



Annual Report 2023

For the year ended 30 June 2023

  **drug free sport**
  new zealand



introduction

Our organisation is responsible for keeping New Zealand sport free from doping. We work across New Zealand's sporting community to support and protect clean athletes, and to promote clean sport.

We are an Independent Crown Entity (ICE) under the Crown Entities Act 2004. We were established initially under the NZ Sports Drug Agency Act 1994 and continued under the Sports Anti-Doping Act 2006. We're not responsible for the implementation of Government policy. While the Chair must report to the Minister, our day-to-day operations are conducted independently from Government.

As New Zealand's National Anti-Doping Organisation, we're a signatory to the World Anti-Doping Code. The Code provides a common set of rules, requirements, and sanctions that all anti-doping organisations must apply. Our primary task is to implement the World Anti-Doping Code through New Zealand's Sports Anti-Doping Rules. More detailed information about how we seek to operate within our mandate and achieve our goals is available from our Statement of Intent 2020-2024, which is published on our website.

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Presented to the House of Representatives pursuant to Section 150[3] of the Crown Entities Act 2004 and pursuant to section 44 of the Public Finance Act 1989.



contents

Welcome from the Chair and Chief Executive	2
Strategy	3
Our year in numbers	4
Engagement	6
Education	8
Testing	10
Intelligence and Investigations	12
Advocacy	14
Cultural capability	15
People	15
DFSNZ Statement of Performance	18
Measures of performance	18
Appropriations reconciliation	22
Financial Statements	24
Notes to the Financial Statements	27



TIM CASTLE AND NICK PATERSON

Welcome from the Chair and Chief Executive

Tēnā rā koutou i ngā mihi ki o tātou ki ngā tini mate e hinga ake nei. Ko te whakatau noa ake, ko rātou ki a rātou, ko tātou ki a tātou i roto i te wā iti nei. Nō reira, tēnā rā anō koutou.

We greet you mindful of those who have passed on in recent times. Those who have departed to the gathering place of spirits, beyond the veil and left to recollection, leaving us here to mourn and to reminisce. As the saying goes: we leave them to the spirit world, and we of the world of light, to each other. Therefore, greetings again.



Chairperson:
Tim Castle



Chief Executive:
Nick Paterson

It's an unusual time we find ourselves in. This is our final full year reporting as Drug Free Sport New Zealand as we prepare to be disestablished and our operations and people incorporated into the new Integrity Sport and Recreation Commission. We have long supported this move, which is aligned with global trends in sport integrity, and continue to support the Integrity Transition Programme with their work where appropriate.

So, it's particularly gratifying to look back on the outstanding year we've had. The considerable mahi we've completed through the last three years of our strategy has paid dividends, with the greatest number of athletes educated and tested, and the strongest support in trust and confidence in our work and team than ever before.

Additional highlights from the year include supporting the integrity of major women's sporting events like the Rugby World

Cup and the FIFA Women's World Cup. We completed our Dried Blood Spot pilot and integrated the testing method into our usual mahi. We managed a major investigation resulting in one of our longest-ever bans. And through it all kept athletes at the centre through new feedback mechanisms, engagement tactics and intentional progress on our Para Action Plan.

We look forward to continuing to work with the Integrity Establishment Board and Transition Programme in the creation of the Integrity Sport and Recreation Commission, and can assure all across the sector that the good work will continue, supporting clean athletes and protecting clean sport.

Tim Castle, Chairperson

Nick Paterson, Chief Executive

strategy



Our vision

Clean athletes. Clean sport.

Our mission

To help protect the integrity and reputation of sport, and the health of athletes by:

- › Educating, supporting and advocating for clean athletes;
- › Deterring and detecting doping, holding dopers to account; and
- › Engaging with our wider sporting communities.

Engagement

We will build relationships and engage with athletes so that they are leaders in a culture of clean sport in NZ

We will build strong partnerships with our priority stakeholders so they understand their doping risk, and actively want our support to protect their sport

Testing

Every national representative believes they might be tested at any time

Athletes have full confidence in the quality and integrity of our user-friendly, focussed testing programme and personnel in NZ

Intelligence and Investigations

We will develop a culture in sport where athletes and stakeholders are confident to raise concerns about doping and “Speaking Out” is normalised

We will disrupt the supply chain and protect athletes at risk of doping



Education

We will engage with every athlete in the country, providing them with the information they need to support clean sport

Our education programme and team will be recognised internationally as amongst best-in-class

Advocacy

We will serve clean kiwi athletes by relentlessly advocating for high and consistently applied standards in anti-doping world-wide

Our team values

Mahitahi (collaboration) | Whakahou (motivation) | Tūturu (well-rounded)



Photo courtesy of New Zealand Rugby League. Credit: Photosportnz

education

record 2022/23



11,422

athletes educated

5,266

e-learning completions

6,156

educated in workshops and webinars

19

youth workshops

on the web

Top 5 pages viewed

1. E-Learning (15,001)
2. Medications (13,350)
3. Prohibited substances (10,064)
4. Consequences of doping (7,967)
5. Supplements (6,899)



top 5 medications researched:

1. Ventolin inhaler
2. Ritalin
3. Codeine
4. Probenecid
5. Cannabis

last financial year

63,665 users

made

148,958 page views

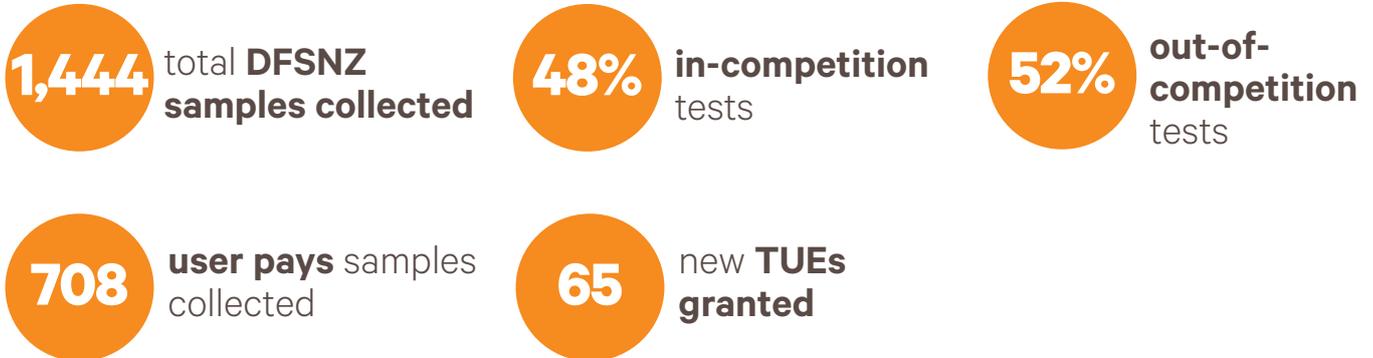
across our website





testing     

2022/23 testing numbers:



whereabouts athletes (as at 30 June 2023):



top three most tested sports (by DFSNZ) in NZ:





engagement

Our strategic engagement team focuses on building and enhancing relationships with athletes, sports and other key stakeholders to build a culture of clean sport across Aotearoa New Zealand.

STRATEGIC PRIORITY: WE WILL BUILD RELATIONSHIPS WITH ATHLETES SO THAT THEY ARE LEADERS IN A CULTURE OF CLEAN SPORT IN NEW ZEALAND

CENTRING THE ATHLETE VOICE

Our Athlete Commission (AC) is now into its second year. They have said farewell to Chair Ben Sandford, Emma Twigg and Ruby Tui, and welcomed Toby Cunliffe-Steel, Ruby Tew and Emma Rolston, with Portia Bing as the new Chair. The AC's vision is to have an anti-doping programme built in collaboration with athletes; and one that maintains the belief and trust of athletes in the anti-doping system. They are in the process of developing an annual plan to deliver on this vision.

This year the AC held its first joint meeting with Sport Integrity Australia's Athlete Advisory Group before the World Anti-Doping Agency's (WADA) Global Education Conference. Some of the outcomes from this meeting were fed directly into WADA's

Executive Committee meeting the following day, giving our athletes the chance to directly influence WADA's decision makers.

The AC has supported DFSNZ initiatives such as the Post-Test Feedback Survey, the Athlete Forum and our overall approach to athlete engagement, which ultimately informed our approach to athlete

ENCOURAGING ATHLETE FEEDBACK

Athletes are at the heart of what we do, and we need to make sure that their voices are being heard. That's why we created the Post-Test Feedback Survey. It's a short survey, using a QR code, that gives every athlete the opportunity to give their feedback on every testing experience such as the doping control station or doping control officer, anonymously if they prefer. This was introduced to give athletes another medium for raising suboptimal experiences, so that we can support the athletes and if required improve our processes and therefore athlete experiences.

Responses to date have been very positive, with 89% of respondents reporting a good test experience, 93% of respondents confident in the integrity of the testing programme and 95%



DFSNZ Athlete Commission members and CE Nick Paterson meet with Sport Integrity Australia.

reporting that the steps of the doping control process were consistent with their expectations. A single negative report enabled us to address and solve an issue directly with an athlete – a positive outcome all around.

ENGAGING THROUGH PLAY

We introduced an engaging new way to connect with athletes this year with the development of our online quiz builder tool. The quiz builder allows us to create appealing and fun-to-play online quizzes. The initial aim was to engage youth audiences at outreaches, but the quiz soon proved useful in a multitude of contexts. We now offer clean sport quizzes on our website, in our education workshops and to support ad hoc digital campaigns like WADA Play True Day. They have been popular, with the online version being completed 251 times over 10 months.

CONNECTING WITH RANGATAHI

This was the first year following COVID disruptions that we have been able to action our revised Outreach Strategy, which prioritises engaging with secondary school athletes and introducing them to the core principles of clean sport.

Our athlete educators met with rangatahi and whānau across New Zealand at 10 outreaches in 7 different locations. Our new outreach quizzes livened things up for 2023 and proved an effective way to engage with attendees, racking up over 700 submissions across Secondary School Sport Week and requiring us to create ‘Level-Up’ versions of the quiz to meet demand for an additional challenge.

The team at the MAADI Cup outreach were thrilled to be joined by former elite rower and AC member Toby Cunliffe-Steel, who noted the genuine interest and enthusiasm of attendees.



“Participating in Drug Free Sport New Zealand’s outreaches has been an incredible privilege, allowing me to connect with various sporting communities and promote the values of clean sport. Witnessing the genuine interest and enthusiasm from athletes, coaches, and fans in understanding Anti-Doping principles reaffirms the profound benefits these interactions bring to the sporting community, fostering a culture of integrity and fair play that ultimately upholds the spirit of true sportsmanship.”

– Toby Cunliffe-Steel, Athlete Commission member and former elite rower

ATHLETE-CENTRED SOCIALS

We finalised our Social Media Strategy in September 2022 and social media has become a key method for engaging athletes. Our content is structured around three pillars: News, to keep our audience updated, Anti-doping support, to keep our audience informed on key anti-doping topics, and community engagement, to entertain our audiences and keep them engaged.

Our mahi has seen promising growth in our social media presence: the reach of our Facebook posts increased 72% this year, and our Instagram reach grew by a whopping 232%. Successful content has included video profiles of our athlete educators, Instagram Live sessions featuring Paralympic champion Holly Robinson and

pole vaulter Liv McTaggart, our Education Team’s ‘Mana of a Clean Athlete’ video starring Cameron Leslie as well as ‘Top Trumps’-style playing card graphics to introduce our new AC members.

We’ve noted the engagement value of our athlete-centred content. Athletes listen to – and want to hear from – other athletes. 2023 saw us leverage this fact to liven up our social media channels, driving engagement and growth.

LEVERAGING NEW CHANNELS

November saw our 2022 Athlete Forum in Cambridge. The afternoon was packed with interesting content headlined by Australian marathon runner Cassie Fein, who shared her traumatic story of being banned at the height of her career after consuming a contaminated supplement. Additionally, Chief Executive Nick Paterson shared some of our advocacy stories, Science Manager Ryan Morrow and Intelligence and Investigations Manager Hayden Tapper presented a fascinating discussion of the Athlete Biological Passport highlighting some recent doping cases.

Feedback from those who attended was positive. Since then, however, we see a greater opportunity to connect with more athletes by leveraging relationships across the sector and embedding anti-doping awareness into existing events.

STRATEGIC PRIORITY: WE WILL BUILD STRONG PARTNERSHIPS WITH OUR PRIORITY STAKEHOLDERS SO THEY UNDERSTAND THEIR DOPING RISK, AND ACTIVELY WANT OUR SUPPORT TO PROTECT THEIR SPORT

ENGAGEMENT ACROSS THE SECTOR

As part of our engagement strategy to enhance our relationships with National Sports Organisations (NSOs), we organised annual meetings with all of our 15 priority NSO Chief Executives and their teams. These meetings help elevate anti-doping once a year with their Chief Executive, summarise a year of anti-doping work within their sport and allow each of us to discuss any challenges and priorities for the year ahead. These annual meetings are underpinned by regular engagement across all our internal teams.

Our Communications Advisor has also met with all priority NSO communications leaders to cement relationships, offer help and advice and partner with sports to share anti-doping content across their channels.

2023 has also seen a strong focus on media relationships, and we’ve invested time into connecting (and reconnecting) with some familiar faces in sports journalism so we can be a primary source of information and comment on all domestic and international anti-doping issues.

education

Education is the cornerstone to deterring doping in Aotearoa New Zealand, providing our best opportunity to reach a wide range of athletes and support them to remain clean. We are committed to maintaining a world-class education programme that reaches every athlete in the country.

STRATEGIC PRIORITY: WE WILL ENGAGE WITH EVERY ATHLETE IN THE COUNTRY, PROVIDING THEM WITH THE INFORMATION THEY NEED TO SUPPORT CLEAN SPORT

CELEBRATING >10K

We're thrilled have again beaten our previous records for the number of education completions in a year. This year's achievement – 11,422 completions – is a direct result of the hard work and dedication of our team.

BROADENING EDUCATION AUDIENCES

Targeted business development contributed to our success this year. We fielded a team at the NZ Secondary School Sport Conference in September 2022, manning a booth and networking with attendees to raise awareness and generate leads for education bookings.

Our Youth Education Coordinator presented our Youth Education Programme to School Sport Directors from across the Greater Wellington Region over the course of three days.

We also laid the foundations for a nationwide clean sport campaign in 2023/24. The campaign is targeted at all people who play sport, particularly community or social participants, to raise awareness that anti-doping rules exist and apply across all levels of sport. We're excited to see this work come to fruition.

ENSURING PARA ATHLETE INCLUSION

We worked hard to deliver Phase One of our Para Action Plan this year, ensuring Para athlete inclusivity across the education programme. From the knowledge we gained from our previous Para athlete research, we've produced custom workshop content for Para athletes, ensured our current content is accessible and inclusive, and ensured Para athlete inclusion in our content, for example securing Paralympian Cameron Leslie as lead in our new educational video, 'Mana of a Clean Athlete'. We've also increased our capability around accessibility, with one member of the team





Members of the DFSNZ team meet WADA President Witold Banka at WADA's Global Education Conference

completing an introductory course on Accessibility and Inclusive Design. We've shared the knowledge gained across our team and have resources in place to ensure accessibility in all our future work.



“NZ Para athletes have an excellent record when it comes to winning the right way. They advocate for and demonstrate ‘clean sport’. We continue to value the close relationship with Drug Free Sport NZ to ensure this record is maintained and athletes continue to receive the right information and education.”

– Duane Kale, Former Paralympics NZ Acting CE

STRATEGIC PRIORITY: OUR EDUCATION PROGRAMME AND TEAM WILL BE RECOGNISED INTERNATIONALLY AS AMONGST BEST-IN-CLASS

EXPERTISE OVERSEAS

Former General Manager Athlete Services Dr Sian Clancy led a team of five to the WADA Education Conference in Sydney in September 2022. This was an excellent opportunity to showcase our work on a world stage, through presentations and moderation of a panel discussion, as well as a booth including information on our youth programme. It was also a very valuable opportunity

to network with and learn from others, where our team enjoyed meeting partners from across the sporting and anti-doping landscapes, including World Rugby, National Rugby League, Swiss Sport Integrity and the Canadian Centre for Ethics in Sport.

In May 2023, Education Manager Sally Lowe represented our organisation at the Penrose Group Education Summit hosted by USADA. The Summit brought together education leaders from across the anti-doping landscape for a highly collaborative two days covering a range of anti-doping education topics. Sally shared best practice and returned invigorated with innovations for our education programme.

EDUCATING EDUCATORS

To be the best at what we do requires consistent evaluation. Our Quality Team has developed and implemented our Quality Plans to recruit, train, accredit and review our field team practices. This enables us to have comfort that we're maintaining the world-class education programme that we're know for across the anti-doping world.

February saw our educators get together at DFSNZ HQ for the 2023 Educator Conference. As well as brushing up their skills with essential training on 2023 content and activities, our educators spent time connecting with each of our HQ teams, inputting their ideas and unique perspectives into projects and initiatives across the organisation.

testing

We aim to increase the range and frequency of our testing programme until all national level athletes believe they may be tested at any time. Through high levels of integrity and a strong athlete focus, we're committed to giving clean athletes confidence that they are competing in clean competitions.

STRATEGIC PRIORITY: EVERY NATIONAL REPRESENTATIVE BELIEVES THEY MIGHT BE TESTED AT ANY TIME

BREAKING TESTING RECORDS

We achieved remarkable success in our day-to-day testing activities this year, collecting an impressive 2,152 samples for both DFSNZ and third parties – the largest number we've achieved in a year. Throughout this our team maintained high levels of quality in our testing, keeping the athlete experience good as reported through the new Post-Test Feedback Survey.

DFSNZ FUNDED TESTING

Sport	Urine Samples	Venous blood	DBS	Total
Archery	9	0	0	9
Athletics	85	10	6	101
Automobile Sports	3	0	0	3
Badminton	4	0	0	4
Basketball	55	0	12	67
Boules Sports	1	0	0	1
Boxing	10	0	0	10
Canoe/Kayak	55	2	3	60
Cricket	16	0	4	20
Curling	6	0	0	6
Cycling	149	41	0	190
Diving	3	0	0	3
Equestrian	7	0	0	7
Fencing	9	0	0	9
Football	95	0	30	125
Golf	19	0	0	19
Gymnastics	8	0	0	8
Hockey	61	0	27	88
Ice Figure Skating	4	0	0	4
Judo	5	0	0	5
Karate	3	0	0	3
Lawn Bowls	8	0	0	8
Mixed Martial Arts	0	0	0	0
Netball	64	0	22	86



Sport	Urine Samples	Venous blood	DBS	Total
Powerlifting	5	0	0	5
Roller Sports	0	0	0	0
Rowing	70	11	0	81
Rugby League	41	0	0	41
Rugby Union	152	4	22	178
Sailing	12	0	0	12
Shooting	6	0	0	6
Skating	4	0	0	4
Skiing	22	1	0	23
Softball	6	0	0	6
Sport Climbing	9	0	0	9
Squash	8	0	0	8
Surf Life Saving	7	0	0	7
Surfing	2	0	0	2
Swimming	46	3	5	54
Synchro Swimming	4	0	0	4
Taekwondo	0	0	0	0
Tennis	0	0	0	0
Touch	6	0	0	6
Triathlon	44	14	2	60
Volleyball	21	0	0	21
Water polo	16	0	0	16
Weightlifting	48	7	3	58
Wrestling	7	0	0	7
Total	1,215	93	136	1,444



samples collected by sport

UPHOLDING INTEGRITY AT MAJOR EVENTS

We carry out testing on behalf of other anti-doping organisations and professional sports leagues across key events on a user pays basis. This year we carried out 708 User Pays tests.

A large proportion of these were from testing conducted at several major events, ensuring fair play and upholding integrity at some of New Zealand's biggest sporting events.

One of our major endeavours was supporting the Women's Rugby World Cup with an extensive anti-doping programme. Over the course of the event, which took place in Auckland and Whangārei, we managed the logistical challenges associated with such a large-scale testing operation.

We also worked closely with FIFA to oversee testing at the FIFA Women's World Cup playoff tournament, held in Auckland and Hamilton. We collected urine and blood samples, and gained valuable experience such as the use of FIFA's preferred choice LockCon testing kits at what was the precursor event to the upcoming FIFA Women's World Cup Finals, scheduled to take place in New Zealand and Australia in July.

STRATEGIC PRIORITY: ATHLETES HAVE FULL CONFIDENCE IN THE QUALITY AND INTEGRITY OF OUR USER-FRIENDLY, FOCUSED TESTING PROGRAMME AND PERSONNEL IN NZ

TESTING INNOVATION

During the reporting period, we successfully completed the pilot phase of our Dried Blood Spot (DBS) testing method and have now fully integrated it into our Test Distribution Plan. This innovative approach has introduced a more efficient and convenient testing process for athletes. All our Doping Control Officers (DCOs) have undergone comprehensive training in DBS and are gaining confidence as they incorporate this method into their testing practices. Athlete feedback thus far has been highly positive, with athletes appreciating the speed and simplicity of the DBS testing procedure.

ASSURING QUALITY

Our Quality Team's implementation of Quality Plans also covers our testing function, and benefit from the insight and experience of our Testing Quality Advisor. The team's work ensures the highest standards of quality and accuracy in our testing operations and reflect our commitment to maintaining excellence in every aspect of our work.

One outcome from our Quality Plans is the development of our DCO Training Programme. It is the most comprehensive programme we've had to date and oversees the entire DCO training experience, from recruitment to accreditation enhancing the consistency and effectiveness of our DCOs' skills and

USER PAYS TESTING.

NSO	Urine	Blood	Total
Athletics	2	2	4
Badminton	6	0	6
Basketball	8	0	8
Boxing	2	0	2
Cricket	58	0	58
Cycling	20	8	28
Equestrian	1	0	1
Football	72	21	93
Gymnastics	1	0	1
Judo	1	0	1
Mixed Martial Arts	12	0	12
Netball	3	0	3
Powerlifting	17	0	17
Rowing	9	7	16
Rugby League	12	2	14
Rugby Union	263	98	361
Sailing	2	0	2
Softball	26	2	28
Surf Life Saving	1	1	2
Swimming	9	5	14
Tennis	1	0	1
Triathlon	31	1	32
Water polo	3	0	3
Weightlifting	1	0	1
Totals	561	147	708

knowledge. This programme represents a significant milestone in our continuous efforts to elevate the professionalism and expertise of our DCO team.

We are also in the process of developing a similar comprehensive training programme for our Chaperones and Blood Collection Officers.

SUPPORTING GLOBAL EXCELLENCE

As the world gradually resumed sporting activities following the stabilization of the COVID situation, we have actively participated in several high-profile international events. In late July, two of our experienced DCOs contributed their expertise at the Commonwealth Games held in Birmingham. Their presence helped support the integrity of the competition and reinforced our commitment to anti-doping efforts on the global stage.



intelligence and investigations

We aim to normalise speaking out within sporting communities, and to use intelligence: to influence testing and education programmes, to assist other agencies, in our fight to shut down supply chains and to protect athletes at risk of doping.

DETECTING AND DETERRING DOPING

This year saw a Kiwi athlete levied with one of our longest-ever sanctions – an eight-year ban from all sport – substantively for the presence and use of EPO. However, he then also lied to our investigation team, or tampered with the doping control process, and this tampering violation alone doubled the length of the athlete's ban. The ruling was the result of an in-depth international investigation that involved collaboration with the Athletics

Integrity Unit, the Anti-Doping Agency of Kenya and UK Anti-Doping.

The nature of the sanction and the profile of the athlete involved meant that there was significant media interest in the case. It was reported on widely at home and overseas, and Nick contributed to reporting and discussion of the case across six media channels.

ANTI-DOPING RULE VIOLATIONS

This year, three athletes received periods of ineligibility from sport due to doping:

Decision Date	Sport	Athlete	ADRV	Substance(s)	Sanction	Tribunal ¹
September 2022	Basketball	Taane Samuel	Presence Use	Methylenedioxymethamphetamine (MDMA)	1 month	ST
March 2023	Athletics	Zane Robertson	Presence Use Tampering	Erythropoietin (EPO)	8 years	ST
June 2023	Cricket	Vaibhav Sharma	Use Possession	Oxymetholone, Sustanon, Trenbolone, Drostanolone, Nandrolone, Testosterone, Clenbuterol	4 years	ST

TESTING AND ANTI-DOPING RULE VIOLATIONS

Year (Jul – Jun)	Out of competition	In competition	DFSNZ funded total	User Pays Tests	Total	ADRVs	Positive Tests	% positive no. of DFSNZ tests
2022-2023	745	699	1,444	708	2,152	3	2	0.14%
2021-2022	367	325	6,92*	305	9,97	3	2	0.20%
2020-2021	864	530	1,394	407	1,801	2	2	0.14%
2019-2020	663	398	1,061*	366	1,427	6	5	0.47%
2018-2019	859	503	1,362	449	1,811	25	3	0.22%
2017-2018	939	430	1,369	399	1,768	23	6	0.44%
2016-2017	1098	522	1,620	394	2,014	8	6	0.37%

* sample collection numbers materially affected by COVID conditions.

STRATEGIC PRIORITY: WE WILL DEVELOP A CULTURE IN SPORT WHERE ATHLETES AND STAKEHOLDERS ARE CONFIDENT TO RAISE CONCERNS ABOUT DOPING AND “SPEAKING OUT” IS NORMALISED

ACTING ON INTELLIGENCE

Our Speak Out programme continued to provide actionable intelligence from across the domestic and international sporting communities. This year, we received 45 referrals that we acted on using a variety of tools, including targeted testing and education, further investigation and agency collaboration, i.e., sharing intelligence related to international athletes with the relevant anti-doping organisation and collaborating with the Police.

We continue to encourage the use of Speak Out through social media, our website, and our education content. This has contributed to an almost 20% increase in awareness and confidence of the programme, as measured by our Athlete Survey: 85% of respondents agreed or strongly agreed that they have knowledge of and confidence in our Speak Out programme, compared to 68% in 2021/22.

STRATEGIC PRIORITY: WE WILL DISRUPT THE SUPPLY CHAIN AND PROTECT ATHLETES AT RISK OF DOPING

DISRUPTING THE SUPPLY CHAIN

We continue to protect athletes and disrupt supply chains, regularly doing so in collaboration with government partners, Medsafe, Police and Customs. We used information from Medsafe on the importation of prohibited substances in an investigation that resulted in an anti-doping rule violation: Medsafe information also led to targeted testing and education of specific athletes. We conducted interviews into distribution sources, and shared intelligence on illicit drugs with the police for their operational use.

LEGAL SUPPORT FUND

Our Legal Support Fund provides anyone facing an anti-doping rule violation (ADRV) process with financial support towards legal fees. It ensures that everyone has access to legal advice as they navigate what can be a complex process and seeks to address any imbalance in resources.





We operate on a national and international stage, representing the interests of clean Kiwi athletes and trying to keep the anti-doping system transparent and consistent across the globe.

STRATEGIC PRIORITY: WE WILL SERVE CLEAN KIWI ATHLETES BY RELENTLESSLY ADVOCATING FOR HIGH AND CONSISTENTLY APPLIED STANDARDS IN ANTI-DOPING WORLDWIDE

ADVOCATING INTERNATIONALLY

Nick was elected as one of two Oceania representatives to join a further eight peers on WADA's National Anti-Doping Organisation (NADO) Expert Advisory Group. He also continued his role as chair of the Board of the Institute of National Anti-Doping Organisations (iNADO), thus bringing together two groups that represents NADOs and complement each other's work in representing NADOs through the eco-system.

In November 2022, Nick presented again to WADA's Foundation Board on iNADO's work, and in March 2023 opened the annual iNADO workshop on Women in Anti-Doping, as well as presenting on the importance of allies in the fight for gender equality.

Immediately after the iNADO Workshop, Nick and Anna Mahood, our General Manager Athlete Services, attended WADA's Annual Symposium. They presented respectively on the WADA NADO EAG and the important role of Intelligence and Investigations in anti-doping.

We continued to support the Minister and New Zealand Government in work on WADA's Foundation Board and through

supporting the Executive Committee Oceania representative, both in person and in hybrid meetings.

Education partnerships flourished. Sian continued her work on WADA's Education Committee, Social Science Research Expert Advisory Group and Technical Working Group for Education. She will continue to do so through the whole of 2023.

LIFTING INTERNATIONAL STANDARDS

Having contributed to the creation of WADA's Global Learning and Development Framework for Intelligence and Investigations (I&I), our I&I Manager has since delivered this programme to two cohorts, consisting of over 30 participants from over 15 countries.

REGIONAL SUPPORT

We continue to work in our own region, supporting the Oceania Regional Anti-Doping Organisation (ORADO) with its change in leadership during the year, and thereafter in capability building through the provision of Therapeutic Use Exemption (TUE) training for Oceania physicians.

Nick also continues to sit on ORADO's Board Finance Sub-Committee and attends ORADO's Board meetings as a permanent advisor. The wider team have been assisting ORADO in planning for the anti-doping programme at the Pacific Games which will take place in the Solomon Islands in late 2023.

cultural capability

This year we've partnered with Te Pūheke to deliver flagship sessions in the cultural capability sessions and support our internal team to deliver fortnightly tikanga sessions, including material and resources.

Te Pūheke takes an interactive approach that has seen the team play games in te reo Māori, explore our tūrangawaewae and discuss how we display whanaungatanga within our work. Alongside this work, we have had te reo Lunch and Learn sessions to support the team in developing their language capabilities.

Te Pūheke has supported our doping control officers through training on tikanga around dried blood spot testing and delivered a cultural capability training session for our educators.

people

This year we updated our organisational values to ensure that they properly reflect the culture that we are building, as well as our strategic focus.

LEADERSHIP, ACCOUNTABILITY AND CULTURE

The resetting of values involved input from across the organisation, which resulted in a set of values that we are proud to live up to and be held accountable to. Everyone in our organisation is responsible for bringing our values to life.

Investment in our leadership team continued this year, and included participation in a leadership development programme, executive coaching, a project management course, diversity and inclusion management essentials, and a workshop on approaching challenging conversations from a people manager perspective.

RECRUITMENT, SELECTION, AND INDUCTION

The recruitment market continues to be competitive, and recruitment has been challenging for particular roles. As a specialist organisation, we are always prepared to recruit and then upskill. We remain focused on recruiting based on core capability and attitudes as opposed to specific experience in anti-doping, which means that we need to then focus on a supportive induction into the role.

We're pro-actively monitoring diversity in the recruitment process and have this year implemented our Kia Toipoto Action Plan which can be found on our website.

BUILDING IT CAPABILITY

We have had a significant year of ongoing IT improvements

which have benefited every area of our organisation. We are continuing to deliver to our ICT Strategy which has seen us upgrade hardware in accordance with our asset management plan, develop an intranet, migrate to SharePoint and Office365, implement management software on our devices, and launch several modules utilising ServiceNow to deliver our processes related to education session management, TUE applications, and interaction management with external stakeholders. ServiceNow is a significant project that will continue into the next financial year.

We continue to educate our team on cyber security through training and regular phishing exercises. We have also completed governance level training on cyber security with our Board and senior leadership team.

EMPLOYEE DEVELOPMENT, PROMOTION, AND EXIT

This year we launched Our Approach to Learning and Development which implements an intentional approach to employee development, based on three pillars:

- Foundational development – this focuses on the baseline capabilities that everyone in our organisation needs to deliver their roles well.
- Organisational development – this focuses on organisational needs from time to time (and in the future).
- Individual development needs.

Investment in learning and development has included design thinking, efficient ways of working, the power of positive psychology and growth mindset, copywriting, and excel training.

We have promoted a member of our team into a more senior position. Given that we are a small organisation and promotion is not always available, we remain focused on professional development opportunities so that everyone has a toolkit of skills to thrive and succeed in their mahi for DFSNZ, and beyond.

FLEXIBILITY AND WORK DESIGN

Our team continues to have a variety of flexible ways of working available to them. We have two members of our team working remotely due to the nature of their roles, with the rest of the team having the option to work up to two days a week from home. Each team overlaps across the week to enable in-person collaboration. In addition, we offer part-time and glide time (different start and finish times) in a way that balances flexibility with work delivery.

REMUNERATION, RECOGNITION, AND CONDITIONS

We continue to operate within the Public Sector Pay Guidance and look to appropriately remunerate our staff within sensible budget parameters.

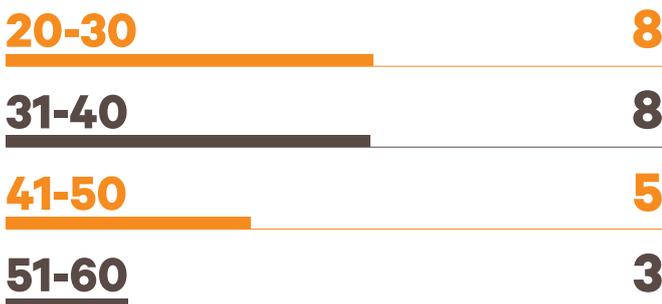
HARASSMENT AND BULLYING PREVENTION / SAFE AND HEALTHY ENVIRONMENT

We want our workplace to have a positive and healthy culture. Our policies, practices and environment focus on providing a safe and healthy environment.

This year we implemented Our Approach to Wellbeing, which is focused on ensuring our kaimahi are enabled to be pro-active and take responsibility towards their holistic wellbeing. Our approach is based on Te Whare Tapa Whā, and this year has included mental health first aid training for people managers, the introduction of Hauora Leave Days as part of the sick leave entitlement, and a workshop on shifting the frantic.

We continue to offer free support through the Employee Assistance Programme and employees have access to a wellbeing contribution which they can use toward mental and physical health support. We are also fortunate to have an engaged social committee who create regular opportunities for connection throughout the year.

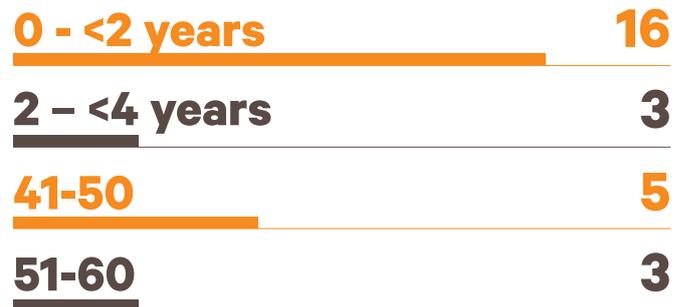
Staff age profiles



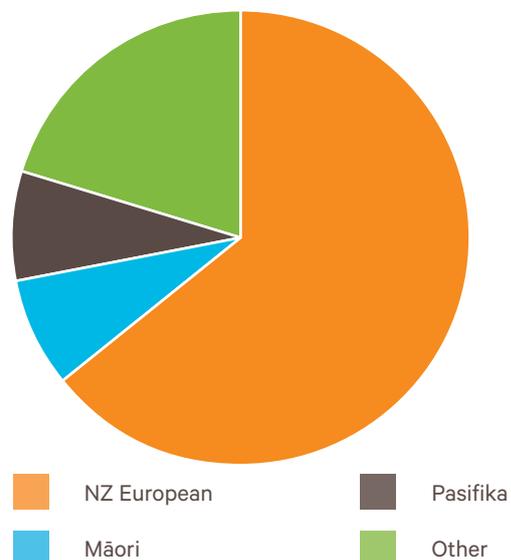
Profile of our people

Total FTE	23.55
Total employees	24
Total accredited contractors	97
Board (female)	40%
SLT (female)	25%
Female employees	14 (58%)
Male employees	10 (42%)
Avg age	36 years
Avg tenure	2.1 years
Turnover	8 (33%)

Length of service profile



Number (%) of employees*



* Total is more than 100% due to mixed ethnicities



People

Our Values



MAHITAHĪ | COLLABORATION

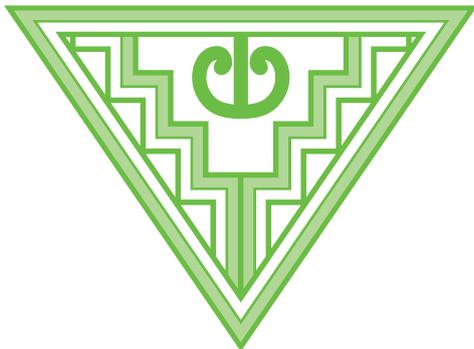
We walk alongside

E hara taku toa, i te toa takitahi, he toa takitini.
My strength is not as an individual, but as collective.

- We show support and respect
- We learn and grow as a team.
- We are good to work with.
- We play as a team to get better outcomes.

About the Icon

The takarangi spiral used represents Ranginui (Skyfather) and Papatūānuku (earthmother). Their significance being they represent balance by working together.



WHAKAHOU | MOTIVATION

we deliver to the highest standard

Mauri tu, mauri ora.
An active soul is a healthy soul.

- We are professional and deliver quality.
- We always seek to simplify and improve.
- We are curious, resourceful, and innovative.
- We add value.

About the Icon

The poutama represents the journey of Tāne and his climb to acquire ngā kete o te wānanga. The mangopare design at the center represents the overcoming of challenges.



TŪTURU | WELL-ROUNDED

We are anchored by integrity

Tangata ako ana I te kāinga, te turanga ki te marae, tau ana.
A person nurtured in the community contributes strongly to society.

- We do the right thing.
- We are inclusive.

About the Icon

The raranga style of design represents the whariki. It acts as a reminder to stay connected and to holdfast to the foundational values.

DFSNZ statement of performance

This report is in relation to our single Output Class - “Sports Anti-Doping”.

In 2022/23, we received our annual appropriation of \$3.239 million from the Government for undertaking “Sports Anti-Doping” work and in addition we received a further \$1.519 million of funding through Sport New Zealand’s Sport Recovery Package. The appropriation, Sport Recovery Package funding and related expenditure for this single Output Class is described in the Appropriations Reconciliation section of this report.

STATEMENT OF PERFORMANCE EXPECTATIONS

2022/23 – MEASURES, RESULTS AND COMMENTS:

We introduced a new measure to our Statement of Performance Expectations for 2022/23 which highlights DFSNZ’s cultural capability journey. We are pleased with how the organisation has responded to this journey, with 100% of team members participating in education on te reo Māori and tikanga.

Following years of disruptions, we were able to deliver an education programme which saw more than 10,000 athletes educated in 2022/23, the first time we have met this target since it was set in

2020. Additionally, we collected over 1400 samples throughout the year to meet our testing targets.

We continue to receive positive feedback through our survey[1] of registered and national testing pool[2] athletes each year, which we will discuss in more detail later on. This year saw a slight increase in responses, with 40 athletes responding from a pool of 107, a response rate of 37%. This is an increase from the 35 athletes responding from a pool of 111 in 2021/22, a response rate of 32%.

Like last year, we received very positive feedback through our annual survey of priority sport NSOs and pinnacle sports bodies, which assesses their perspectives of our leadership. We received 15 responses from 20 organisations – an increase from the 14 responses from 20 organisations we saw in 2021/22.

In 2022/23, our testing pool athlete survey measured the percentage of stakeholders with knowledge and confidence in our Speak Out programme. 85% of respondents agreed or strongly agreed, which exceeds our benchmark of 75%.

MEASURES OF PERFORMANCE

Measure of performance	Target	Results	Comment
% of CEOs of priority sport NSOs and pinnacle sport bodies that agree that DFSNZ provides quality leadership.	2022/23 > 90% 2021/22 > 90% From NSO Survey	2022/23 = 100% Achieved 2021/22 = 100% Achieved	Our sporting leaders continue to have high levels of trust and confidence in DFSNZ.
% of elite athletes who believe their sporting contests in NZ ARE influenced by doping.	2022/23 - < 10% 2021/22 - < 10% From Athlete Survey	2022/23 = 2.5% Achieved 2021/22 = 5.7% Achieved	We are pleased with this result, showing an overall decrease from 2021/22.
Total # athletes receiving anti-doping education through workshops or online education at all ages.	2022/23 > 10,000 2021/22 > 10,000	2022/23 = 11,422 Achieved 2021/22 = 8,541 Not achieved	Following years of COVID disruptions, we delivered a comprehensive and uninterrupted education programme in 2022/23. As a result, this was our first year meeting our target of educating 10,000 athletes.

Measure of performance	Target	Results	Comment
Maintain a testing programme of sufficient breadth to deter and detect doping.	2022/23: 1,400 – 1,550 samples collected 2021/22: 1,400 – 1,550 samples collected	2022/23 = 1,444 Achieved 2021/22 = 692 Not Achieved	As with our education programme, we delivered a testing programme without COVID disruptions, enabling us to meet our testing target for the year.
Carry out a testing programme that targets the higher risk sports and athletes.	2022/23: 70% of testing applied to higher priority sports 2021/22: 70% of testing applied to higher priority sports	2022/23 = 85.31% Achieved 2021/22: 86.71% Achieved	We continue to carry out a testing programme that targets the higher risk sports and athletes.
% stakeholders that have knowledge and confidence in the Speak Out programme.	2022/23: > 75% 2021/22: > 75% From Athlete Survey	2022/23 = 85% Achieved 2021/22: 67.7% Not Achieved	Consistent communications with NSOs and athletes helped raise awareness of our Speak Out programme in 2022/23. We are pleased to see an increase of 17.3% from 2021/22.
Maintain DFSNZ's influential and prominent role on the international stage.	2022/23 – “High” or “very high” as assessed against criteria 2021/22 – High or very high Attendance and participation at expert meetings (iNADO/ WADA and representing NZ athletes and views.	2022/23 = Very High Achieved 2021/22 = Very High Achieved	We are pleased with our continued influence across a wide variety of expert anti-doping groups.
Greater cultural capability through embracing te reo Māori and tikanga	2022/23 > 100% New measure Count of team members that have participated in education on te reo and tikanga	2022/23 = 100% Achieved	

STATEMENT OF INTENT 2021-2024: ASSESSMENT OF PROGRESS IN RELATION TO STRATEGIC INTENTIONS

In our SOI 2021-2024, our vision – Clean athletes. Clean sport. – is underpinned by five strategic priorities that we view as essential to the goal of ensuring New Zealand sport is free from doping.

ENGAGEMENT

We will build relationships and engage with athletes so that they are leaders in a culture of clean sport in NZ. We will build strong partnerships with our priority stakeholders, so they understand their doping risk, and actively want our support to protect their sport.

We will recognise success by the growth in number of athletes publicly speaking up and supporting clean sport. We will also continue to survey athletes and stakeholders, annually or throughout the year, to assess their trust and confidence in DFSNZ.

Our AC continues to meet quarterly, offering valuable insight and perspectives into our work. An example of this was the implementation of a Post-Test Feedback Survey to capture athletes' test experiences. This involved collaborating with the AC who ultimately recommended the approach we now adopt. The introduction of this survey has been a great way to continually receive athlete feedback throughout the year. This feedback has reflected the high levels of trust and confidence we saw in our 2022/23 annual survey of athletes (93% agreed or strongly agreed).

Other athlete survey results have continued a positive trend, with only 2.5% saying they are concerned that their sporting results in NZ are impacted by doping, compared to 5.7% last year.

In addition to athletes, we measure NSO confidence in our organisation annually through our NSO survey. We are pleased to report that 100% of respondents had confidence in our expertise and integrity, a level of confidence that we have maintained for the last three years.

EDUCATION

We will engage with every athlete in the country, providing them with the information they need to support clean sport. Our education programme and team will be recognised internationally as amongst best-in-class.

We will recognise DFSNZ success by showing a long-term acceleration in the number of athletes educated across the time period and also showing that our coverage is wider across the number of sports and the range of target audiences in each sport (e.g., age, capability). Feedback from the athletes themselves and our international peers will be strong. WADA will recognise us as education experts, seeking input on its programmes.

2022/23 was the first year that we met our goal of educating 10,000 athletes. A significant achievement which is the result of a collaborative approach both internally and externally thanks to our relationships with NSOs.

Feedback from the athletes in our annual survey continues to trend positively, with 95% of athletes surveyed agreeing they

receive enough information about the anti-doping rules, and the information they need to compete clean (up from 91% last year).

To further our engagement with athletes at all levels, we have been working on a communications campaign targeting anyone in New Zealand who plays sport, not just those in the high-performance arena. This will be delivered in 2023/24 and is a significant step towards meeting our goal of engaging with every athlete in the country.

Alongside our domestic work, we continue to lead education discussion at international forums. DFSNZ played an integral role at the 2022 Global WADA Education Conference, and we remain connected with WADA's Education Committee, Social Science Research Expert Advisory Group, the Technical Working Group for Education and the Penrose Education Group.

TESTING

Every national representative believes they might be tested at any time. Athletes have full confidence in the quality and integrity of our user-friendly, focused testing programme and personnel in NZ.

We will recognise DFSNZ success in providing a quality testing programme across national level athletes, through our annual survey of athletes, showing ongoing strongly positive feedback on their experiences with DFSNZ staff and contractors, and our processes.

Following years of disruption, our testing programme was fully operational in 2022/23, allowing our team to test both in and out of competition. We collected 1444 samples and meet our target of 1400-1550 for the year. In addition to this, we collected a further 708 User Pays samples, increasing the breadth of testing by DFSNZ in New Zealand to detect and deter doping.

Our Quality team has been hard at work reviewing our testing processes and working closely with our Sample Collection Personnel. The response from athletes has been positive, which is reflected in our annual survey results. 97.5% of surveyed athletes said they had confidence in the integrity of sample collection by DFSNZ, 93% said they had trust and confidence in DFSNZ and 80% thought DFSNZ conducted enough testing in their sport, all increases from the previous year.

INTELLIGENCE AND INVESTIGATIONS

We will develop a culture of sport where athletes and stakeholders are confident to raise concerns about doping and "speaking out" is normalised. We will disrupt the supply chain and protect athletes at risk of doping.

We will recognise DFSNZ success through feedback from the New Zealand Police, NZ Customs Service and the Ministry of Health/ Medsafe of strong relationships with DFSNZ and collaboration on areas of mutual interest. Where appropriate we will also be involved in enforcement action to address suppliers of prohibited substances. Our annual survey of athletes will reflect growing trust and confidence in our Speak Out programme as we receive more information from the sporting community.

We continue to strengthen our relationships with our domestic law enforcement partners, meeting regularly, sharing key information

and receiving intelligence referrals in support of our work. This has led to a number of cases where we have been notified of prohibited substances that have been seized at the border, resulting in anti-doping investigations to take place.

After not reaching our target of 75% in the annual survey last year (68%), the roll out of our Speak Out communications campaign, coupled with regular communications to sports and athletes throughout the year led, to a 17.3% increase in athletes who agreed they had knowledge of, and confidence in, DFSNZs Speak Out programme.

ADVOCACY

We will serve clean kiwi athletes by relentlessly advocating for high and consistently applied standards in anti-doping world-wide.

We will be actively involved on international boards and advisory committees and seen internationally as leaders in this area bringing a strong fiercely independent voice to international debate. Our survey of athletes will show that they are aware of the work we are doing. We will recognise DFSNZ success through a summary of our contributions to boards and advisory committees internationally and from feedback from stakeholders that we are seen internationally as leaders in bringing a strong fiercely independent voice to international debate.

Nick was elected as one of two Oceania representatives on WADA's NADO Expert Advisory Group, alongside his existing role as Chair of iNADO. Across the year, he presented to WADA's Foundation Board, opened the annual iNADO Workshop, attended and presented at WADA's Annual Symposium along with Anna.

Nick continues to support the Minister on WADA's Foundation Board and the Executive Committee Oceania representative. He is also a permanent advisor at ORADO Board meetings.

Responses to our annual Athlete Survey showed that 75% of athletes believed DFSNZ fights for internationally high standards in anti-doping – a 1% drop from the previous year. To us, this reflects a greater need for us to share stories of our advocacy work across channels to give athletes the evidence they need to be confident that we fight for internationally high standards in anti-doping.

[1] DFSNZ use Survey Monkey to conduct its surveys, with access to results restricted, and management procedural controls in place to ensure that the integrity of raw survey data is maintained through to its presentation. However, all electronic surveys are influenced by how the survey administrator sets up survey parameters such as number of responses per user, when and to whom the survey link is sent, and the collation of the outcome. With the design of this survey, there are no electronic controls to ensure that participants can complete the survey only once, and that all responses received have been included in the final results calculation.

[2] The Registered Testing Pool (RTP) includes athletes who compete in sports deemed to have a high risk of doping AND who demonstrate the potential to finish in a top five position at an Olympic Games or World Championship. The National Testing Pool (NTP) includes athletes where there are clear risks relating to doping, across one or a number of considerations, but this in aggregate is at a level lower than the RTP threshold. These higher risk RTP and NTP athletes are prioritised in our testing programme and are therefore in the best position to respond to survey questions about the work of DFSNZ.

appropriations reconciliation

The appropriation to DFSNZ is limited to meeting a single output class – “Sports Anti-Doping” – including the costs of operating an effective anti-doping programme in New Zealand and for New Zealand athletes.

This appropriation is intended to achieve New Zealand sports being drug free by means of implementing the World Anti-Doping Code.

	Actual 12 months to 30 June 23	Budget 12 months to 30 June 23	Actual 12 months to 30 June 22
	\$	\$	\$
Appropriation revenue*	4,757,754	4,757,754	4,547,760
Other revenue	595,243	355,731	258,317
Total revenue	5,352,997	5,113,485	4,806,077
Expenditure	5,609,555	5,377,787	4,200,560
Surplus/(Deficit)	-256,558	-264,302	605,517

* The appropriation revenue received by DFSNZ equals the Government's actual expenses incurred in relation to the appropriation, which is a required disclosure from the Public Finance Act.

Assessment of performance	Actual standard of performance to 30 June 2023	Budget standard of performance to 30 June 2023	Actual standard of performance to 30 June 2022
Number of intelligence-led urine and blood tests ⁶ carried out	1,444	1,400 – 1,550	692 (result impacted by COVID)
Elite athletes believe their sporting contests in NZ ARE influenced by doping	2.5%	< 10%	5.7%
Total number of athletes receiving education through workshops and/or online learning at all ages	11,422	10,000	8,541 (result impacted by COVID)

⁶ See the explanation regarding “samples” and “tests” in the SPE section of the Service Performance report



directory

AS AT 30 JUNE, 2020

DFSNZ BOARD

Tim Castle (Chair)
Keven Mealamu MNZM
Professor Patria Hume
Robyn Clements
Dan Buckingham

CHIEF EXECUTIVE

Nick Paterson

AUDITORS

RSM Hayes Audit on behalf of the Auditor-General

STATEMENT OF RESPONSIBILITY

The Board is responsible for the preparation of Drug Free Sport New Zealand's financial statements and the Statement of Performance, and for the judgements made in them.

The Board of Drug Free Sport New Zealand has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and Statement of Performance fairly reflect the financial position and operations of Drug Free Sport New Zealand for the year ended 30 June 2023.

The Board is responsible for any end-of-year performance information provided by DFSNZ under Section 19A of the Public Finance Act 1989.

Signed on behalf of the Board

Tim Castle
Chairperson

24 January 2024

Robyn Clements
Board Member

24 January 2024



statement of comprehensive revenue and expense

For the year ended 30 June 2023

	Notes	Actual 2023	Budget 2023	Actual 2022
		\$	\$	\$
Revenue				
Funding from the Crown		3,239,004	3,239,004	3,239,004
Sport Recovery Fund		1,518,750	1,518,750	1,308,756
Interest revenue		24,328	5,000	4,706
Contract Income		560,006	341,539	244,420
Other Income		10,909	9,192	9,192
Total revenue		5,352,997	5,113,485	4,806,077
Expenditure	3			
Athlete Services		1,700,449	1,747,236	1,362,197
Specialist Services		3,392,639	3,114,524	2,533,634
Strategic Engagement		374,660	368,455	237,434
Contract Testing		141,809	147,572	67,295
Total expenditure		5,609,555	5,377,787	4,200,560
Surplus/(deficit)		-256,558	-264,302	605,517
Total comprehensive revenue and expense		-256,558	-264,302	605,517



statement of changes in equity

For the year ended 30 June 2023

	Notes	Actual 2023	Budget 2023	Actual 2022
		\$	\$	\$
Balance at 1 July		968,262	586,000	362,744
Total comprehensive revenue and expense for the year		-256,558	-929	605,517
Balance at 30 June	12	711,704	585,071	968,262



statement of financial position

As at 30 June 2023

	Notes	Actual 2023	Budget 2023	Actual 2022
		\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	4	511,554	334,758	444,795
Investments	6	150,685	320,000	700,685
Receivables	5	110,766	13,000	93,778
Inventories	7	79,678	30,000	45,583
Prepayments		261,851	57,000	165,692
GST receivable		110,955	20,000	55,798
Property, plant and equipment	8	193,627	0	0
Intangible assets	9	316,780	0	0
Total current assets		1,735,896	774,758	1,506,332
Non-current assets				
Property, plant and equipment	8	0	156,000	206,465
Intangible assets	9	0	156,423	52,157
Total non current assets		0	312,423	258,622
Total assets		1,735,896	1,087,181	1,764,954
LIABILITIES				
Current liabilities				
Payables	10	818,324	301,135	573,168
Employee entitlements	11	181,458	100,000	174,602
Lease Make-Good		24,412	0	0
Total current liabilities		1,024,192	401,135	747,770
Non-current liabilities				
Lease Make-good		0	24,412 0	24,412
Payables	10	0	42,588	24,510
Total non-current liabilities		0	67,000	48,922
Total liabilities		1,024,192	468,135	796,692
NET ASSETS		711,704	619,046	968,262
Equity				
Accumulated surplus/(deficit)	12	711,704	619,046	968,262
Total equity		711,704	619,046	968,262

The accompanying notes form part of these financial statements.



statement of cash flows

For the year ended 30 June 2023

	Notes	Actual 2023	Budget 2023	Actual 2022
		\$	\$	\$
Cash flows from operating activities				
Receipts from the Crown		4,757,754	4,757,754	4,548,000
Interest received		24,328	5,000	4,706
Receipts from other revenue		492,612	350,000	256,628
Payments to suppliers		-3,369,955	-3,187,000	-2,264,630
Payments to employees		-2,021,422	-2,028,865	-1,855,126
GST (net)		-25,344	20,000	-15,090
Net cash flow from operating activities	13	-142,027	-83,111	674,488
Cash flows from investing activities				
Purchase of property, plant and equipment, motor vehicle		-36,285	-30,000	-94,869
Disposal of Motor Vehicle		0	0	0
Purchase of Investments		0		-550,000
Maturity of Investments		550,000	0	300,000
Purchase of intangible assets		-304,930	-120,000	0
Net cash flow from investing activities		208,785	-150,000	-344,869
Net (decrease)/increase in cash and cash equivalents		66,758	-233,111	329,619
Cash and cash equivalents at the beginning of the year		444,796	887,869	115,176
Cash and cash equivalents at the end of the year	4	511,554	654,758	444,796



notes to the financial statements

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Drug Free Sport New Zealand (DFSNZ) has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for DFSNZ are for the year ended 30 June 2023, and were approved by the Board on 24 January 2024.

BASIS OF PREPARATION

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

On 14 June 2022, the Minister for Sport and Recreation announced the establishment of an independent body to strengthen and protect the integrity of the sport and recreation system, and that DFSNZ would be folded into the new entity along with some of the integrity functions currently performed by Sport NZ.

The legislation (Integrity Sport and Recreation Act 2023) to establish this entity, the Integrity Sport and Recreation Commission, passed in August 2023 and work has been carried out since then by a separate Integrity Transition Programme to create the new entity. DFSNZ will cease operating on 30 June 2024 and the new Commission will begin operations on 1 July 2024.

All assets and liabilities will be transferred to the new Commission at their carrying value on the commencement date of the new Commission.

Accordingly, the financial statements have been prepared on a non-going concern basis. All assets and liabilities have been classified as current because the financial statements have been prepared on a non-going concern basis. There has been no impact to the valuation of the assets and liabilities.

Statement of compliance

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

The financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Determination of Tier 2 status is due to not having public accountability (is not an issuer) and the entity is not large (expenses are less than \$30m and greater than \$2m).

DFSNZ is required under section 156(2)(b) of the Crown Entities Act 2004 to complete the audited financial statements and statement of performance by 31 October 2023. The timeframe was

not met because RSM Hayes Audit was unable to complete the audit within this timeframe due to resource constraints.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars. There may be minor calculation anomalies in totals; this is due to rounding to the nearest dollar.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are outlined below. Accounting policies that do not relate to a specific note are outlined below.

Changes in accounting policy

Other than the first-time adoption of PBE FRS 48 Service Performance Reporting and the update from PBE IPSAS 29 Financial Instruments to PBE IPSAS 41 Financial Instruments, there have been no other changes in the accounting policies of DFSNZ for the year ended 30 June 2023.

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

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

Budget figures

The budget figures are derived from the statement of performance expectations as approved by the board at the beginning of the financial year. The budget figures have been prepared in



notes to the financial statements

(continued)

accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the board in preparing these financial statements.

Cost allocation

DFSNZ has previously determined the cost of outputs using the cost allocation system as follows. Direct costs are those costs directly attributed to an output.

Indirect costs are costs that cannot be attributed to a specific output in an economically feasible manner. Direct costs are charged directly to outputs.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, DFSNZ has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful life and residual values of non-current assets

At each balance date, the useful lives and residual values of non-current assets are reviewed. Assessing the appropriateness of useful life and residual value estimates of these assets requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by DFSNZ, and the expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation or amortisation expense recognised in the surplus or deficit, and the carrying amount of the asset in the statement of financial position. DFSNZ minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of prior asset sales.

DFSNZ has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in accounting policy.

In preparing the service performance information for the period

management has made a number of significant judgements about what information to present, based on an assessment of what information would be most appropriate and meaningful to stakeholders of the Annual Report when assessing performance against DFSNZ's objectives. The decisions about what service performance information to present were made in consultation with the Board, key management personnel and other members of the team.

Leases classification

Determining whether a lease agreement is a finance lease or operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to DFSNZ.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewable options in the lease term, and determining the appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

REVENUE

DFSNZ is primarily funded from the Crown. This funding is restricted in its use for the purpose of DFSNZ meeting the objectives specified in the Sports Anti-Doping Act 2006 and the scope of the relevant appropriations of the funder. DFSNZ considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement, which is considered to be the start of the appropriations period to which the funding relates. The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding.

DFSNZ also receives revenue from contract testing activities, for completing testing activities for external organisations. Revenue is recognized in the accounting period in which the services are rendered.

PERSONNEL COSTS

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to Kiwisaver is accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.



notes to the financial statements

(continued)

Employee entitlements

Short-term 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 to but not yet taken at balance date, and sick 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.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

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.

RECEIVABLES

Short-term receivables are recorded at the amount due, less an allowance for credit losses. DFSNZ applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short term receivables are written off when there is no reasonable expectation of recovery; indicators of which include the debtor being in liquidation.

INVESTMENTS

Bank term deposits

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 for distribution in the provision of services that are not supplied on a commercial basis are measured at cost, adjusted, when applicable, for any loss of service potential.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of furniture, electronic equipment and a motor vehicle.

All asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

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

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 net in the surplus or deficit.

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 DFSNZ and the cost of the item can be measured reliably.

The costs of day-to-day servicing of these items are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis for all items 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:

- Furniture 10 years (10%)
- Electronic equipment 4 years (25%)
- Motor vehicle (15%)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.



notes to the financial statements

(continued)

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with maintenance of DFSNZ's website 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 derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful life and associated amortisation rates of intangible assets have been estimated as four years (25%) or 8 years (12.5%).

"The IASB's Interpretations Committee issued an agenda decision during April 2021 that clarifies the accounting treatment expected under International Financial Reporting Standards for customisation and configuration costs associated with software as a service (SAAS) arrangements. The PBE IPSAS-based standards do not provide specific guidance on SAAS arrangements. However, PBE IPSAS 3 explains that in the absence of a PBE standard specifically dealing with a transaction, management may consider the most recent pronouncements of other standard setting bodies. An example of such pronouncements include interpretations issued by the IASB's Interpretations Committee."

IMPAIRMENT OF NON-CURRENT ASSETS

Non-current assets held at cost 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 service amount.

The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

PAYABLES

Short-term payables are recorded at their face value.

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.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

In respect of its leased premises DFSNZ is required at the expiry of the lease term to make good any damage caused to the premises and to remove any fixtures or fittings installed by DFSNZ.

DFSNZ has the option to renew this lease, which affects the timing of expected cash outflows to make good the premises. As the lease expiry is over five years away, DFSNZ has assumed a "worst case" scenario, in measuring the provision, that the option to renew will be not exercised. The cash flows associated with the lease make-good provision are expected to occur in February and March 2026.

EQUITY

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



notes to the financial statements

(continued)

2. PERSONNEL COSTS

	Actual 2023	Actual 2022
	\$	\$
Salaries and wages	2,017,619	1,835,567
Defined contribution plan employer contributions	60,676	53,136
Increase/(decrease) in employee entitlements	-6,552	0
Total personnel costs	2,071,744	1,888,703

Employer contributions to defined contribution plans include contributions to KiwiSaver.

3. EXPENDITURE BY NATURE

	Actual 2023	Actual 2022
	\$	\$
Fees to Audit New Zealand for audit of financial statements	32,000	23,517
Board fees and expenses	64,650	58,347
Depreciation and amortisation	95,948	68,611
Loss on disposal	0	0
Doping Control Official fees	360,650	148,290
Laboratory fees	584,075	304,491
Operating lease expense	191,331	192,685
Personnel costs	2,071,744	1,888,704
Legal costs	67,278	126,731
Contract testing costs	164,826	67,295
International Fees and contributions	137,881	116,757
International Travel	120,341	42,506
Information Technology – Testing Programme	0	10,725
Intelligence and Investigations	0	187
Education Programme	160,590	100,354
Testing Programme - other	289,192	257,069
Administration costs - other	1,269,051	794,292
Total expenditure	5,609,555	4,200,560

4. CASH AND CASH EQUIVALENTS

	Actual 2023	Actual 2022
	\$	\$
Cash at bank and on hand	511,554	444,795
Term deposits with maturities less than three months	0	0
Total cash and cash equivalents	511,554	444,795



notes to the financial statements

(continued)

5. RECEIVABLES

	Actual 2023	Actual 2022
	\$	\$
Receivables (gross)	110,766	93,778
Less: allowance for credit losses	0	0
Total receivables	110,766	93,778
Receivables from the sale of goods and services (exchange transactions)	110,766	93,778

Total receivables are from the provision of contract testing.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

6. INVESTMENTS

	Actual 2023	Actual 2022
	\$	\$
Current portion		
Term deposits	150,685	700,685
Total current portion	150,685	700,685
Total investments	150,685	700,685

7. INVENTORIES

	Actual 2023	Actual 2022
	\$	\$
Testing equipment	79,678	45,583
Total inventories	79,678	45,583



notes to the financial statements (continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Electronic Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
Cost or valuation				
Balance at 1 July 2021	188,287	172,185	0	360,471
Adjustment for assets not in use	0	-99,837	0	-99,837
Additions	34,472	60,457	0	94,929
Disposals	0	-14	0	-14
Balance at 30 June 2022	222,759	132,791	0	355,549
Balance at 1 July 2022	222,759	132,791	0	355,549
Additions	6,842	30,143	0	36,985
Disposals	0	0	0	0
Balance at 30 June 2023	229,601	162,934	0	392,534
Accumulated depreciation				
Balance at 1 July 2021	76,176	135,856	0	212,032
Adjustment for assets not in use	0	-99,837		-99,837
Depreciation expense	16,019	20,114	0	36,132
Elimination on disposal	757	0	0	757
Balance at 30 June 2022	92,953	56,133	0	149,084
Balance at 1 July 2022	92,953	56,133	0	149,085
Depreciation expense	18,128	31,694	0	49,822
Elimination on disposal	0	0	0	0
Balance at 30 June 2023	111,080	87,827	0	198,907
Carrying amounts				
At 1 July 2021	112,111	36,329	0	148,439
At 30 June 2022	129,806	76,658	0	206,464
At 30 June 2023	118,520	75,107	0	193,627



notes to the financial statements

(continued)

9. INTANGIBLE ASSETS

	Acquired software
	\$
Cost	
Balance at 30 June 2021	748,437
Opening Balance Adjustment	-175,993
Adjustment for assets not in use	-452,969
Adjusted Balance at 30 June 2021	119,475
Additions - completed projects	0
Additions - projects in progress at 30 June	0
Disposals	
Balance at 30 June 2022	119,475
Additions - completed projects	314,425
Additions - projects in progress at 30 June	0
Disposals	
Balance at 30 June 2023	433,900
Accumulated amortisation	
Balance at 30 June 2021	535,182
Opening Balance Adjustment	-45,901
Adjustment for assets not in use	-452,969
Adjusted Balance at 30 June 2021	36,312
Amortisation expense	31,007
Disposals	0
Balance at 30 June 2022	67,318
Amortisation expense	49,802
Disposals	
Balance at 30 June 2023	117,120
Carrying amounts	
At 1 July 2021	83,163
At 30 June 2022	52,157
At 30 June 2023	316,780

The IASB's Interpretations Committee issued an agenda decision during April 2021 that clarifies the accounting treatment expected under International Financial Reporting Standards for customisation and configuration costs associated with software as a service (SAAS) arrangements. The PBE IPSAS-based standards do not provide specific guidance on SAAS arrangements. However, PBE IPSAS 3 explains that in the absence of a PBE standard specifically dealing with a transaction, management may consider the most recent pronouncements of other standard setting bodies. An example of such pronouncements include interpretations issued by the IASB's Interpretations Committee.



notes to the financial statements

(continued)

10. PAYABLES

	Actual 2023	Actual 2022
	\$	\$
Current portion		
Lease incentive in advance	24,512	9,192
Creditors	540,436	351,634
Accrued Expenses	253,376	212,343
Total current portion	818,324	573,169
Non-current portion		
Lease incentive in advance	0	24,512
Total non-current portion	0	24,512
Total payables	818,324	597,681

The lease incentive in advance is recognition of income from the incentive received in advance across the lease term of 60 months.

DFSNZ has a \$20,000 credit card limit with BNZ. At year end approximately \$10,356 was drawn down and this amount is included in payables at year end.

11. EMPLOYEE ENTITLEMENTS

	Actual 2023	Actual 2022
	\$	\$
Accrued salaries and wages	85,379	71,971
Annual leave	96,079	102,631
Total employee entitlements	181,458	174,602

12. EQUITY

	Actual 2023	Actual 2022
	\$	\$
Accumulated surplus /(deficit)		
Balance at 1st July	968,262	362,745
Surplus/(deficit) for the year	-256,558	605,517
Balance at 30 June	711,704	968,262
Total equity	711,704	968,262

An opening balance adjustment of \$130,092 was made at 1 July 2021. This related to an adjustment made to the intangible assets which was retrospectively expensed as it did not meet the criteria to be recognised as an asset.



notes to the financial statements (continued)

13. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Actual 2023	Actual 2022
	\$	\$
Net surplus/(deficit)	-256,558	605,517
Add/(less) non-cash items		
Lease make good provision	(9,192)	(9,221)
Depreciation and amortisation expense	95,948	68,611
Total non-cash items	86,756	59,390
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	0	0
Total items classified as investing or financing activities	0	0
Add/(less) movements in statement of financial position items		
(Increase)/Decrease in receivables	-16,988	709
(Increase)/Decrease in inventories	-34,095	-30,645
Increase/(Decrease) in payables	223,317	82,238
Increase/(Decrease) in employee entitlements	6,857	66,589
(Increase)/Decrease in prepaid expenses	-96,159	-87,425
(Increase)/Decrease in GST receivable	-55,157	-21,885
Net movements in working capital items	27,774	9,581
Net cash flow from operating activities	-142,028	674,488



notes to the financial statements

(continued)

14. OPERATING LEASES

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Actual 2023	Actual 2022
	\$	\$
Not later than one year	416,912	133,041
Later than one year and not later than five years	0	358,367
Later than five years	0	0
Total non cancellable operating leases	416,912	491,408

DFSNZ has committed to a six-year term which expires in February 2026.

There are no restrictions placed on DFSNZ by any of its leasing arrangements.

At June 30, there are further capital commitments for the acquisition of intangible assets of \$118,500 (2022: 0).

15. CONTINGENCIES

DFSNZ, at balance date, has no contingent assets or liabilities (2022: nil).

16. RELATED PARTY TRANSACTIONS

DFSNZ is a wholly owned entity of the Crown.

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

Key management personnel compensation

	Actual 2023	Actual 2022
Board Members		
Remuneration	51,740	43,060
Full-time equivalent members	0.3	0.3
Leadership Team		
Remuneration	621,214	559,682
Full-time equivalent members	3.9	3.9
Total key management personnel remuneration	672,954	602,742
Total full time equivalent personnel	4.2	4.2

Board member remuneration has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.



notes to the financial statements (continued)

17. BOARD MEMBER REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	Actual 2023	Actual 2022
	\$	\$
Dillion Boucher	0	1,875
Dan Buckingham	7,600	2,850
Sarah Ulmer	0	0
Tim Castle	19,140	19,525
Dr Patria Hume	7,600	7,030
Keven Mealamu	8,000	3,610
Robyn Clements	9,400	8,170
Total Board member remuneration	51,740	43,060
Plus Board Expenses	12,910	15,287
Board fees plus expenses (see note 3)	64,650	58,347

DFSNZ has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2022: nil).

18. EMPLOYEE REMUNERATION

	Actual 2023	Actual 2022
Total remuneration paid or payable that is or exceeds \$100,000		
\$100,000 - \$109,999	2.0	2.0
\$110,000 - \$119,999	2.0	2.0
\$120,000 - \$129,999	1.0	1.0
\$130,000 - \$139,999		
\$140,000 - \$149,999		
\$150,000 - \$159,999		
\$160,000 - \$169,999		
\$170,000 - \$179,999		
\$180,000 - \$189,999		
\$190,000 - \$199,999		
\$200,000 - \$209,999		
\$210,000 - \$219,999		
\$220,000 - \$229,999	1.0	1.0
Total employees	6	6

During the year ended 30 June 2023: 0 employees (2022: 0) received compensation and other benefits in relation to cessation.



notes to the financial statements

(continued)

19. EVENTS AFTER THE BALANCE DATE

On 14 June 2022, the Minister for Sport and Recreation announced the establishment of an independent body to strengthen and protect the integrity of the sport and recreation system, and that DFSNZ would be folded into the new entity along with some of the integrity functions currently performed by Sport NZ.

The legislation to establish this entity, the Integrity Sport and Recreation Commission, passed in August 2023 and work has been carried out since then by a separate Integrity Transition Programme to create the new entity. DFSNZ will cease operating on 30 June 2024 and the new Commission will begin operations on 1 July 2024.

All assets and liabilities will be transferred to the new Commission at their carrying value on the commencement date of the new Commission.

Accordingly, the financial statements have been prepared on a non-going concern basis. All assets and liabilities have been classified as current because the financial statements have been prepared on a non-going concern basis. There has been no impact to the valuation of the assets and liabilities.

20. FINANCIAL INSTRUMENTS

ADOPTION OF PBE IPSAS 41

DFSNZ has adopted PBE IPSAS 41 Financial Instruments in the current financial year. This standard replaces the provisions of PBE IPSAS 29

Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

In accordance with the transitional provisions in PBE IPSAS 41 comparative information for the 30 June 2022 period have not been restated.

As a result, the comparative information provided continues to be accounted for in accordance with DFSNZ's previous accounting policies.

There were no material changes in recognition or measurement required upon adoption of PBE IPSAS 41.

Financial assets and financial liabilities are recognised when DFSNZ becomes a party to the contractual provisions of the financial instrument.

Financial Assets

Initial recognition

At initial recognition, DFSNZ measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

DFSNZ classifies its financial assets at amortised cost.

Financial liabilities

All financial liabilities are recognised initially at fair value and, if applicable, plus directly attributable transaction costs.

DFSNZ's financial liabilities include trade and other creditors and employee entitlements.

DFSNZ classifies its financial liabilities at amortised cost.



notes to the financial statements

(continued)

20A. FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2023	Actual 2022
	\$	\$
Financial assets measured at amortised cost		
Cash and cash equivalents	511,554	444,795
Investments – current	150,685	700,685
Receivables	110,766	93,778
Total financial assets	773,005	1,239,258
Financial liabilities measured at amortised cost		
Payables	818,325	597,681
Total financial liabilities measured at amortised cost	818,325	597,681

DFSNZ has no derivative financial instruments at 30 June 2023.

20B. FINANCIAL INSTRUMENT RISKS

DFSNZ's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. DFSNZ has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The exposure to such fluctuations is minimal and the risk is considered insignificant.

DFSNZ does not actively manage its exposure to cash flow interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

DFSNZ makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies.

Credit risk

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

Due to the timing of its cash inflows and outflows, DFSNZ invests surplus cash with registered banks.

DFSNZ has processes in place to review the credit quality of customers prior to the granting of credit.

In the normal course of business, DFSNZ is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best presented by the carrying amount in the statement of financial position.

DFSNZ invests funds only with registered banks that have a Standard and Poor's credit rating of AA. DFSNZ has experienced no defaults of interest or principal payments for terms deposits.

DFSNZ holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.



notes to the financial statements (continued)

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit rating (if available) or to historical information about counterparty default rates.

	Actual 2023	Actual 2022
	\$	\$
COUNTERPARTIES WITH CREDIT RATINGS		
<i>Cash at bank and term deposits</i>		
AA-	662,239	1,145,480
Total cash at bank and term deposits	662,239	1,145,480
COUNTERPARTIES WITHOUT CREDIT RATINGS		
<i>Receivables</i>		
Existing counterparty with no defaults in the past	110,766	93,778
Existing counterparty with defaults in the past	0	0
Total receivables	110,766	93,778

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that DFSNZ will encounter difficulty raising liquid funds to meet Commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

DFSNZ mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

	Carrying amount	Contractual cash flows	Less than 6 months	6-12 Months	Later than 1 year
	\$	\$	\$	\$	\$
2022					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	597,681	597,681	563,977	9,192	24,512
Total	597,681	597,681	563,977	9,192	24,512
2023					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	818,325	818,325	793,813	24,512	0
Total	818,325	818,325	793,813	24,512	0



notes to the financial statements

(continued)

21. CAPITAL MANAGEMENT

DFSNZ's capital is its equity, which comprises accumulated funds. Equity is represented by net assets.

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

DFSNZ has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

DFSNZ manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that DFSNZ effectively achieves its objectives and purpose, while remaining a going concern.

22. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

The year-end deficit was \$(257)k vs a budget of \$(264)k. Contract Income was well above budget with high levels of testing activity, high lab wash-up expenses, and continued investment in ICT.



independent auditor's report



Independent Auditor's Report

To the Readers of Drug Free Sport New Zealand's Financial Statements and Statement of Performance for the year ended 30 June 2023

The Auditor-General is the auditor of Drug Free Sport New Zealand (the Entity). The Auditor-General has appointed me, Steve Hayes, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements and the performance information of the Entity on his behalf.

Opinion

We have audited:

- The financial statements of the Entity on pages 24 to 42, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information; and
- The performance information of the Entity on pages 18 to 19 and 22.

In our opinion:

- The financial statements of the Entity on pages 24 to 42, which have been prepared on a non-going concern basis:
 - Present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - Comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The Entity's performance information for the year ended 30 June 2023:
 - Presents fairly, in all material respects, for each class of reportable outputs its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year.
 - Presents fairly, in all material respects,
 - what has been achieved with the appropriations; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - Complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 24 January 2024. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 156(2)(b) of the Crown Entities Act 2004. This was due to resource constraints.



independent auditor's report (continued)



The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, and the performance information, we comment on other information, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Emphasis of Matter- Financial statements have been prepared on a non-going concern basis

Without modifying our opinion, we draw attention to the basis of preparation paragraph in the statement of accounting policies in note 1 on page 27 which outline that the financial statements of the Entity have been prepared on a non-going concern basis, given the Entity will cease operating on 30 June 2024 and the new Integrity, Sport and Recreation Commission (the Commission) will begin operations on 1 July 2024. All assets and liabilities will be transferred to the new Commission at their carrying value on the date of disestablishment. There has been no impact to the valuation of the assets and liabilities.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible, on behalf of the Entity, for the preparation and fair presentation of the financial statements and performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Board determine is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible, on behalf of the Entity, for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so, as is noted in the Emphasis of Matter paragraph.

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Entity's statement of performance expectations.



independent auditor's report (continued)



We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Entity's framework for reporting its performance.
- We conclude on the appropriateness of the use of the non-going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we draw your attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- We evaluate the overall presentation, structure, and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 17, 20 to 21 and 23 of the Annual Report but does not include the financial statements and the performance information and our auditor's report thereon. Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Entity in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standards 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standard) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.



independent auditor's report (continued)



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

Steve Hayes
RSM Hayes Audit
On behalf of the Auditor General
Auckland, New Zealand

24 January 2024



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