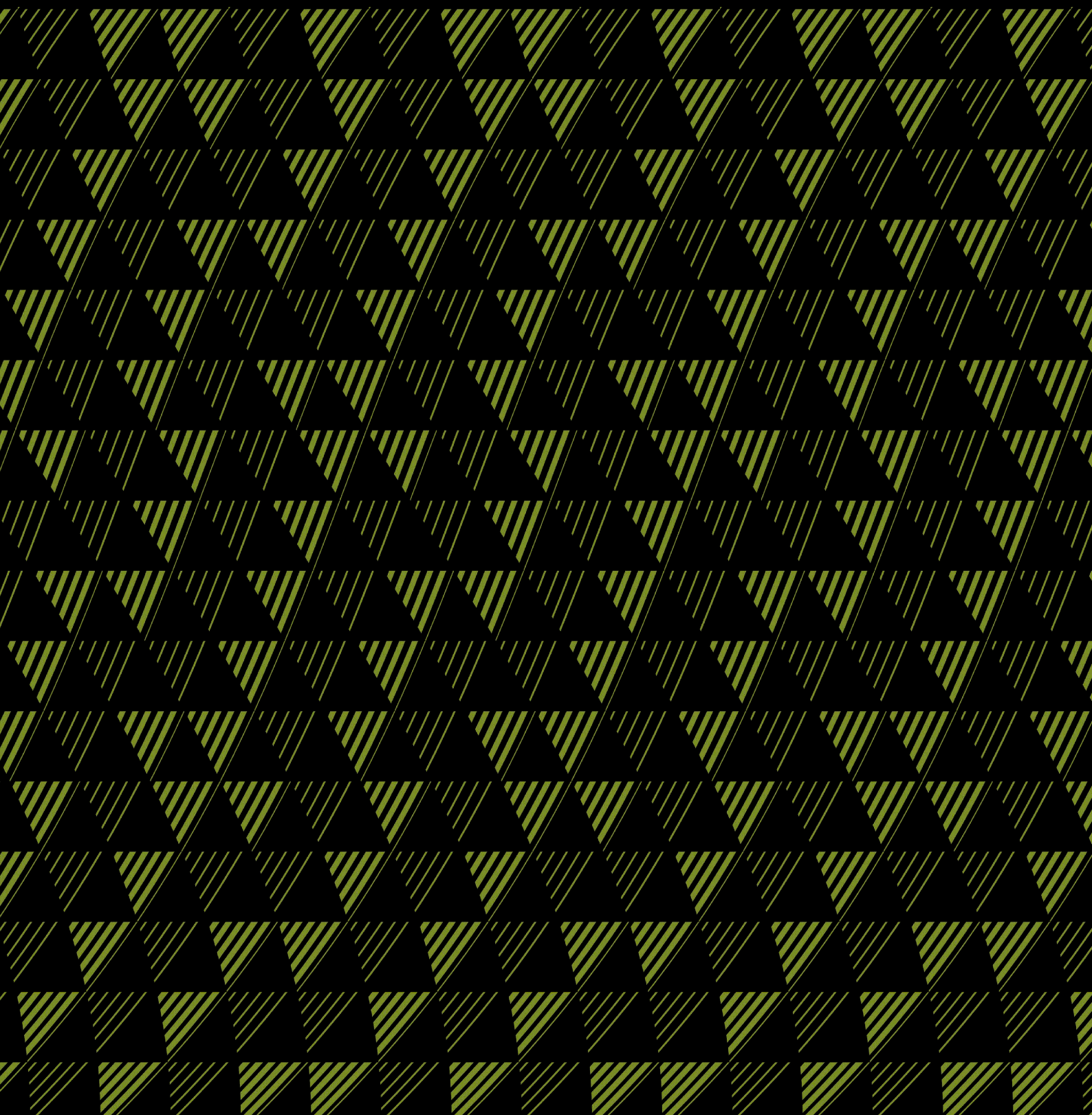




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**Statement of Performance Expectations**  
**Te Tauākī o Ngā Tūmanakohanga Whakatutuki**

**2024/25**



Published in November 2024

Sport Integrity Commission Te Kahu Raunui  
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# Statement of authorisation

## Te tauāki noho haepapa

This Statement of Performance Expectations reflects our proposed activities, performance targets and forecast financial information for the year ending 30 June 2025.

This Statement of Performance Expectations should be read with our Statement of Intent 2024-2028. It is prepared in accordance with the Crown Entities Act 2004.

We are responsible for the Prospective Financial Statements and Statement of Performance Expectations contained in this document. We consider that they fairly reflect the organisation's expected financial position and performance results for the year ending 30 June 2025, in accordance with the Crown Entities Act 2004.

We authorise this Statement of Performance Expectations on behalf of the Board of the Sport Integrity Commission Te Kahu Raunui.

Don Mackinnon  
Chair  
6 November 2024

Adine Wilson  
Board member  
6 November 2024



# Introduction

## Kupu whakataki

Everybody involved in sport and recreation in Aotearoa New Zealand should expect to be safe and treated fairly, free from abuse and harm.

The Sport Integrity Commission Te Kahu Raunui (the Commission) started operations on 1 July 2024. We are an independent Crown entity established under the Integrity Sport and Recreation Act 2023.



**We exist to make sure everyone can trust — and be confident — that sport and recreation in New Zealand is safer and fairer.**



## Establishing the Commission

In December 2020 the Government set up the Play, Active Recreation and Sport Integrity Working Group (IWG) in response to the Sport Integrity Review 2018 and independent reviews (here and overseas) into bullying, abuse, and other poor behaviour.

The IWG recommended an independent organisation be established to manage integrity in sport and recreation. It also recommended folding Drug Free Sport New Zealand and Sport NZ's integrity functions into the new organisation, and introducing a code of integrity that sets out minimum standards to address integrity issues.

## Transition of anti-doping services

Drug Free Sport New Zealand (DFSNZ) was the independent Crown entity responsible for implementing the World Anti-Doping Code through New Zealand's Sports Anti-Doping Rules. DFSNZ was disestablished on 30 June 2024. Its assets, liabilities, and functions transferred to the Commission.

## Transition of integrity resources, and complaints and resolution service

Sport NZ first introduced an Integrity Framework in 2016 to support the sector in taking a consistent approach to a wide range of issues that can compromise the integrity of sport.

Sport NZ undertook a comprehensive integrity review in 2018. This involved extensive consultation with partners, other sector stakeholders and the public. The resulting report, published in 2019, outlined 22 recommendations, which Sport NZ then began to implement.

These recommendations resulted in Sport NZ launching an integrity guidance portal in October 2020 (containing a range of free resources and e-learning to support all sport and recreation organisations) and the Sport and Recreation Complaints and Mediation Service (SRCMS) in February 2021 (an independent service which was free and available to everyone involved in sport and recreation in Aotearoa New Zealand, from grassroots to elite level). These services have transitioned to the Commission.

Under the Integrity Sport and Recreation Act 2023, the Commission is now responsible for providing guidance, online learning, and policies to improve the integrity of sport and recreation in New Zealand, and for providing complaints and dispute resolution services, including investigations. We are committed to enhancing and developing those services.

## **Our first year of operation**

This Statement of Performance Expectations (SPE) sets out how we will measure performance in our first year of operation, from 1 July 2024 to 30 June 2025. We will report on progress against this in our first annual report. There are no prior measures to report on in this SPE.

As with any new entity, we have a lot of work to do to establish functions, processes, and ways of working. We will also review processes of the former DFSNZ functions to ensure we carry out our anti-doping responsibilities and activities effectively.

It will take time to form the relationships necessary to provide strong leadership, to connect with our stakeholders to understand how they prefer to engage with us, and to fully establish our role as a Crown entity providing a public service.

We also need to balance this against the urgency to provide good resources and services to ensure that sport and recreation is safer and fairer for everyone.



## Our functions

The Commission was established under the Integrity Sport and Recreation Act 2023. Section 13 of the legislation sets out the functions of the Commission, as below.

### Promoting, advising, and leading on integrity in sport and recreation

- ▶ To provide advice, support, education, and guidance relating to integrity in sport and organised physical recreation.
- ▶ To advocate and promote respect for, and enhance understanding and appreciation of, integrity in sport and organised physical recreation.
- ▶ To engage with the sport and physical recreation sector to monitor developments relating to integrity.
- ▶ To be a leader on integrity issues in sport and organised physical recreation within Government and to co-ordinate with relevant international bodies.

### Integrity codes, investigations, discipline, and dispute resolution

- ▶ To develop and issue integrity codes under Part 3.
- ▶ To provide mechanisms for complaints and disclosures relating to integrity in the sport and recreation sector.
- ▶ To provide accessible, age appropriate, and culturally responsive mechanisms for resolution of disputes relating to integrity between persons or organisations involved in sport and organised physical recreation.
- ▶ To investigate matters relating to integrity in the sport and physical recreation sector in accordance with Part 4.
- ▶ To provide a disciplinary process for breaches of integrity codes.

### Sports anti-doping

- ▶ To make anti-doping rules in accordance with sections 23 to 26.
- ▶ To do all things necessary to comply with and implement the anti-doping rules.
- ▶ To do all things necessary to comply with and implement any Article of the World Anti-Doping Code that:
  - ▶ is not required to be reflected in the anti-doping rules; but
  - ▶ requires the Commission to do something.



- To facilitate compliance by New Zealand with all international agreements and arrangements concerning doping in sport to which New Zealand is a party.
- To test athletes who are not citizens or residents of New Zealand, and notify the test results, in accordance with bilateral or multilateral agreements entered into with foreign Governments, foreign anti-doping organisations, or other signatories to the World Anti-Doping Code, and enter into reciprocal testing agreements in relation to athletes who are citizens or residents of New Zealand.
- To consult, advise, and assist:
  - government departments, local authorities, Sport and Recreation New Zealand, the New Zealand Olympic Committee Incorporated, Paralympics New Zealand, national sporting organisations, athletes, and other bodies or persons on any matters concerned with doping in sport, and related matters
  - government and non-government organisations and other persons overseas, for the purpose of promoting the adoption of uniform international testing procedures for doping in sport.

## General

- To advise the Minister from time to time on any matters related to integrity in sport and organised physical recreation.
- To generally take all steps necessary or desirable to achieve the purposes in section 3(a) and (b).
- To perform any other functions that:
  - are conferred on the Commission by this or any other enactment
  - the Minister may direct in accordance with section 112 of the Crown Entities Act 2004.





# Who we are and what we do

## Ko wai mātou, he aha ā mātou mahi

Our role is to help make sport and recreation experiences in Aotearoa New Zealand safer and fairer.

Our statutory purpose is to:

- enhance integrity within sport and physical recreation to protect and promote the safety and wellbeing of participants, and the fairness of competition
- implement the World Anti-Doping Code in New Zealand.

We are New Zealand's national anti-doping organisation. We are a signatory to the World Anti-Doping Code which provides a common set of rules, requirements and sanctions that all anti-doping organisations must apply.



**Ensuring that all participants are protected and children are safeguarded is at the heart of our work.**



We focus on preventing and responding to behaviours that undermine integrity in sport and recreation. We call these threats to integrity. These are:

- manipulation or attempted manipulation of the result or course of a sporting competition or activity
- sports betting activity connected with competition manipulation, or the misuse of inside information connected with competition manipulation or sports betting
- doping in sport
- racism, discrimination, bullying, violence, abuse, sexual misconduct, intimidation or harassment
- corruption, fraud, and other forms of deception or breach of trust
- an organisation in the sport and recreation sector failing to take measures to prevent these threats or to safeguard children.

As an independent Crown entity, we operate at arm's length from the Government. This means the Government cannot direct our work and we are independent of Government policy, though may have regard to it.



# How we assess our performance

He pēhea mātou e aromatawai ai i te pai o tā mātou mahi

## How the Statement of Performance Expectations and Statement of Intent work together

Our Statement of Intent (SOI) sets out our strategy for the four years to June 2028. It explains our long-term strategic direction, desired outcomes, and priorities. This Statement of Performance Expectations (SPE) sets out what we will do in 2024/25 against the strategy, and how we will measure progress against these annual targets. This SPE and our SOI for 2024–2028 should be read together.

Our first annual report will provide an assessment of progress against the outcomes and the performance measures outlined in this SPE.






## Output class

We have a single reportable class of output which is: Services from the Integrity Sport and Recreation Commission. The appropriation for 2024/25 is \$10.628 million. This appropriation is intended to achieve improved integrity outcomes in New Zealand's sport and active recreation sector, including through a Code of Integrity for Sport and Recreation.

## Cost of services from the Sport Integrity Commission

	Budget 2025
	\$000
Crown funding	10,628
Funding transferred from Sport NZ	5,895
Other revenue	482
<b>Total revenue</b>	<b>17,005</b>
<b>Total expenditure</b>	<b>13,985</b>
<b>Net surplus</b>	<b>3,020</b>

## Performance assessment and annual expectations

Performance indicator	Target 2024/25
 <p>Percentage of people who agree or strongly agree that the learning outcomes have been achieved on education modules they have completed.</p> <p>Note: This measure excludes anti-doping education.</p>	80%
 <p>Total number of people receiving sports anti-doping education through workshops and/or online learning at all ages.</p>	10,000
 <p>Percentage of complaints responded to within three working days.</p>	90%
 <p>Number of samples (urine and blood) collected from athletes.</p> <p>Note: The Integrity Sport and Recreation Commission also undertakes user-pays testing – these numbers are not included in this performance indicator.</p>	1,100
 <p>Elite athletes believe their sporting contests in New Zealand are influenced by doping.</p> <p>Note: Elite athletes for this indicator are those in two sports anti-doping testing pools.</p>	< 10%

To support ongoing performance assessment, in 2024/25 we will:

- further develop our performance framework
- implement robust measurement of performance against targets and priorities.



## Our performance framework

Our purpose is to enhance integrity within sport and physical recreation to protect and promote the safety and well-being of participants and the fairness of competition.

### **Our four long-term outcomes will demonstrate that we are achieving our purpose**

- ▶ Participants are safer, treated equitably, and their rights are respected.
- ▶ Sport and recreation organisations have strong integrity cultures.
- ▶ Competitions and activities are clean, fair and inclusive.
- ▶ We are a trusted source of integrity leadership and support.

### **We know we are on track to achieving our long-term outcomes when we see more of these**

- ▶ Participants recognise threats to integrity.
- ▶ Participants can easily access education and resources that meet their needs and/to support their understanding of integrity.
- ▶ Sport participants can easily access education and resources that support their understanding of the Sports Anti-Doping Rules.
- ▶ Participants are confident to raise integrity issues with the relevant sport or recreation organisation or the Commission.
- ▶ Participants are confident that threats to integrity are dealt with consistently and fairly across sport and recreation.
- ▶ Sport and recreation organisations have processes in place to identify and address issues, and are using them confidently.
- ▶ Sport and recreation organisations have a clear understanding of their own performance in preventing and addressing integrity issues, know what to do to improve, and are implementing those improvements.
- ▶ Doping in sport is detected and deterred.

**We have four strategic priorities for 2024 to 2028. They are:**

- Strategic Priority 1: Lead a strengthened integrity system
- Strategic Priority 2: Work together to lift integrity capability
- Strategic Priority 3: Deliver trusted and participant-centred services
- Strategic Priority 4: Insights-led and transparent.

Information about what we will do to achieve our strategic priorities is provided in our SOI 2024–2028.

**This is how we will measure our impact in 2024/25**

- People agree that learning outcomes have been achieved on education modules they complete.
- Complaints are responded to within three working days.
- Number of samples collected from athletes.
- < 10 % Elite athletes believe their sporting contests in NZ are influenced by doping.
- Number of athletes receiving sports anti-doping education.

These measures are established in the Estimates of Appropriations for 2024/25.



## Our focus for 2024/25

We exist to make sport and recreation safer and fairer. We do this by:

- providing excellent education, guidance and policies for participants and sport and recreation organisations
- providing timely, independent and accessible resolution services
- engaging with the sport and recreation sector at all levels
- operating a robust anti-doping programme
- conducting high quality investigations as required.

To help deliver on our strategic priorities, our focus for 2024/25 is to:

- establish our new statutory functions
- build awareness of our organisation, our role in the sector, and our services
- finalise and release the Code of Integrity for Sport and Recreation (Integrity Code), and support organisations to adopt it
- finalise and release the 2025 Sports Anti-Doping Rules and maintain the testing programme
- develop guidance, education and policies to support participants and our sport and recreation sector to lift integrity capability
- develop and strengthen relationships across the sport and recreation sector.

## Establishing our functions, systems, and processes

### Our people

We are committed to being a good employer and supporting the wellbeing of our staff. Twenty-three staff members transferred over from Drug Free Sport New Zealand to the Commission, forming the foundation of our new structure. New roles are being filled in 2024/25 to enable us to build our organisation to carry out our functions.

We are creating a working environment that supports personal and professional development, with the aim of attracting and retaining a highly capable team committed to making sport and recreation safer and fairer for all New Zealanders.

We are also working towards developing greater cultural capability for our people to meet our commitment to tikanga Māori and te Tiriti o Waitangi. We will support our people to progress their capability and weave te ao Māori into our day-to-day work, internally and with the sector.



**The integrity of our people is fundamental  
to our reputation.**



We will protect that reputation by appropriately vetting all new employees, providing staff training, and ensuring new and existing processes and activities meet or exceed our values to uphold integrity and doing what's right. We will also further develop our organisational values.

### **Value for money**

We are being established in a restrained fiscal environment. As we design new services and develop new functions, we will consider a range of delivery options through a lens of ensuring value for money.

We are forecasting an operating surplus for 2024/25. This operating surplus is due to the transfer of 2023/24 funding for the establishment of the Commission, and is required to provide the funds for the acquisition of capital assets that will support our operations for the next decade and more. We are forecasting a modest cash balance after operating and capital expenditure.

Our forecast for 2025/26 shows the impact of inflationary pressures on core operating costs, and it is already apparent that we will need to achieve savings in outyears to be able to deliver current levels of service.

We anticipate growing demand for resolution services as people become more aware of them, and as we promote adoption of the Integrity Code. We will focus on including adaptable delivery options to meet the needs of individuals and different groups, while keeping those services cost efficient. We will also prioritise the development of tools and resources to help clubs and organisations resolve issues themselves.

### **Insights and monitoring**

As a new Crown entity, it's important that we progress quickly to develop how we gather insights and to make sure they are robust and evidence based. We will carefully monitor to ensure our services are fit for purpose, threats to integrity are addressed, and sport and recreation is safer and fairer for all.



This will help us deliver on Strategic Priority 4 (being insights-led and transparent).

We have partnered with Auckland University of Technology (AUT) to gather insights into how threats to integrity are perceived and dealt with in New Zealand's sporting communities.

The National Sport Club Survey (NSCS) is run through a partnership between AUT's Sport Performance Research Institute New Zealand (SPRINZ) and the New Zealand Amateur Sport Association (NZASA). The survey included questions about integrity for the first time in 2023, providing information from 800 clubs across 80 sports about how often integrity issues are discussed, clubs' preparedness to manage integrity issues, and how clubs are creating a safer environment to encourage people to raise integrity issues. We have revised the survey questions about integrity for the 2024 NSCS, including to gain information about awareness of the Commission.

We will use anonymised data from our resolution service to help identify and build a more accurate understanding of serious issues and how often they happen. Additionally, one of the requirements for organisations who adopt the Integrity Code is that they must notify us of serious integrity issues. This will help us prioritise topics and resources for further development, and perform our monitoring role.

We will be gathering insights from people completing our online learning and using our tools and resources, to make them appropriate and accessible for everyone in sport and recreation.

## **Lifting integrity capability across the sector**

This will help us deliver on Strategic Priority 1 (leading a strengthened integrity system) and Strategic Priority 2 (working together to lift integrity capability).

The scope and scale of the sport and physical recreation sector in New Zealand is vast and varied. Organisations range from large national sport organisations with paid staff members, through to small local clubs that rely entirely on volunteers to govern, manage and deliver their activities. The capability and capacity of these organisations to address integrity issues also varies significantly.

## **Resources to lift capability**

The resources we are developing include online learning courses, good practice guidance, sample policies, and other content. They will support organisations to meet the minimum standards in the Integrity Code, and to generally uplift integrity capability. We are using evidence-based research and experts to develop resources. They are free and easy to access on our website.

In 2024/25, we will deliver resources and learning material for organisations and participants. The subjects they cover include:

- an introduction to integrity
- child safeguarding and protection
- participant protection
- safe coaching and instructing
- anti-doping
- anti-discrimination
- anti-corruption and competition manipulation.

## Issuing the Integrity Code

The Integrity Code is a key component of our work to lift capability right across the sector. It is a tool to help organisations raise the bar when it comes to integrity issues like bullying, discrimination and safeguarding, and protecting tamariki and rangatahi. It aims to enhance the integrity capabilities of organisations and set consistent standards across the sector.



**The Integrity Code is a tool to help organisations raise the bar when it comes to integrity issues like bullying, discrimination and safeguarding, and protecting tamariki and rangatahi.**



The Integrity Code does not cover anti-doping services as this sits under the Sports Anti-Doping Rules.

We are also developing and providing guidance, policies, and education to support the Integrity Code and generally raise capability.

We will consult on the draft Integrity Code in 2024, including targeted consultation within the sport and recreation sector and interested groups.

We will finalise and publish the Integrity Code in 2025, making it available for organisations to adopt. Our efforts will then turn to supporting organisations to adopt the Integrity Code and align with the standards it sets.

## Issuing Sports Anti-Doping Rules

New Zealand's Sports Anti-Doping Rules give effect to the World Anti-Doping Code in New Zealand. They aim to keep sport fair for everyone involved. They apply to every member of every sport that has adopted or agreed to them – irrespective of age, level of competition and role in sport. Most national sports organisations in this country have adopted them. They apply to athletes, coaches, administrators and support personnel.

We update the Sports Anti-Doping Rules annually. In 2024/25 we will consult with national sport organisations, athletes, the Sports Tribunal, Māori, and the Privacy Commissioner on changes that will become effective on 1 January 2025.

We are committed to continuing to deliver high-quality anti-doping education to support athletes to understand and meet their rights and obligations under the Sports Anti-Doping Rules.

## People-centred services

### Developing and strengthening partnerships with the sector

Sport and recreation in New Zealand involves a broad range of people participating in many roles – leaders, officials, athletes and participants, coaches and trainers – as employees and volunteers, whānau and communities.

Our work involves developing and strengthening partnerships with the sport and recreation sector here and overseas to successfully achieve our purpose.

This year, we will focus on:

- growing the sector's awareness of the Commission, our role, and the Integrity Code
- converting awareness of the Integrity Code to adoption and alignment
- maintaining engagement with athletes and key stakeholders to continue to lead a culture of clean sport in New Zealand
- developing relationships and participating in engagement opportunities with organisations and individuals
- developing opportunities to collaborate with international partners on integrity matters
- implementing a Memorandum of Understanding with Sport New Zealand Ihi Aotearoa, to help ensure clarity of our organisations' respective roles in the sector.

This will help us deliver on Strategic Priority 1 (leading a strengthened integrity system) and Strategic Priority 2 (working together to lift integrity capability).

## Resolution services

We provide complaints and dispute resolution services including conducting investigations that address threats to integrity.

The complaints we receive involve sensitive and complex issues that affect participants including athletes, families and whānau, children and young people. We play a critical role in resolving these matters fairly and transparently, in line with the Integrity Sport and Recreation Act 2023, the Integrity Code and the World Anti-Doping Code.

Our focus in 2024/25 is on ensuring there is a clear and effective complaints process that protects and promotes the safety and wellbeing of participants. We will build on our existing complaints and dispute resolution processes, including by:

- developing suitable complaints and dispute resolution processes for children and culturally responsive pathways including for Māori and Pasifika
- investigating threats to integrity where it is in the public interest to do so
- developing a data and insights model so that lessons learnt from integrity issues can be shared across the sector
- building our in-house capacity and capability to ensure the dispute resolution functions are timely, efficient, consistent, and sustainable.

This will help us deliver on Strategic Priority 3 (delivering trusted and participant-centred services).

## Athlete-centred anti-doping programme

We will continue to deliver a high-quality anti-doping programme focused on the key pillars of education, deterrence, and detection, including to:

- educate an appropriate breadth of athletes about clean sport values, and their anti-doping rights and obligations
- deliver a targeted, trusted and risk-based testing programme
- investigate and hold accountable athletes who violate the Sports Anti-Doping Rules, in accordance with the World Anti-Doping Code.

We aim to test with enough depth and breadth to ensure there is visibility of the drug-testing programme among all national level athletes, resulting in any national level athlete believing that they might be tested at any time. This includes in-competition<sup>1</sup> and out-of-competition<sup>2</sup> testing and prioritising the sports that we identify as most at-risk of doping threats.

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1 In-competition testing takes place either immediately after the athlete has competed or at any time during an event, tournament, regatta or games.

2 Out-of-competition testing can be done at any time of the year and at any location, including at the athlete's home, training venue, or hotel, whether in New Zealand or overseas.

We have a target of collecting 1,100 samples (urine and blood) for analysis, and expect to deliver an additional 400 user-pays tests during the year.

We will continue to request feedback from athletes who are tested, through a post-test survey which is confidential and anonymous. It's a safe place for athletes to give feedback if they encounter issues they don't want to raise with the testing team.

With the transition of these services from DFSNZ, we will focus on ensuring that athletes and organisations trust us to deliver the same high standard of anti-doping services.

We will measure confidence in our anti-doping programme annually through surveys of national sporting organisations and athletes.

We will also survey athletes to measure their views as to whether their sporting contests in New Zealand are influenced by doping. DFSNZ reported at June 2024 that only 3.3 percent of athletes surveyed were concerned that their sporting contests in New Zealand are impacted by doping. This low result is in line with those from previous years (2.5% in 2022/23, and 5.7% in 2021/22). Our target is to keep this indicator below 10 percent.

Education is the cornerstone to deterring doping and avoiding unintentional doping in New Zealand, providing our best opportunity to reach a wide range of athletes and supporting them to remain clean.

DFSNZ has developed its clean-sport education programme over the past few years, providing athletes and their whānau, coaches, and support personnel with information about the importance of keeping sport free from doping.

We will continue to deliver the clean-sport education programme that includes the impact of doping on health, competition, and the spirit of sport; understanding the sports anti-doping rules; the drug-testing regime, how samples are collected, and what happens when the results indicate the use of banned substances.

This will help us deliver on Strategic Priority 3 (delivering trusted and participant-centred services).



# Prospective financial statements

## Prospective Statement of Comprehensive Revenue and Expense

For the year ending 30 June 2025

	Budget 2025 \$000
<b>Revenue</b>	
Crown funding	10,628
Funding transferred from Sport NZ	5,895
User-pays revenue	396
Interest revenue	86
<b>Total revenue</b>	<b>17,005</b>
<b>Cost of services</b>	
Board members' remuneration	358
Depreciation and amortisation	368
Personnel costs	5,244
Professional and technical services	1,423
Premises and office costs	615
Resolution services and investigations	1,580
Sample collection, analysis and results management	1,285
Other operating costs	3,112
<b>Total operating expenditure</b>	<b>13,985</b>
<b>Total comprehensive revenue and expense</b>	<b>3,020</b>

## Prospective Statement of Changes in Equity

For the year ending 30 June 2025

	Budget 2025
	\$000
Opening Public Equity	156
Total comprehensive revenue and expense for the year	3,020
<b>Closing Public Equity</b>	<b>3,176</b>



## Prospective Statement of Financial Position

As at 30 June 2025

Budget 2025  
\$000

### Assets

#### Current assets

Bank accounts	658
Debtors and other receivables	140
Inventory	88
Prepayments	159
<b>Total current assets</b>	<b>1,045</b>

#### Non-current assets

Intangible assets	1,167
Leasehold improvements	1,138
Property, plant and equipment	464
<b>Total non-current assets</b>	<b>2,769</b>
<b>Total assets</b>	<b>3,814</b>

### Liabilities

Creditors and accrued expenses	361
Employee entitlements	277
<b>Total liabilities</b>	<b>638</b>
<b>Net assets</b>	<b>3,176</b>
<b>Represented by public equity</b>	<b>3,176</b>

## Prospective Statement of Cash Flows

For the year ending 30 June 2025

	Budget 2025 \$000
<b>Cash Flows from Operating Activities</b>	
Receipts from the Crown	10,628
Funding transfer from Sport NZ	5,895
Interest received	86
Receipts from user-pays	541
Payments to suppliers	-9,132
Payments to employees	-4,991
Goods and services tax	-82
<b>Net cash flow from operating activities</b>	<b>2,945</b>
<b>Cash Flows from Investing Activities</b>	
Purchase of property, plant, equipment	-1,610
Maturity of investments	25
Purchase of intangible assets	-910
<b>Net cash flow from investing activities</b>	<b>2,495</b>
Net (decrease)/increase in cash and cash equivalents	450
Cash and cash equivalents at beginning of year	208
<b>Cash and cash equivalents at end of year</b>	<b>658</b>



# Statement of accounting policies

## Purpose

The prospective financial information has been prepared to meet the Crown financial reporting requirements of the Crown Entities Act 2004, to enable Parliament and other readers of the prospective financial statements to evaluate the Commission's financial prospects and to assess actual financial results prepared in future reporting periods against the prospective financial statements.

The information in these prospective financial statements may not be appropriate for purposes other than those described.

## Reporting Entity

These prospective financial statements are for the Integrity Sport and Recreation Commission (Sport Integrity Commission Te Kahu Raunui, the Commission) for the year ending 30 June 2025.

The Commission was established under the Integrity Sport and Recreation Act 2023 (the Act), and commenced operations on 1 July 2024. The Commission's purpose is set out in section 3 of the Act. The Act also disestablished Drug Free Sport New Zealand (DFSNZ), and vested all its property in the Commission, with all information, assets, liabilities, contracts, entitlements and engagements becoming those of the Commission on 1 July 2024.

The Commission is an independent Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in Aotearoa New Zealand.

The Commission exists to provide services to the New Zealand public, and does not operate to make a financial return. Accordingly, the Commission is designated a public benefit entity (PBE) for financial reporting purposes.

These prospective financial statements were approved by the Commission's Board on 6 November 2024.

## Opening position transferred from DFSNZ

All assets, liabilities and equity transferred from DFSNZ to the Commission on 1 July 2024, as specified in the Integrity Sport and Recreation Act 2023. The closing balances in the Statement of Financial Position reported in the DFSNZ annual report for the year ended 30 June 2024 became the opening balances for the Commission on 1 July 2024.

Property, plant and equipment and intangible assets had been classified as current assets by DFSNZ in 2023 and 2024, due to the financial statements being prepared on a disestablishment basis. The Commission re-stated these as non-current assets on 1 July 2024 when they were transferred to the Commission.

<b>Assets, liabilities and equity transferred from DFSNZ to the Commission</b>	<b>Commission balances at 1 July 2024 \$000</b>	<b>DFSNZ balances at 30 June 2024 \$000</b>
Current assets	865	1,483
Non-current assets	618	-
<b>Total assets</b>	<b>1,483</b>	<b>1,483</b>
Current liabilities	1,327	1,327
<b>Total liabilities</b>	<b>1,327</b>	<b>1,327</b>
Net assets	156	156
<b>Represented by equity</b>	<b>156</b>	<b>156</b>

## Basis of preparation

### Statement of compliance

The prospective financial statements of the Sport Integrity Commission Te Kahu Raunui have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand's generally accepted accounting practices (NZ GAAP) and Financial Reporting Standard 42.

These prospective financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards, which the Commission is eligible to use due to having revenue of between \$5 million and \$33 million.

### Measurement base

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

### Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Commission is the New Zealand dollar.



# Summary of significant accounting policies

## Goods and services tax (GST)

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

## Income tax

The Commission is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

## Critical accounting estimates and assumptions

The Sport Integrity Commission Board is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The basis and appropriateness of the estimates and assumptions used in preparing the prospective financial statements are those which the Sport Integrity Commission Board reasonably expects to take as at 6 November 2024, the date on which the prospective financial statements have been authorised for issue by the Sport Integrity Commission Board.

In preparing these prospective financial statements, the Commission has made estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Actual financial results achieved for the period covered by these prospective financial statements are likely to vary from the information presented, and the variations may be material.

## Significant assumptions

Revenue from user-pays drug testing has been estimated for the 2024/25 year based on projected demand for this service at the time of preparing the prospective financial statements.

All significant assumptions surrounding expenditure have been based on historical data, existing business practices or actual business plan projections for each financial year. This includes assumptions about the organisation structure and recruitment outcomes. The staffing model at 30 June 2025 is forecast to be 49 full-time equivalent employees.

## **Critical judgements in applying accounting policies**

In preparing the prospective financial statements, no critical judgements were made in the application of accounting policies that are considered to have involved significant risk, so as to require material adjustment to the carrying amounts of assets and liabilities in the next financial year.

## **Revenue**

Revenue is measured at the fair value of consideration received or receivable.

## **Crown funding**

The Commission is primarily funded through revenue received from the Crown. This revenue is restricted in its use for the purpose of the Commission meeting its objectives specified in the Integrity Sport and Recreation Act 2023. The Commission considers there are no other conditions attached to the funding.

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

## **Funding transferred from Sport NZ**

Sport NZ received funding during 2023/24 for the establishment and operations of the Commission. Due to delays in appointment of the board, the Commission was not established until 1 July 2024. As a result, only \$1,984 million of the appropriated funding was spent in 2023/24, and those establishment activities continue in 2024/25. Sport NZ has a constructive commitment to transfer the unspent funding to the Commission in 2024/25. This is recognised as revenue to the Commission in 2024/25.

## **Interest revenue**

Interest revenue is recognised as it accrues on bank account balances, term deposits, and investments.

## **Income from user-pays testing**

The Commission undertakes anti-doping testing on behalf of other organisations, in addition to the anti-doping testing activity it delivers through Crown funding. These services are provided on a user-pays basis, at fees that are set to recover the direct costs of providing those services. This revenue is recognised at the time the services are provided.

## **Expenditure**

### **Operating leases**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Commission are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Revenue and Expense.

Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense over the lease term as an integral part of the total lease expense.

## **Prospective Statement of Financial Position**

### **Cash and cash equivalents**

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

### **Debtors and other receivables**

Debtors and other receivables are recorded at the amount due, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Commission will not be able to collect amounts due according to the original terms of the receivable. Short-term receivables are written off when there is no reasonable expectation of recovery; indicators of which include the debtor being in liquidation. Any impairment losses are recognised in the Statement of Financial Performance.

### **Investments**

Investments in bank term deposits are initially measured at the amount invested. Principal and interest is normally repaid into operating bank accounts on maturity. A loss allowance for expected credit losses is recognised if the expected loss allowance is not trivial.



## **Inventories**

Inventories held to provide services are measured at cost, adjusted, when applicable, for any loss of service potential.

## **Property, plant and equipment**

Property, plant and equipment asset classes consist of computer equipment, furniture and fittings, leasehold improvements, and office equipment.

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

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets. Gains and losses on disposals are reported in the Statement of Comprehensive Revenue and Expense.

### **Subsequent costs**

Costs incurred subsequent to initial acquisitions are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are reported in the Statement of Comprehensive Revenue and Expense as they are incurred.

### **Depreciation**

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

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

Computer equipment	4 years	(25%)
Furniture and fittings	10 years	(10%)
Leasehold improvements	2–10 years	(10–50%)
Office equipment	2–10 years	(10–50%)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

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

## **Intangible assets**

Costs that are directly associated with the development of software for internal use by the Commission are recognised as an intangible asset. Staff training costs and costs of maintaining computer software are recognised as an expense when incurred. Costs associated with the development and maintenance of the Commission's websites are recognised as an expense when incurred.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is either fully amortised or no longer used. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

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

Computer equipment	4 years	(25%)
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## **Impairment of property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense, as is any subsequent reversal of an impairment loss.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value and use depends on the nature of the impairment and availability of information.

## **Creditors and other payables**

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. They are recorded at their face value.

## **Employee entitlements**

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

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

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover these future absences.

The Commission recognises a liability and an expense for bonuses it is contractually obliged to pay, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

## **Superannuation schemes**

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Comprehensive Revenue and Expense as incurred.

## **Provisions**

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

## Equity

Equity is measured as the difference between total assets and total liabilities. As the Commission is an Independent Crown Entity with no contributed capital, all equity is disclosed as Accumulated Surplus/(deficit).

