



Annual Report 2022

For the year ended 30 June 2022



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.

In 2021/22, we received our principal funding of \$3.239 million from Government via Vote Sport in 2021/22. Additionally, we successfully applied to Sport NZ for funding through the Sport Recovery Package, and as a result received just over \$1.308 million of a total \$4.347 million across three years. The application of these funds is monitored by the Ministry for Culture and Heritage.

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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. No reira, tenā 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

Aotearoa New Zealand this year felt the full force of COVID in a way it had escaped previously. Its impact was keenly felt here at Drug Free Sport New Zealand. Lockdowns, distancing requirements and event cancellations meant that our testing programme was significantly impacted, and we reported some of our lowest testing numbers in years. However once restrictions allowed us back out into the field, we worked hard to protect our athletes and our team by establishing safe and healthy field protocols and to resume the delivery of our testing programme. We delivered the anti-doping programme for the ICC Women's World Cup under strict COVID protocols, and even piloted a new testing method known as Dried blood Spot testing.

Even through lockdowns we continued to engage across the sporting community in the name of clean sport, and COVID couldn't keep us from seeing success in many avenues. Over 8,500 Kiwi athletes benefitted from our world-class anti-doping

education, thanks to strong growth within our e-learning. We continued to support our NZ representative athletes through event-specific courses for the Beijing Winter Olympics and Paralympics and the Birmingham Commonwealth Games.

True to our commitment to keep athletes at the heart of everything we do, this was the first year for our Athlete Commission. Collaborating with our Commission members has allowed us to better understand athlete perspectives and to incorporate greater input from athletes into our decisions and mahi. We also introduced a Legal Support Fund, providing athletes with access to independent legal advice when they are facing doping allegations from us.

At the same time, we increased our support for National Sports Organisations, introducing a User Pays Fund to assist when they are required to have testing at international events held within NZ. Triathlon NZ was the first NSO to benefit, with an allocation of funds to assist with their testing costs for the Tri Taranaki Festival. Finally, we started a new Paralympics New Zealand collaboration – the Para Athlete Action Plan – which is helping us to work towards a more equitable anti-doping experience for this important athlete group.

We couldn't do what we do without the dedication and expertise of our team in Auckland and across the country and are grateful to them for the hard and high-quality mahi. We're also grateful for the support of NSOs, who work with us to support clean athletes and promote clean sport.

Tim Castle, Chairperson

Nick Paterson, Chief Executive

Board Changes:

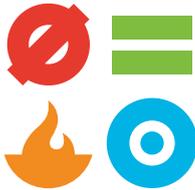
We welcomed new Board member Dan Buckingham for a term of five years from April 2022. Dan represented New Zealand in wheelchair rugby as a Wheel Black for 16 years, seven of which were spent as captain. He competed in two Paralympic Games and four World Championships, winning gold at the Athens 2004 Paralympic Games and silver at the 2006 World Championships. He has also competed as a Para athlete in track & field, including completing the New York marathon and the Auckland marathon twice, and he holds the New Zealand record for the wheelchair half-marathon in the T52 classification. Dan was President of New Zealand Wheelchair Rugby in 2007 and served as the deputy chair of the Auckland Council's Disability Advisory Panel. He is currently on the board for SPADA (Screen Production And Development Association).



Dan



strategy



drug free sport
new zealand

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

Enjoy, Dream, Share, Support, Value and Be Valued, Walk-the-Talk



Photo courtesy of New Zealand Rugby League. Credit: Photosport.nz

education record 2021/22



8,541

athletes received formal clean sport education

3,357

e-learning completions

5,184

educated in workshops and webinars

63

youth workshops

top 5 medications researched

1. Ventolin inhaler

4. Ritalin

2. Codeine

5. Augmentin

3. Probenecid



web traffic



Top 5 pages viewed



1. Medications (11,949)

2. E-learning (9,680)

3. Prohibited substances (8,492)

4. Consequences of doping (7,773)

5. Supplements (6,167)

last financial year

46,722 users

made

131,461 page views

across our website



testing



2021/22 testing numbers:



whereabouts athletes (as at 30 June 2022):



top three most-tested sports in NZ:





Sport Recovery Package

Over the last few years, we have undergone a robust financial management process which identified increasing cost pressures, reflective of the emerging challenges in the anti-doping landscape.

These challenges included:

- The risk of doping due to the pandemic has increased because of lockdowns, online purchasing, inability to train and lower testing numbers.
- Increased opportunities for success and financial gain, particularly in professional sports; worldwide markets for services; and well established, highly competitive pathways to elite sport.
- Sport integrity challenges, such as the availability of legal supplements containing prohibited substances and new technologies or methods.
- Reduced athlete confidence in anti-doping measures worldwide following systematic doping in Russia, and the continued discovery of doping breaches through retrospective testing from previous Olympic games.
- Increased World Anti-Doping Agency (WADA) requirements, including increased and more complex testing and education requirements.

To address these challenges and the associated cost pressures, we successfully applied to Sport NZ for funding through the Sport Recovery Fund, and as a result received an additional \$4.3 million over three years, of which \$1.3 million was allocated to 2021/22.

These funds allow us to maintain our current level of service delivery while making the required step-change to address these challenges, in particular by:

- working across the sector, nurturing closer relationships with our partners and athletes to better meet their needs and delivering an anti-doping regime in a way that supports athletes and NSOs to succeed; and
- delivering world class education that will inform and empower all athletes subject to the international regime.

Some of the key initiatives this funding is helping us to deliver are:

- engaging further directly with our athletes, and also with our wider communities, in particular with secondary school students and support personnel.
- conducting comprehensive research and analysis into the impact of our education, as well as athletes' attitudes and behaviours towards doping.
- developing further DFSNZ's cultural capability, ensuring our services resonate with and are meaningful for all athletes, and in particular our Māori and Pacific communities.
- driving the delivery and implementation of new and innovative testing techniques, such as Dried Blood Spot testing, and increasing the reach of our testing programme.





Clean sport through COVID

COVID remains a global reality. Its impacts were felt here in New Zealand more this year than ever before.

As COVID entered our community, we encountered new challenges including increasing infection rates, lengthy lockdowns and restrictions on participation in sport, travel restrictions and event interruptions. We put in place comprehensive measures to protect athletes, our teams in the field and our HQ team in Auckland and elsewhere in the country.

Our Athlete Commission supported us with our COVID response work, ensuring that we remained athlete centred while aligning with government requirements. Safe testing protocols and a staggered return-to-work still support our priority to keep our teams and our athletes safe.

COVID nonetheless had a significant impact on our testing programme. Lockdown conditions and ongoing distancing

restrictions prevented in-person sample collection. This meant that we were unable to carry out any testing in the top half of the North Island for a significant portion of the year. The later Omicron wave had a similar impact. Ultimately this affected not just our core sample collection and testing, but also our Athlete Biological Passport work and wider analyses.

Though outreaches and in-person education were necessarily limited by the interruptions, use of our e-learning platform and online webinars became especially valuable during the 2021 lockdown. This gave us confidence that clean sport messages continued to have a broad reach through New Zealand's sporting community.





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.

CENTRING THE ATHLETE VOICE

We've long understood the value of engaging with athletes in the development and delivery of our mahi. To be a truly athlete-centred organisation, athletes must be at the heart of everything we do. That's why we established an Athlete Commission: as a way to involve athletes in our mahi from ideation right through to decision-making and implementation.

After much groundwork, the Athlete Commission came to life this year, led by former Winter Olympian Ben Sandford and populated by a diverse group of athletes committed to clean sport. The Commission has been true to their aim of bringing an independent athlete voice to all aspects of our work. As well as establishing their own terms of reference and upskilling through governance training, the Commission has supported us with our COVID response and offered feedback and ideas for our initiatives.

The process of establishing the Commission had been a long one, with much learnt along the way. We put together a document that reflected on our experiences and learnings, with a view to supporting other NADOs wishing to establish their own Athlete Commission.

Athlete Commission members: Ben Sandford (Chair), Adam Blair, Adam Hall, Emma Twigg, Portia Bing, Ruby Tui, Shea McAleese, Tracey Lambrechts.

INCREASING PARA ATHLETE REPRESENTATION

As with any newly established team, the Strategic Engagement Low Para representation in anti-doping is a global issue, but this year we've formalised our commitment to address the imbalance here in New Zealand. Working with Paralympics New Zealand, we

developed a Para Action Plan that will boost anti-doping support and inclusion for our Para athletes and Para sports. We've already achieved many of the action points in the Plan, from Para athlete representation in our content and on our Athlete Commission to 5% Para sport in our Test Distribution Plan.



“We commend Drug Free Sport NZ on their Action Plan for Para sport in New Zealand, and we are hopeful that other NADOs are also working towards increased inclusion of Para athletes and Para sport.”

– Fiona Allen, CE Paralympics New Zealand

COMMUNICATING STRATEGICALLY

This year saw the team formally plan our approach to communications and media, to give an athlete-centred approach to our communications, with a focus on building trust and credibility.

We increased our pool of media contacts, and Newshub ran a segment on our pilot of dried blood spot (DBS) testing, a new sample collection method. The segment showed DCO Lee Jones administering a DBS test on Olympian Dylan Schmidt. Chief Executive Nick Paterson and DFSNZ Athlete Commission Chair Ben Sandford spoke to the importance and relevance of this type of testing.

ENGAGING DIGITALLY

After months of planning, our new website went live in August 2021, offering users an updated look-and-feel, streamlined content with less repetition, and improved navigation. The website is the one source of truth for New Zealand's anti-doping information, education and support.

Drug Free Sport New Zealand

Protecting clean athletes and promoting clean sport

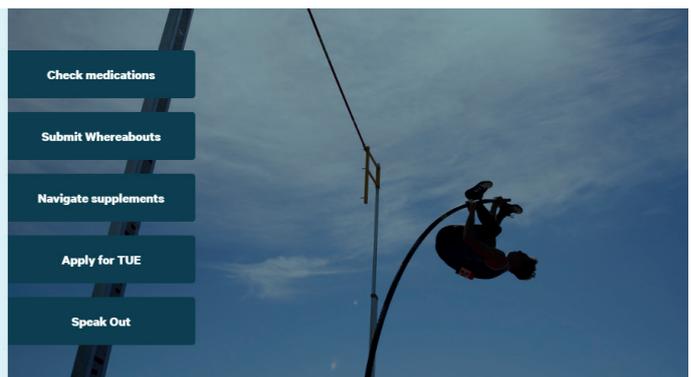
Check medications

Submit Whereabouts

Navigate supplements

Apply for TUE

Speak Out



Our use of social media has become more strategic this year. We welcomed a social media coordinator to the team, whose work helps us take advantage of the huge audience growth opportunities offered by social media platforms. Driving our activity on social media reflects our athlete-centred approach, as we boost our ability to engage with athletes on the platforms they already use in their daily lives.

STANDING WITH CHAMPIONS

Social media was key in our successful 'Stand with champions' campaign, a targeted, coordinated multi-channel promotion designed to raise awareness of Speak Out and normalise reporting doping concerns in Aotearoa New Zealand. Athlete Commission member Adam Blair headed up the campaign video, and Athlete Commission member Portia Bing made an appearance – along with a number of DFSNZ team members. The campaign exceeded our expectations, with 16 NSOs agreeing to share campaign messaging through their own channels, and over 45,000 video views across social media.

REACHING OUT TO ATHLETES

Despite another year of COVID interfering with our Outreach plans, we did manage to get out amongst Kiwi athletes once restrictions lifted. Two of our athlete educators took our Outreach

programme to the New Zealand Secondary Cross Country Championships in Nelson. It was a busy day with a diverse audience of athletes, parents and coaches showing interest in our work. A finish line location helped us engage with athletes and their whānau on important topics like supplements and medication.

An invitation from the New Zealand Olympic Committee led us to attend their pre-Commonwealth Games Athlete Workshops across the country. All longlisted athletes attended at least one of these workshops, which gave our Athlete Educators a broad audience among which to share information about Prohibited List changes and other key clean sport messages.

SUPPORTING NEW ZEALAND SPORTS

Our commitment to leading a culture of clean sport and supporting National Sporting Organisations (NSOs) in their pursuit of clean sport led us to establish a User Pays Fund. The Fund supports NSOs and athletes with some of the additional, and at times unplanned, costs involved in world record attempts and international competitions being hosted in Aotearoa New Zealand. The first sport to take up this valuable support was Triathlon NZ where we covered 50% of the costs for testing required by the International Federation at the Tri Taranaki Festival.



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.

ACHIEVING THROUGH AGILITY

Our agility in the face of COVID challenges was showcased through our education numbers this year. Educating over 8,500 athletes despite the tough year was an enormous achievement. Of these, 59% came from our workshops and online webinars, and 41% via e-learning.

ENHANCED LEARNING EXPERIENCES

Our education programmes continued to evolve over the year with a focus on enhancing the athlete learning experience across our online and in-person offerings. Athletes and their feedback were at the heart of this work, forming the basis for a re-working of our e-learning courses. Where athletes had pointed out barriers to learning, we researched, implemented and tested permanent solutions. The result was gratifying: far fewer athletes reported challenges with our e-learning, falling to one query per month from 10-20 queries per week previously.

The introduction of a new presentation system, Showcase, freed our educators in the field from connectivity issues thanks to its offline capabilities. It brought other benefits, too. We gained the ability to update education presentations with little disruption for educators, and – importantly – a knowledge base function. This handy tool gives educators the means to offer up-to-date and relevant content in response to unexpected questions from Kiwi athletes.

CLEAN SPORT VALUES FOR RANGATAHI

A highlight of our enhanced learning experiences must be our redeveloped youth education programme. The new Clean Sport Values Youth Education Programme (YEP) focuses on a values-based approach to clean sport. It introduces rangatahi to positive core values and practical life skills that will support them throughout their lives. The new programme consists of four engaging lessons. Trained athlete educators deliver the first lesson in person or via webinar, allowing rangatahi to learn about clean sport from those who have lived it, both on and off the sports field. The subsequent three lessons can be studied independently, making the YEP equally suitable for schools, sports clubs and academies.

BESPOKE CONTENT

We developed event-specific e-learning courses for athletes competing at the Beijing Winter Olympics and Paralympics and the Birmingham Commonwealth Games. These courses were a refresher on the most important aspects of clean sport and included event-specific information and rules. We reached 54 completions for our Commonwealth Games e-learning, and 66 completions for our Olympic and Paralympic e-learning courses.

CLEAN SPORT PARTNERSHIPS

Working with Auckland University of Technology, we contributed to the design and implementation of an exciting new research project. The project explores changes in athlete attitudes, knowledge and behaviour as a result of completing our education courses. Work on the project will continue throughout 2022/23 to evaluate the impact of our work.

In collaboration with Sport New Zealand's Balance is Better initiative, GM Athlete Services Dr Sian Clancy presented a well-attended webinar on youth supplement use. Taking a neuroscientific perspective, Sian shared key findings from her own research and offered practical tips to parents and coaches of youth athletes.



testing

We aim to increase the range and frequency of our testing programme until all 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.

SAFE TESTING DELIVERY

Our testing programme bore the brunt of COVID disruptions this year. We collected 692 samples across sports, missing our target but reflective of the overall reduction in sporting events across the country and internationally, and our restricted access to athletes due to COVID restrictions.

Despite challenges, our testing programme focused on unpredictability, inclusion and reach. We made variations to our mission planning and reached a broad range of athletes across sports and competition levels.

We supported our testing efforts with comprehensive guidelines for sample collection at all stages of New Zealand's protection framework; our field team worked within these guidelines to enable us to deliver testing.

The ICC contracted us to deliver the ICC Women's World Cup anti-doping programme, which was a huge success. This major event was held at various locations across the motu and involved a large proportion of our internal and field teams. We worked closely with the ICC around our mahi at this event, which included arranging for our team to enter isolation bubbles prior to sample collection. We continued to add to our experience embedding COVID protocols as part of test distribution and personnel allocation at a major event. We look forward to applying lessons from this experience to major event services in the future.

ANTI-DOPING INNOVATION

The final quarter of the year saw the roll out of our dried blood spot (DBS) pilot, previously trialled internationally at the Tokyo Olympic and Paralympic games, and now giving athletes in Aotearoa New Zealand another layer of protection from doped competition. DBS is quick and simple, using microneedles to generate a few drops of blood. The drops are collected on filter paper, separated, secured and sent for analysis. It's far less invasive than traditional sample collection and minimises the impact on athletes.

Feedback was positive: athletes liked the collection method over traditional methods and sample collection personnel (SCP) liked the easy-to-use devices. The pilot continues into the new financial year and will see us hone the process and trial the method in different settings.

TRAINING, ACCREDITATION AND PLANNING

All our Doping Control Officers (DCOs) gained International Testing Agency (ITA) iDCO accreditation in 2022. The training involved a significant time commitment from our DCO team, but their feedback showed that the process was a positive and beneficial experience. With iDCO accreditation, our DCOs are now eligible to conduct sample collection at major international events. Importantly, athletes can have additional confidence in the world-class services of our highly skilled sample collection personnel.

Throughout the year our Quality Team has worked hard on developing comprehensive plans for recruitment, training, accreditation, auditing and error handling. We look forward to implementing these plans in the coming financial year.

SAMPLE COLLECTION SKILLS OVERSEAS

Despite the challenges brought by COVID, DCO Adam Sigley travelled to the Tokyo Olympic and Paralympic Games to undertake a sample collection personnel role. Upon his return, Adam spoke to the HQ team about his experiences and shared what he learned from the event.

We're also proud that two of our DCOs, Jackie Sheehy and Lindsey Walters, were selected to be part of the anti-doping team at the 2022 Commonwealth Games.



DFSNZ Doping Control Officers selected to attend the 2022 Commonwealth Games

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samples collected by sport

DFSNZ FUNDED TESTING

Sport	Urine Samples	Blood Samples	Total
Athletics	44	9	53
Automobile Sports	3	-	3
Badminton	9	-	9
Basketball	26	-	26
Boules Sports	2	-	2
Boxing	3	-	3
Canoe/Kayak	19	1	20
Cricket	10	-	10
Cycling	113	33	146
Darts	4	-	4
Diving	11	-	11
Equestrian	4	-	4
Fencing	2	-	2
Football	29	-	29
Golf	6	-	6
Gymnastics	2	-	2
Hockey	37	-	37
Lawn Bowls	4	-	4
Netball	42	-	42
Powerlifting	6	-	6
Rowing	35	12	47
Rugby League	25	4	29
Rugby Union	70	3	73
Shooting	4	-	4
Skating	2	-	2
Skiing	13	-	13
Surf Life Saving	6	-	6
Swimming	29	3	32
Tennis	1	-	1
Triathlon	21	8	29
Volleyball	2	-	2
Weightlifting	25	6	31
Wrestling	4	-	4
Total	613	79	692

USER PAYS TESTING

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 305 User Pays tests. It was great to see sample collection occurring in the field with the safety of athletes and our teams as a priority thanks to our COVID guidelines. It provided a good opportunity for our teams to experience doping control in a major event environment and provide world class doping control services to visiting and home teams.

NSO	Urine	Blood	Total
Basketball	4	-	4
Cricket	97	-	97
Cycling	1	-	1
Equestrian	1	-	1
Mixed Martial Arts	9	1	10
Powerlifting	6	-	6
Rowing	12	-	12
Rugby Union	101	23	124
Surf Life Saving	1	-	1
Triathlon	18	2	20
Weightlifting	19	10	29
Totals	269	36	305



intelligence and investigations

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

SPEAK OUT

As mentioned earlier, our June campaign raised awareness of our Speak Out programme, encouraging audiences to share doping concerns with us and to 'Stand with champions, not clowns'.

Speak Out continued to provide actionable intelligence from across the domestic and international sporting communities. This year, we received 47 referrals that we were then able to act on, using a variety of tools available such as:

- targeted education
- targeted testing
- agency collaboration (i.e. sharing intel related to international athletes with the relevant anti-doping organisation and collaborating with the Police)
- further investigation

ANTI-DOPING RULE VIOLATIONS

This year, three athletes received periods of ineligibility from sport due to doping: a 3-year sanction in wrestling, a 4-month sanction in football and a 1-month sanction in rugby league. The latter was our first case under new Sports Anti-Doping Rule provisions for substances in the 'Substances of Abuse' category. Substances of abuse include Cocaine, Methylenedioxymethamphetamine (MDMA / Ecstasy), Diamorphine (Heroin) and Tetrahydrocannabinol (THC, also known as Cannabis). The introduction of this category recognises that some substances are frequently abused in society outside the context of sport. It allows for a health-based response through sanctioning options that help athletes address substance issues through a Substance of Abuse Treatment Programme – which was the outcome for the athlete in question.

Decision Date	Sport	Athlete	ADRV	Substance(s)	Sanction	Tribunal ¹
October 2021	Wrestling	Madhi Namdari	Presence	Stanozolol	3 years	ST
December 2021	Football	Carl Rodmell	Possession	lbutamoren	4 months	ST
April 2022	Rugby League	Sincere Harraway	Presence	THC	1 month	ST

DISRUPTING THE SUPPLY CHAIN

We continue to focus on our work to disrupt the supply chain and protect athletes at risk of doping. This involved successful collaborations with government partners, Medsafe, Police and Customs, which included:

1. information from Medsafe around the importation of prohibited substances. This information was used in an investigation that resulted in an anti-doping rule violation.
2. targeted education and testing of specific athletes following information received from Medsafe and Customs.
3. undertaking interviews, where possible, to discover the distribution sources for prohibited substances.
4. sharing information with the police, e.g. referring illicit drug intelligence for their operational use.

LEGAL SUPPORT FUND

Our Legal Support Fund, established this year, supports anyone facing an anti-doping rule violation (ADRV) process with financial support towards legal fees. It ensures that everyone has access to excellent legal advice as they navigate this complex process, and all three athletes mentioned above were granted financial support towards their legal costs.

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
2021 - 2022	367	325	692*	305	997	3	2	0.20%
2020-2021	864	530	1394	407	1801	2	2	0.14%
2019-2020	663	398	1061*	366	1427	6	5	0.47%
2018-2019	859	503	1362	449	1811	25	3	0.22%
2017-2018	939	430	1369	399	1768	23	6	0.44%
2016-2017	1098	522	1620	394	2014	8	6	0.37%

* sample collection numbers materially affected by COVID conditions.



Image courtesy of Cycling NZ



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.

DIRECTLY SUPPORTING KIWI ATHLETES

Our advocacy pillar is built around making sure all athletes are held to the same high standards we have here in New Zealand, and that our athletes receive full support when they are overseas. We to offer our support to Chefs de Mission at NZOC and Paralympics New Zealand before attendance at major events so that any bad experiences – never mind positive tests – can be addressed with athlete wellbeing at the heart.

There was no better example of this in the year than an athlete who reported a suboptimal experience in doping control at Tokyo 2020. After discussions with the athlete, we approached the Japanese Anti-Doping Authority (JADA), who were responsible – with the International Testing Agency – for testing at the Games. A discussion around the circumstances gave rise to process improvements, and a greater opportunity for the relevant sporting organisation and New Zealand Olympic Committee (NZOC) to support their athletes in the future.

INTERNATIONAL REPRESENTATION

Nick continued his role with the Institute of National Anti-Doping Organisations (iNADO) during the year, and we were delighted when he was elevated to Chair of the Board in September. iNADO represents the majority of National Anti-Doping Organisations (NADOs) around the world, carrying out 68% of all anti-doping tests globally.

Nick led the resetting of iNADO's strategy, when NADO Germany hosted the Board in Bonn for a two-day workshop. The goals for the new strategy are to increase the quality in the work of NADOs, and the transparency of anti-doping work in general. This should give Kiwi athletes greater comfort in the integrity of their international competition.

Nick also represented iNADO in a presentation to WADA's Foundation Board in November, covering the ongoing work of the organisation and the support it provides members. This was the first time iNADO has been asked to present its work to WADA.

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. We attended all meetings through late and all-night video conferences as per 2020/21.

Education partnerships flourished. GM Athlete Services Dr Sian Clancy continued her work on WADA's Education Committee, Social Science Research Expert Advisory Group and Technical Working Group for Education.

The reopening of international borders allowed us to reconnect with international colleagues. Nick met face-to-face with WADA senior management and presented on our Athlete Commission and meaningful athlete engagement at both the iNADO annual workshop and the WADA Annual Symposium. Two of our Athlete Commission members attended. Ben Sanford was representing the WADA Athlete Commission, while Portia Bing, an active 400m hurdles high performance athlete, presented on her experience as an athlete involved in a NADO and on our Athlete Commission.

Finally, we continued our bilateral meetings with key international stakeholders, and meetings during the year included with Sport Integrity Australia, Swiss Sport Integrity, NADA Germany, UK Anti-Doping, the Canadian Centre for Ethics, the US Anti-Doping Agency and the International Testing Agency.

LIFTING INTERNATIONAL STANDARDS

We had another year of working hard to support high standards and quality throughout the anti-doping ecosystem. Dr Sian Clancy contributed to WADA's Global Learning and Development Framework for Education through her role on WADA's Technical Working Group for Education.

Intelligence and Investigations (I&I) Manager Hayden Tapper and our Education Manager participated in the Commonwealth Games Taskforce, which arranged anti-doping leadership, advice and taskings for all ADOs covering all athletes attending the Commonwealth Games.

Hayden also participated in WADA's Global Learning and Development Framework for I&I and the I&I Technical Working Group. He and Victoria Forster, TUE and Admin Manager, also joined WADA team members in providing training to other NADOs in their respective specialist areas. Hayden was subsequently invited to become a regional trainer to support developing anti-doping organisations in I&I in the future.

Jodi Brown, our Quality Advisor-Education, presented a webinar on 'The Role of Parents and Guardians in Clean Sport Education' hosted by the ITA.

REGIONAL SUPPORT

In another COVID-affected year, supporting our Pacific colleagues has not been easy, but where possible we were active advisors and supporters to the Oceania Regional Anti-Doping Organisation, including at the Board's AGM and on the finance sub-committee. We also provided them technical support particularly around I&I when required.



Portia Bing at WADA Symposium. Image courtesy of WADA.

OLYMPIC CONTROVERSY: THE CASE OF KAMILA VALIEVA

One lasting conversation about the 2022 Beijing Winter Olympics will be the as-yet unresolved controversy surrounding 15-year-old Russian skater Kamila Valieva. Why was she allowed to compete despite an unresolved positive drug test? Was this a one-off, or symptomatic of continuing doping issues in Russia that have not yet been resolved?

Whatever the answer, we really feel for the clean athletes who missed their moment on the podium. The Court of Arbitration for Sport's (CAS) decision to allow Valieva to compete despite an unresolved positive drug test casts uncertainty over a universal code that we believe is clear if followed properly.

Consistency in the application of the Code is essential for a fair and equitable global anti-doping system. We'll continue represent the needs of Kiwi athletes, and advocate for the Rules to be applied as set out in the Code by everyone. The spirit of sport needs to be protected for every athlete who trains with determination and succeeds on their own merit. We're determined to bring the conversation back to celebrations of clean athletes and clean sport.

¹ International testing data from 2020: sourced from iNADO

cultural capability

We've made strides towards greater cultural capability this year. Our success was guided by a comprehensive action plan that aligns with Te Arawhiti guidance, and led by our newly established Cultural Capability Committee. Made of a committed group from across the organisation, the group drives our progress in addition to their existing responsibilities.

The plan that led our journey included a wide variety of group and individual learning experiences. Throughout the year, our HQ team came together for fortnightly tikanga and te reo Māori sessions, and further grew their understanding on multiple topics through a series of bespoke workshops delivered by expert Anna Latu. Our functional teams have each embedded into their work meaningful objectives to guide their progress towards cultural capability. And

as individuals, we've developed and practised our pepeha and integrated appropriate tikanga into our daily mahi, from greetings to karakia.

We look forward to building on the considerable effort and resource behind our 2021/22 growth in the coming year, focusing on everyday use of reo Māori, tikanga and engagement with Māori.

people

This year we implemented our new organisational structure, strengthening our focus on education, quality and providing a best practice anti-doping programme in Aotearoa New Zealand.

LEADERSHIP, ACCOUNTABILITY AND CULTURE

The new organisational structure has increased accountability across the organisation. Managers are meeting regularly to ensure strong communication across areas of specialty. Our people managers undertook unconscious bias training, and one of our general managers recently attended a women's leadership conference. This was based on the Watch Women Win report, commissioned by ANZ, and focused on topics like increased women's participation in sport and supporting women's professional achievements.

RECRUITMENT, SELECTION AND INDUCTION

Most of our new team members were recruited and inducted during Auckland's COVID lockdown, which threw a few curveballs to navigate. As a result, we implemented a revised onboarding and induction programme to get our new starters up and running

effectively and to ensure they felt supported despite their remote start. The new members of our team continue to upskill and embed their roles.

We're pro-actively monitoring diversity in the recruitment process and have increased our Māori and Pasifika employee representation throughout the year by 5% and 8% respectively. We will continue with this focus as part of our Cultural Capability journey.

BUILDING IT CAPABILITY

Information technology was a priority for us this year. We appointed a Chief Information Officer, Kathryn Mentor, who developed an IT Strategy and roadmap for the next 18 months. The strategy provides leadership and innovative solutions that will empower our teams to educate, test and engage with the Aotearoa New Zealand sporting community.

Initial work focused on migrating to the cloud and moving to Office 365 for increased capability and security. We are also working on a project to replace our core athlete management system with a modern application that will improve efficiency for our HQ and field teams and offer real-time data to improve decision-making.

EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT

We want a team that is looking to continuously learn and develop. This year, the whole team was given the opportunity to do so through training in productivity, time management and ways of working. Our team also engaged in professional development in data analysis, management skills and search engine optimisation. Our doping control officers successfully completed iDCO training with the International Testing Agency.

We promoted existing members of our team into more senior positions, and we continue to focus on the development and stretch opportunities for others.

FLEXIBILITY AND WORK DESIGN

COVID has required an agile approach to flexibility and work design. We continue to offer flexibility by default and currently work two days from home per week while ensuring opportunities for cross-team 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

Our priority has been to keep our head office and field teams healthy and safe with COVID in the community, and we recognise the impact that COVID has had on our team, including our field team. Our policies focus on providing a safe and healthy environment and include free support through the Employee Assistance Programme. Employees also have access to a wellbeing contribution which they can use toward mental health support. We celebrated Mental Health Awareness Week and held a workshop on self-care and resilience. Our social committee also worked hard to ensure opportunities for connection throughout the year.

Length of service profile

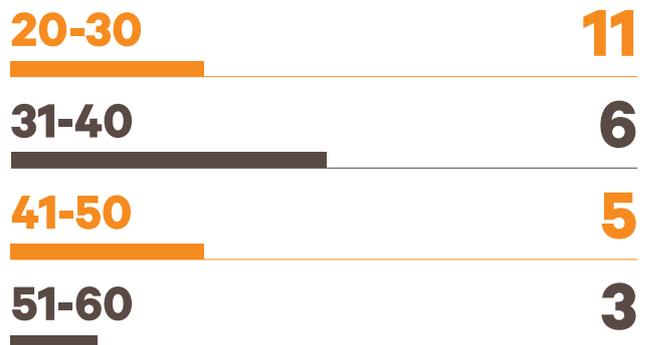


No staff identify as having a disability.

Profile of our people

Total FTE	24.53
Total employees	25
Total contractors	116
Board (female)	40%
SLT (female)	50%
Female employees	14 (56%)
Male employees	11 (44%)
Avg age	36 years
Avg tenure	1.8 years
Turnover	6 (30%)

Age profiles



Ethnicity profile



DFSNZ statement of performance

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

In 2021/22, we received an appropriation of \$3.239 million from the Government for undertaking “Sports Anti-Doping” work in addition to receiving \$1.308 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 2021/22 – MEASURES, RESULTS AND COMMENTS:

We developed a range of measures included in our Statement of Performance Expectations for 2021/22 which have informed our priorities, with performance updates reported to the Board throughout the year. These measures relate to the quality of the work we do, and the impact of our work.

COVID lockdowns and restrictions continued to have a material impact on our ability to test and educate face-to-face with athletes. This significantly impacted our sample collection/testing programme, resulting in a 50.4% reduction of samples collected compared to the previous year. However, our webinar and e-learning education solutions meant our education programme was well-

placed to adapt, and we educated over 8,500 athletes in the period. Furthermore, we continued to receive very positive feedback for our education workshops, with 93.3% of responses rating their workshop experiences as high or very high.

We continue to receive positive feedback through our survey² of registered and national testing pool athletes³ each year, which we will discuss in more detail later on. We did note, however, a slight drop in responses. This year, 35 athletes responded from a pool of 111, a response rate of 32%. This decreased from the 43 athletes that responded from a pool of 121 in 2020/21, a response rate of 36%.

Additionally, we continue to receive very positive feedback through our annual survey of priority sport NSOs and pinnacle sports bodies, which assesses their perspectives of our leadership. We received 14 responses from 20 organisations – a 75% increase from the 8 responses from 20 organisations we saw in 2020/21.

In 2021/22, our testing pool athlete survey measured the percentage of stakeholders with knowledge and confidence in our Speak Out programme. Although we did not meet our 75% benchmark, it’s interesting to note that the number of Speak Out referrals actually increased from 43 (2020/21) to 47, suggesting an increase in engagement if not awareness.

MEASURES OF PERFORMANCE

Measure of performance	Target	Results	Comment
1 % of CEOs of priority sport NSOs and pinnacle sport bodies that agree that DFSNZ provides quality leadership.	2021/22 > 90% 2020/21 > 90%	2021/22 = 100% Achieved 2020/21 = 100% Achieved	Our sporting leaders continue to have high levels of trust and confidence in DFSNZ.
2 % of elite athletes who believe their sporting contests in NZ ARE influenced by doping.	2021/22 - < 10% 2020/21 - < 10%	2021/22 = 5.7% Achieved 2020/21 = 2.3% Achieved	This has increased compared to last year but remains below our benchmark of 10%.

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.

Measure of performance	Target	Results	Comment
3 Total # athletes receiving anti-doping education through workshops or online education at all ages.	2021/22 > 10,000 2020/21 > 10,000	2021/22 = 8541 Not achieved 2020/21 = 8673 Not achieved	While missing our target, we are very pleased with this result. This measure was affected again by COVID lockdowns, restricting face-to-education. However, webinar and e-learning education channels flourished.
4 % of surveys completed after education rating the experience highly or very highly.	2021/22 > 95% 2020/21 > 95%	2021/22 = 93.3% Not Achieved 2020/21 = 96.05% Achieved	A small number of online workshops had technical/connectivity challenges, impacting the user experience. This has now been addressed.
5 Maintain a testing programme of sufficient breadth to deter and detect doping.	2021/22: 1,400 – 1,550 samples collected 2020/21: 1,300 – 1,450 sampled collected	2021/22 = 692 Not Achieved 2020/21 = 1394 Achieved	COVID lockdowns and restrictions had a material impact on our ability to meet athletes face-to-face, and hence prevented sample collection.
6 Carry out a testing programme that targets the higher risk sports and athletes.	2021/22: 70% of testing applied to higher priority sports 2020/21: 70% of testing applied to higher priority sports	2021/22: 86.71% Achieved 2020/21: 89% Achieved	We continue to carry out a testing programme that targets the higher risk sports and athletes.
7 The number of intel referrals received from all sources through the promotion of Speak Out.	2021/22: > 36 New measure	2021/22 = 47 Achieved 2020/21 = 43	We saw a steady increase of intel referrals this year, supported continued promotion of Speak Out programme.
8 % stakeholders that have knowledge and confidence in the Speak Out programme.	2021/22: > 75% from Athlete Survey new measure	2021/22: 67.7% Not Achieved	We were disappointed not to achieve the desired result. A targeted campaign to promote this programme was run in the last quarter of the year and we anticipate seeing its impact in the next year.
9 Maintain DFSNZ's influential and prominent role on the international stage.	2020/21: Attendance and participation at expert meetings (iNADO/ WADA, and representing NZ athletes and views.	2020/21 = Very high Achieved 2019/20 = High to Very High Achieved	We are pleased with our continued influence across a wide variety of expert anti-doping groups.

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.

In 2021/22 we established our Athlete Commission and the level of interest from athletes during the establishment process demonstrated a clear passion for clean sport across a diverse sporting community. Three meetings since the commission's inception have allowed commission members to engage more directly with us and speak up for clean sport through their own social channels. Furthermore, our commission members have been given opportunities to advocate for clean sport on a broader stage. This included commission member Portia Bing speaking at the annual WADA Symposium in Lausanne this year, joined by the commission Chair Ben Sandford. We also worked with commission member Adam Blair, who led our Speak Out social media campaign.

We measure athlete and NSO confidence in our organisation annually through our NSO and athlete surveys. We are pleased to report that we saw a significant increase in respondents across our surveyed NSOs and Pinnacle Sports Bodies this year. Additionally, 100% responded with confidence in our expertise and integrity, a level of confidence that we have maintained since our last survey.

Our athlete survey results remain strong, with only 5.7% saying they are concerned that their sporting results in NZ are impacted by doping.

Similar to the previous year, we are met with the challenge of expanding the number of athlete survey respondents, as we look to maintain and strengthen our relationships with New Zealand's athletes.

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.

As we've seen, COVID lockdowns and restrictions have had a material impact on our ability to meet with athletes face-to-face. While affected in the number of athletes educated, we were still able to educate over 8,500 athletes. This was a direct result of our ability to adapt to the COVID environment and leverage our webinar and e-learning education platforms.

Feedback from the athletes themselves was positive, with 91% of testing pool athletes agreeing or strongly agreeing that they receive the information to compete clean, where only one athlete disagreed.

In addition to developing event-specific e-learning courses for athletes competing at the Beijing Winter Olympics and Paralympics and the Birmingham Commonwealth Games, 2021/22 also saw us redevelop our youth education. The resulting Clean Sport Values Youth Education Programme (YEP) offers an online education programme that is more accessible to schools. We anticipate significant growth in the uptake of our YEP in 2022/23, with dedicated resource promoting this programme with schools, sports clubs and academies.

Our contribution to the global anti-doping landscape continues to increase. GM Athlete Services Sian Clancy continues to play an influential role in WADA's Education Committee, Social Science Research Expert Advisory Group and Technical Working Group for Education. Sian's contribution reflects the way in which our education programme and people are recognised as amongst best-in-class.

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.

The impact COVID had on our testing programme over the course of 2021/22 significantly reduced the number of opportunities we had to test both in- and out-of-competition. The results from our annual survey of testing pool athletes suggests the athletes recognised this, as the number of responses that agreed or strongly agreed we conducted sufficient testing in their sport reduced from 83% in 2020/21 to 70% in 2021/22.

As a result this year has not seen significant progress against this strategic objective.

That being said, the annual survey also showed us that 94% of athletes either agreed or strongly agreed that they have trust and confidence in the integrity of sample collection by DFSNZ. This continues an on-going trend of positive responses from athletes.

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. While we have conducted interviews to discover the suppliers of prohibited substances (through our own investigations), this has not led to any form of criminal enforcement action.

In addition to a steady increase of intel referrals, 2021/22 was the first year our annual survey of athletes measured their trust and confidence in our Speak Out programme (65.7%). Despite not reaching our target of 75%, we are confident that our engagement with athletes of the Speak Out programme will increase, as we continue to leverage a variety of communications channels (such as social media, education, NSO communication and athlete forums).

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.

We continued to support the Minister's representative at WADA meetings, and this was complimented by Nick's role as the Chair of iNADO. Additionally, we were invited to speak at the annual WADA symposium in Lausanne and continue to represent DFSNZ on multiple international anti-doping expert groups across education and intelligence and investigations.

Feedback from athletes addressing our leadership progress, which dipped in this area as well as others, showed that 76% of athletes believed DFSNZ fights for internationally high standards in anti-doping (compared to 91% in 2020/21). We believe this is reflective of the impact of Covid during the year included a reduced testing programme. Our aim in the year ahead will be to share our stories and leverage our communications channels with athletes to give them greater confidence in our ability to fight for internationally high standards.

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 22	Budget 12 months to 30 June 22	Actual 12 months to 30 June 21
	\$	\$	\$
Appropriation revenue*	4,547,760	4,547,760	3,239,044
Other revenue	258,317	293,856	365,189
Total revenue	4,806,077	4,841,616	3,604,193
Expenditure	4,200,560	4,842,545	3,638,275
Surplus/(Deficit)	605,517	(929)	(34,082)

* 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 2022	Budget standard of performance to 30 June 2022	Actual standard of performance to 30 June 2021
Number of intelligence-led urine and blood tests ⁴ carried out	692 (result impacted by COVID)	1,400 – 1,550	1,394
Elite athletes believe their sporting contests in NZ ARE influenced by doping	5.7%	< 10%	2.3%
Total number of athletes receiving education through workshops and/or online learning at all ages	8,541 (result impacted by COVID)	10,000	8,673 (result impacted by COVID)

⁴ See the explanation regarding “samples” and “tests” in the SPE section of the Service Performance report



directory

AS AT 30 JUNE, 2022

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 2022.

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

16 May 2023

Robyn Clements
Board Member

16 May 2023



statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Notes	Actual 2022	Budget 2022	Actual 2021
		\$	\$	\$
Revenue				
Funding from the Crown		3,239,004	3,239,004	3,239,004
Sport Recovery Fund		1,308,756	1,308,756	0
Interest revenue		4,706	4,104	7,698
Contract Income		244,420	280,560	343,744
Other Income		9,192	9,192	9,218
Gain on Disposal		0	0	4,530
Total revenue		4,806,077	4,841,616	3,604,193
Expenditure	3			
Athlete Services		1,362,197	1,604,632	1,270,794
Specialist Services		2,533,634	2,834,749	2,182,479
Strategic Engagement		237,434	341,484	0
Contract Testing		67,295	61,680	185,003
Total expenditure		4,200,560	4,842,545	3,638,275
Surplus/(deficit)		605,517	-929	-34,082
Total comprehensive revenue and expense		605,517	-929	-34,082



statement of changes in equity

For the year ended 30 June 2022

	Notes	Actual 2022	Budget 2022	Actual 2021
		\$	\$	\$
Balance at 1 July		362,745	586,000	526,918
Total comprehensive revenue and expense for the year		605,517	-929	-34,082
Balance at 30 June	12	968,262	585,071	492,836

An opening balance adjustment of \$130,092 was made on 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. Refer to Note 9.



statement of financial position

As at 30 June 2022

	Notes	Actual 2022	Budget 2022	Actual 2021
		\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	4	444,795	150,000	115,176
Investments	6	700,685	296,000	450,685
Receivables	5	93,778	33,000	94,486
Inventories	7	45,583	35,000	14,938
Prepayments		165,693	87,000	78,267
GST receivable		55,798	40,000	33,913
Total current assets		1,506,332	641,000	787,466
Non-current assets				
Property, plant and equipment	8	206,465	156,000	147,724
Intangible assets	9	52,157	250,000	83,164
Total non current assets		258,622	406,000	230,889
Total assets		1,764,954	1,047,000	1,018,355
LIABILITIES				
Current liabilities				
Payables	10	573,168	412,267	489,484
Employee entitlements	11	174,602	100,000	108,013
Total current liabilities		747,770	512,267	597,497
Non-current liabilities				
Lease Make-good		24,412	0	24,411
Payables	10	24,510	24,512	33,704
Total non-current liabilities		48,922	24,512	58,114
Total liabilities		796,692	536,779	655,611
NET ASSETS		968,262	510,222	362,744
Equity				
Accumulated surplus/(deficit)	12	968,262	510,222	362,744
Total equity		968,262	510,222	362,744



statement of cash flows

For the year ended 30 June 2022

	Notes	Actual 2022	Budget 2022	Actual 2021
		\$	\$	\$
Cash flows from operating activities				
Receipts from the Crown		4,548,000	4,548,000	3,239,004
Interest received		4,706	4,104	7,698
Receipts from other revenue		256,628	234,000	293,902
Payments to suppliers		-2,264,630	-2,158,000	-2,102,503
Payments to employees		-1,855,126	-1,237,000	-1,246,952
GST (net)		-15,090	-67,000	6,106
Net cash flow from operating activities	13	674,488	1,324,104	197,255
Cash flows from investing activities				
Purchase of property, plant and equipment, motor vehicle		-94,869	-40,000	-36,804
Disposal of Motor Vehicle		0	0	16,183
Purchase of Investments		-550,000	0	-450,685
Maturity of Investments		300,000	0	275,685
Purchase of intangible assets		0	-130,000	-75,697
Net cash flow from investing activities		-344,869	-170,000	-271,317
Net (decrease)/increase in cash and cash equivalents		329,619	1,154,104	-74,062
Cash and cash equivalents at the beginning of the year		115,176	550,000	189,238
Cash and cash equivalents at the end of the year	4	444,795	1,704,104	115,176



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 2022 and were approved by the Board on 16 May 2023.

BASIS OF PREPARATION

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

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 was required under section 156(3)(a) of the Crown Entities Act 2004 to complete the audited financial statements and statement of performance by 31 December 2021. The timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of COVID including lockdowns.

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 included in the notes to which they relate. Accounting policies that do not relate to a specific note are outlined below.

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



notes to the financial statements

(continued)

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.

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

Revenue from non-exchange transactions

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.

Revenue from exchange transactions

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.

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.



notes to the financial statements

(continued)

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. The investment term is greater than 90 days.

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.

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%).

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) arrangement. 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.

As at 30 June 2022, DFSNZ assessed how the principals of the agenda decision could be applied to its SAAS arrangements, which led to changes to the historical accounting treatment and an adjustment was made to the opening balance at 1 July 2021. The opening balance adjustment was for the intangible assets, which no longer met the criteria of being an asset and were expensed. The book value of the asset that was expensed was \$130,092.

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



notes to the financial statements (continued)

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 2022	
	\$	\$
Salaries and wages	1,835,567	1,215,631
Defined contribution plan employer contributions	53,136	38,137
Increase/(decrease) in employee entitlements	0	6,815
Total personnel costs	1,888,703	1,260,582

Employer contributions to defined contribution plans include contributions to KiwiSaver.

3. EXPENDITURE BY NATURE

	Actual 2022	Actual 2021
	\$	\$
Fees for audit of financial statements	23,517	24,428
Board fees and expenses	58,347	67,631
Depreciation and amortisation	68,611	89,177
Loss on disposal	0	2,117
Doping Control Official fees	148,290	238,291
Laboratory fees	304,491	351,293
Operating lease expense	192,685	165,419
Personnel costs	1,888,704	1,253,767
Legal costs	126,731	143,428
Contract testing costs	67,295	185,003
International Fees and contributions	116,757	115,680
International Travel	42,506	0
Information Technology – Testing Programme	10,725	21,003
Intelligence and Investigations	187	1,963
Education Programme	100,354	190,164
Testing Programme - other	257,069	347,756
Administration costs - other	794,291	441,155
Total expenditure	4,200,560	3,638,275

4. CASH AND CASH EQUIVALENTS

	Actual 2022	Actual 2021
	\$	\$
Cash at bank and on hand	444,795	115,176
Short term deposits	0	0
Total cash and cash equivalents	444,795	115,176



notes to the financial statements (continued)

5. RECEIVABLES

	Actual 2022	Actual 2021
	\$	\$
Receivables (gross)	93,778	94,486
Less: allowance for credit losses	0	0
Total receivables	93,778	94,486
Receivables from the sale of goods and services (exchange transactions)	93,778	33,012

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 2022	Actual 2021
	\$	\$
Current portion		
Term deposits	700,685	450,685
Total current portion	700,685	450,685
Total investments	700,685	450,685

7. INVENTORIES

	Actual 2022	Actual 2021
	\$	\$
Testing equipment	45,583	14,938
Total inventories	45,583	14,938



notes to the financial statements (continued)

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Electronic Equipment	Motor Vehicle	Total
	\$	\$	\$	\$
Cost or valuation				
Balance at 1 July 2020	166,509	161,677	21,662	349,847
Additions	26,296	10,508	0	36,804
Disposals	-4,518	0	-21,662	-26,180
Balance at 30 June 2021	188,287	172,185	0	360,471
Adjustment for asset not in use	0	-99,837	0	-99,837
Balance at 1 July 2021	188,287	72,348	0	260,634
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
Accumulated depreciation				
Balance at 1 July 2020	57,895	118,923	6,496	183,314
Depreciation expense	20,969	16,933	812	38,714
Elimination on disposal	-2,688	0	-7,308	-9,996
Balance at 30 June 2021	76,176	135,856	0	212,032
Adjustment for asset not in use	0	-99,837	0	-99,837
Balance at 1 July 2021	76,176	36,019	0	112,195
Depreciation expense	16,019	20,114	0	36,132
Elimination on disposal	757	0	0	757
Balance at 30 June 2022	92,952	56,132	0	149,084
Carrying amounts				
At 1 July 2020	108,614	42,754	15,166	166,534
At 30 June 2021	112,111	36,329	0	148,439
At 30 June 2022	129,807	76,704	0	206,465



notes to the financial statements

(continued)

9. INTANGIBLE ASSETS

	Acquired software
	\$
Cost	
Balance at 30 June 2020	672,741
Additions - completed projects	0
Additions - projects in progress at 30 June	75,697
Disposals	0
Balance at 30 June 2021	748,438
Opening Balance Adjustment	-175,993
Adjustment for asset not in use	-452,969
Adjusted Balance at 30 June 2021	119,476
Additions - completed projects	0
Additions - projects in progress at 30 June	0
Disposals	0
Balance at 30 June 2022	119,476
Accumulated amortisation	
Balance at 30 June 2020	484,601
Amortisation expense	50,579
Disposals	2
Balance at 30 June 2021	535,182
Opening Balance Adjustment	-45,901
Adjustment for asset 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
Carrying amounts	
At 1 July 2020	188,140
At 30 June 2021	83,164
At 30 June 2022	52,157

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) arrangement. 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 includes interpretations issued by the IASB's Interpretations Committee.

As a result of the above decision, an assessment was done on the existing intangible assets on the fixed asset register, and the Paperless asset at a book value of \$130,000, was recognised as an expense and an adjustment was made to the opening balance at 1 July 2021.

Projects in progress as at 30 June represents the investment in software development projects to which DFSNZ has committed, and which are ongoing at 30 June.

Amortisation of these projects will commence once the software is commissioned.



notes to the financial statements (continued)

10. PAYABLES

	Actual 2022	Actual 2021
	\$	\$
Current portion		
Lease incentive in advance	9,192	9,192
Creditors	351,634	220,921
Accrued Expenses	212,343	259,372
Total current portion	573,169	489,485
Non-current portion		
Lease incentive in advance	24,512	33,704
Total non-current portion	24,512	33,704
Total payables	597,681	523,189

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 \$12,430 was drawn and this amount is included in payables at year-end.

11. EMPLOYEE ENTITLEMENTS

	Actual 2022	Actual 2021
	\$	\$
Accrued salaries and wages	71,971	40,777
Annual leave	102,631	67,236
Total employee entitlements	174,602	108,013

12. EQUITY

	Actual 2022	Actual 2021
	\$	\$
Accumulated surplus /(deficit)		
Balance at 1st July	362,745	526,918
Surplus/(deficit) for the year	605,517	-34,082
Balance at 30 June	968,262	492,836
Total equity	968,262	492,836



notes to the financial statements (continued)

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

	Actual 2022	Actual 2021
	\$	\$
Net surplus/(deficit)	605,517	-34,082
Add/(less) non-cash items		
Lease make good provision	-9,221	-9,221
Depreciation and amortisation expense	68,611	90,005
Total non-cash items	59,390	80,784
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	709	-61,474
(Increase)/Decrease in inventories	-30,645	24,292
Increase/(Decrease) in payables	82,238	165,994
Increase/(Decrease) in employee entitlements	66,589	6,814
(Increase)/Decrease in prepaid expenses	-87,425	8,820
(Increase)/Decrease in GST receivable	-21,885	6,106
Net movements in working capital items	9,581	150,552
Net cash flow from operating activities	674,488	197,254

14. OPERATING LEASES

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

	Actual 2022	Actual 2021
	\$	\$
Not later than one year	133,041	133,041
Later than one year and not later than five years	358,367	491,408
Later than five years	0	0
Total non cancellable operating leases	491,408	624,449

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 \$0 (2021: \$871).

15. CONTINGENCIES

DFSNZ, at balance date, has no contingent assets or liabilities (2021: nil).



notes to the financial statements

(continued)

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 2022	Actual 2021
Board Members		
Remuneration	43,060	50,858
Full-time equivalent members	0.3	0.3
Leadership Team		
Remuneration	559,682	545,613
Full-time equivalent members	3.9	3.75
Total key management personnel remuneration	602,742	596,471
Total full time equivalent personnel	4.2	4.0

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.

17. BOARD MEMBER REMUNERATION

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

	Actual 2022	Actual 2021
	\$	\$
Dillon Boucher	1,875	0
Dan Buckingham	2,850	0
Sarah Ulmer	0	8,250
Tim Castle	19,525	23,951
Dr Patria Hume	7,030	7,781
Keven Mealamu	3,610	7,500
Robyn Clements	8,170	3,375
Total Board member remuneration	43,060	50,858
Plus Board Expenses	15,287	16,774
Board fees plus expenses (see note 3)	58,347	67,631

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 (2021 nil).



notes to the financial statements (continued)

18. EMPLOYEE REMUNERATION

	Actual 2022	Actual 2021
Total remuneration paid or payable that is or exceeds \$100,000		
\$100,000 - \$109,999	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	6.0	4.0

During the year ended 30 June 2022: 0 employees (2021: 0) received compensation and other benefits in relation to cessation.

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. This new entity would require new legislation and would be established in 2024.

20. FINANCIAL INSTRUMENTS

20A. FINANCIAL INSTRUMENT CATEGORIES

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

	Actual 2022	Actual 2021
	\$	\$
Financial assets measured at amortised cost		
Cash and cash equivalents	444,795	115,176
Investments – current	700,685	450,685
Receivables	93,778	94,486
Total financial assets	1,239,258	660,348
Financial liabilities measured at amortised cost		
Payables	597,681	523,189
Total financial liabilities measured at amortised cost	597,681	523,189

DFSNZ has no derivative financial instruments at 30 June 2022.



notes to the financial statements

(continued)

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.

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 2022	Actual 2021
	\$	\$
COUNTERPARTIES WITH CREDIT RATINGS		
<i>Cash at bank and term deposits</i>		
AA-	1,145,480	565,861
Total cash at bank and term deposits	1,145,480	565,861
COUNTERPARTIES WITHOUT CREDIT RATINGS		
<i>Receivables</i>		
Existing counterparty with no defaults in the past	93,778	94,486
Existing counterparty with defaults in the past	0	0
Total receivables	93,778	94,486



notes to the financial statements (continued)

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
	\$	\$	\$	\$	\$
2021					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	631,832	631,832	598,128	0	33,704
Total	631,861	631,832	598,128	0	33,704
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



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. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The continued impact of the COVID pandemic in New Zealand has had an impact on our financial statements. Whilst many of our costs are relatively fixed, and thus remained consistent, variable costs directly associated with our delivery of education and testing, engagement activities and items such as international travel, were significantly reduced.

Similar to the previous two years, we took the opportunity to initiate some significant projects prior to year-end, supported by additional funding through the Sport Recovery fund.

These projects were all selected on the basis that they would deliver enduring value to DFSNZ, for example, investment into Dried Blood Spot testing. As a result, our overall financial position at the end of June 2022 is healthy, with a sound foundation for building further success despite the ongoing uncertainties associated with COVID and took the opportunity to initiate some significant projects prior to year-end, using funds which would not otherwise have been available in a normal year.

23. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

The year-end surplus was \$605,517 vs a budget of \$-929. This variance largely relates to the impact of the COVID 19 restrictions, resulting in reduced testing activities, international and domestic travel was down on budget by \$112,000 and lab fees were down by \$179,000.

Impact of the International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decision on Cloud Computing Arrangements.

In March 2019, the International Financial Reporting Standards Interpretations Committee (IFRIC) released an agenda decision on Cloud Computing Arrangements. It noted that when entering a Software as a Service (SaaS) arrangement, this does not create an asset for the customer. The supplier's software runs on the supplier's cloud infrastructure and is managed and controlled by the supplier. The contract does not convey to the customer any rights over tangible assets.

In March 2021, an additional IFRIC agenda decision was released that clarified how a customer accounted for configuration or customisation costs in a Cloud Computing Arrangement. At its April 2021 meeting, the International Accounting Standards Board (IASB) discussed, and did not object to, this agenda decision.

It concluded that configuration costs must be expensed, but customisation costs could be capitalised, if the customisation itself would create an individually identifiable asset owned and controlled by the customer.

Impact on FY22 year-end financials

As a result of the above decision, an assessment was done on the existing intangible assets on the fixed asset register, and the Paperless asset at a book value of \$130,000, was recognised as an expense and an adjustment was made to the opening balance at 1 July 2021.



independent auditor's report



Independent Auditor's Report

To the Readers of Drug Free Sport New Zealand Financial Statements and performance information for the year ended 30 June 2022

RSM Hayes Audit

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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 of the Group on his behalf.

Opinion

We have audited:

- The financial statements of the Entity on pages 26 to 43, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive income, 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 20 to 24

In our opinion:

- The financial statements of the Entity on pages 26 to 43:
 - Present fairly, in all material respects:
 - a. its financial position as at 30 June 2022; and
 - b. its financial performance and cash flows for the year then ended; and
 - Comply with generally accepted accounting practice in New Zealand in accordance with *New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime*.
- The performance information of the Entity on pages 20 to 24:
 - Presents fairly, in all material respects, Drug Free Sport's performance for the year ended 30 June 2022, including:
 - a. 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; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - b. What has been achieved with the appropriation; and
 - c. The actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and complies with generally accepted accounting practice in New Zealand.
 - Complies with generally accepted accounting practice in New Zealand.



independent auditor's report

(continued)



Our audit was completed on 19 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Members and our responsibilities relating to the financial statements, 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.

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 those charged with governance 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 have no realistic alternative but to do so.

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.

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

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.



independent auditor's report

(continued)



- 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 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 are required to draw attention in our auditor's report to the related disclosures in the financial statements 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. However, future events or conditions may cause the Group to cease as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements 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 19 and page 25 but does not include the financial statements 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 identified above and, in doing so, 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* issued by the New Zealand Auditing and Assurance Standards Board.

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

19 May 2023



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