completed by the end of February 2009.
39. Coaching is crucial to grassroots sport. Coaching is a priority area for SPARC, and a National Coaching Strategy has been in implementation for the past three years. There is further work to do to streamline SPARC's investment in coaching to deliver more effective results for sports.
40. SPARC works closely with the Ministry of Education to provide schools with resources that increase participation by young people in sport and recreation. This includes the provision of 433 sport facilitators in secondary schools and the development of resources for primary school teachers the (Active Schools initiative).
41. SPARC's Active Movement programme, delivered through regional sports trusts and community organisations, helps to develop fundamental movement skills in under-5s.

High performance

42. SPARC is currently debriefing and reviewing the performance of the New Zealand team at the Beijing Olympics. This review will assist in the development of tactics to keep improving New Zealand's high performance results. The results of the debrief are due by 31 December 2008.
43. SPARC's high performance programme is guided by the High Performance Strategy 2006-2012, which is building up to the 2012 London Olympics. SPARC's work in high performance does not stand alone from the rest of the organisation, but depends on the delivery of high numbers of participants with the skills and commitment to participate at the highest levels. This in turn depends on the development of regional and national sports organisations with the capability and expertise to identify and develop talent and provide coaching, support services and facilities of the highest standards.

Outdoor recreation review

44. In early 2007 the Minister for Sport and Recreation, in agreement with the Minister of Conservation, requested that SPARC lead a review process of

outdoor recreation. The review commenced in May 2007. Following Cabinet approval, a discussion document was released on 1 July 2008. Analysis of submissions was completed early in October 2008 with a draft strategy developed for targeted consultation with government and non-government groups by December 2008. In October 2008, SPARC announced that it was establishing an expert advisory council named after Sir Edmund Hillary to assist in developing and implementing the strategy. A Cabinet report back is scheduled for December 2008. A final strategy is scheduled for release in February 2009.

Governance and leadership support

45. SPARC provides expert advice to NSOs on the development of organisational capability. This advice includes targeted interventions to improve the performance of national organisations through a CEO leadership training programme and a nationwide seminar series designed to improve the governance and management of organisations.
46. In addition to these targeted initiatives and support, SPARC has developed a series of resources that are available to the wider sector. These include Club Kit (targeted at community sports and recreation clubs), people management, health and safety, planning, sponsorship resources, and tools to assist local, regional and national organisations to source funding for their operations.
47. Over the next three years, SPARC will be putting more energy into developing the next tier of sport and recreation organisations below the national level. To develop organisational strength at a regional level, SPARC will start by rolling out regional leadership and governance programmes in 2008/09.

Promotion of participation

48. Push Play, SPARC's national physical activity campaign, provides the public with encouragement and support to take up sport and physical recreation. The campaign, now in its ninth year, has moved from being simply an awareness campaign, both of the need to be active and the benefits of being active, to a call to action. SPARC partners with regional sports trusts, territorial authorities and national sport and recreation organisations to deliver the campaign at a community level. SPARC is currently undertaking an extensive evaluation of Push Play. The final report is due to SPARC in April 2009.
49. SPARC also partners with ACC to promote the Active Smart website which allows people to develop customised, walking, running and cycling programmes as well as a number of sport-specific training programmes.

Research

50. The Active New Zealand Survey (undertaken during 2007/08) is the primary measure of participation in sport, recreation and physical activities of New

Zealanders aged 16 and over.² The survey provides information on how active we are, in what sports and physical activities we participate, the duration and intensity of physical activity, and involvement in sport and recreation as a volunteer, club or centre member or in organised events/competitions.

51. The new research also shows that there has been no fall off in overall participation levels since the previous comparable survey in 2001. On any given week, 80 percent of New Zealanders aged 16 and above participate in a sport or recreation activity – that's 2.6 million Kiwis having a go every week.
52. The data also shows that almost half the adult population meet the minimum recommended physical activity guidelines, that is, they did 30 minutes of moderate intensity physical activity on at least five days a week. A further 20 percent of adults are close to meeting that target.
53. The results from the Active New Zealand Survey will provide input into SPARC's decision making and help inform the strategic plan. The participation results for different groups and regions (e.g. gender, ages or ethnicities) may also identify areas of work and investment. The survey results will also provide key information to our partners (regional sports trusts, national sports organisations, national recreation organisations, and some of the larger territorial authorities) around participation in sport and recreation and physical activity levels.

Other sport and recreation agencies

Overview

54. There are two other agencies in your portfolio: Drug Free Sport NZ, an independent Crown entity based in Auckland, and the Sports Tribunal, an independent statutory tribunal.

Anti-doping agencies

55. The Government's interest in anti-doping matters is represented by three agencies:
 - Drug Free Sport NZ, which provides technical advice on anti-doping, carries out New Zealand's anti-doping programme, and is a signatory to the World Anti-Doping Code. Drug Free Sport NZ is represented on

² Data was collected from 4,443 respondents between March 2007 and March 2008. The survey obtained an overall response rate of 61 percent. A previous survey, the *New Zealand Sport and Physical Activity Survey* (NZSPAS), was undertaken three times by the Hillary Commission (last conducted in 2001). A 'topline' report on national level data was published by SPARC on 14 November 2008. Further breakdown of data at a regional level will be released in December 2008. Further releases for 2009 include sport and recreation activity profiles by code and a volunteer profile. A full report containing in-depth descriptive findings and statistical analysis will also be prepared in 2009.

international anti-doping committees, including WADA's technical committees and the Association of National Anti-Doping Organisations. Drug Free Sport NZ provides anti-doping programmes for national sports organisations.

- SPARC provides policy advice on anti-doping (including legislation) and represents New Zealand's international policy interests at a government-to-government level including through UNESCO's International Convention Against Doping in Sport. SPARC requires national sports organisations to have anti-doping policies that comply with the World Anti-Doping Code.
 - The Sports Tribunal of New Zealand is the national hearing body on anti-doping matters (along with its dispute-resolution mandate).
56. All three agencies have a collaborative relationship and work closely together. The New Zealand Olympic Committee also works closely with Drug Free Sport NZ on anti-doping issues.
57. As Minister for Sport and Recreation, you represent New Zealand and Oceania on the Foundation Board of the World Anti-Doping Agency. Meetings of the Foundation Board occur in Montreal in November and May each year. If you are unable to travel to these meetings, officials are available to represent you.

Sports Tribunal of New Zealand

58. The Sports Tribunal is an independent, statutory body that hears certain disputes on sporting matters and handles anti-doping cases brought by Drug Free Sport NZ. SPARC established the Sports Tribunal in 2003 to hear sports-related disputes and anti-doping matters. The Sports Tribunal was subsequently given a statutory footing under the Sports Anti-Doping Act 2006, which also expanded the Tribunal's anti-doping functions.
59. The Sports Tribunal is funded, housed and serviced by SPARC under a memorandum of understanding between the Minister, the Board of SPARC and the Tribunal.
60. Members of the Sports Tribunal are appointed by the Governor-General on your recommendation after consultation with the Board of SPARC. The current Chairperson of the Sports Tribunal is Hon Barry Paterson, a retired High Court Judge.

Appendix 1

List of SPARC's functions

Section 8, Sport and Recreation New Zealand Act 2002

8 Functions

The functions of the Agency are to—

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

Appendix 2

Picture of SPARC's relationships with other organisations

