

drugfree sport

new zealand

ANNUAL REPORT

For the year ended 30 June 2015

DRUG FREE SPORT NZ – Contents

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DRUG FREE SPORT NEW ZEALAND

INTRODUCTION

Drug Free Sport NZ (DFSNZ) is the National Anti-Doping Organisation in New Zealand and is a signatory to the World Anti-Doping Code. This Code, first introduced in 2004 and updated in 2009 and 2015, provides a common set of rules, requirements and sanctions which all anti-doping organisations must apply.

DFSNZ is an Independent Crown Entity (ICE), established initially under the NZ Sports Drug Agency Act 1994 and continued under the Sports Anti-Doping Act 2006. It has a Board of five members appointed by the Governor-general on the recommendation of the Minister of Sport. As an "ICE" DFSNZ is not responsible for the implementation of Government policy and, while the Chair must report to the Minister, day to day operations of DFSNZ are conducted completely independently from Government.

The Act sets DFSNZ the primary task of implementing the World Anti-Doping Code. More detailed information about how DFSNZ seeks to operate within its mandate and achieve its goals is available from the Statement of Intent which can be viewed along with other information from the DFSNZ website www.drugfreesport.org.nz

DFSNZ receives the bulk of its funding from Government via Vote Sport (\$2.2M in 2014/15) and its application of those funds is monitored by the Ministry of Culture and Heritage.

REPORT OF THE CHAIR – Hon. J. Warwick Gendall QC



As Chair of the Board of Drug Free Sport New Zealand (DFSNZ) I am pleased to provide my report for the year 2014-15.

The new World Anti-Doping Code came into force on 1 January 2015. It introduced tougher penalties for those who deliberately cheat and rules to deal with support personnel who may be party to doping. The new

Code has presented some challenges, in particular, implementing the Technical Document for Sports Specific Analysis. This has had an impact on staff workload and resulted in significant cost increases.

The financial position of DFSNZ, in particular its level of funding, has been of special concern to the Board. Financial reserves are being used in order to operate our core programmes. This is unsustainable and leaves us ill-prepared to handle complex and potentially expensive cases.

The World Anti-Doping Agency's (WADA) new and changing expectations for high-quality National Anti-Doping Organisations mean costs will continue to escalate beyond available means. DFSNZ's income level has remained static for nearly seven years. Additional funding is vital, if the organisation is to fulfil its core regulatory and educational functions. We have discussed a potential increase in funding for the coming year with the Minister for Sport; representatives of the Ministry of Culture and Heritage; and Sport New Zealand.

Over the past year, there have been seven anti-doping rule violations. More detail on each case is provided elsewhere in this report, but the range of violations and the fact that only two resulted from "positive tests" starkly illustrates the changing nature of anti-doping work and the ability of DFSNZ to adapt.

The broadening scope of our education work is pleasing, with new initiatives aimed at the medical profession and young athletes. This will continue and we look forward to a new e-learning tool in the New Year.

DFSNZ introduced a new logo during the year. This contained four key symbols: a stop sign representing zero tolerance for drug use; an equals sign to indicate our commitment to equality and fair play in sport; the Olympic torch to illustrate the true spirit of sport; and a target to symbolise our focus to ensure New Zealand sport is clean. The logo is designed to more clearly represent and embody who we are, what we do, and the principles of clean sport. It features on the cover of this report.

DFSNZ continues to be recognised by the international community as a progressive and highly-respected National Anti-Doping Organisation. It has performed well during the year exceeding most performance targets. However, there is a need to retain and develop the experience of our staff. The financial constraints, referred to earlier, have led to a temporary reduction in staff numbers with the consequence that the present staff

workload has escalated in nature and volume.

I wish to record the Board's commendations to the Chief Executive and staff who have worked tirelessly to assist all athletes committed to clean sport. The work of the Chief Executive and his team has given DFSNZ a respected position within New Zealand and internationally. DFSNZ is committed to participating in international anti-doping affairs to ensure that we have access to the best knowledge and practice, as well as having input into policy development. The range of international meetings attended is detailed elsewhere in this report.

Two new Board members were appointed this year to replace those who have completed their terms. I wish to acknowledge and express thanks for the outstanding contribution of the retiring members: Mr Stewart Walsh and Dr Lesley Rumball. They have given our Board more than seven years of dedicated service. The two new members, who will take up their positions early in the New Year are: Dr John Mayhew, who has a strong background in sports medicine; and Mr Timothy Castle, a Wellington lawyer and a member of the Court of Arbitration for Sport.

The Board is now answerable to the new Minister for Sport and Recreation, the Honourable Dr Jonathan Coleman. I wish to express the Board's thanks for the Minister's committed support and understanding of the vital role of DFSNZ, both nationally and internationally. The Minister represented the Oceania region at the WADA Executive Committee meeting in Montreal. He has indicated an interest to continue to participate whenever his busy schedule and range of portfolios permits.

I further acknowledge the support DFSNZ has received from the Ministry for Culture and Heritage and Sport New Zealand. They have recognised our financial concerns and Sport NZ has played the pivotal role in advancing the aims of the "integrity group" involved in sport in New Zealand.

We continue to develop a strong relationship with WADA through the President, Sir Craig Reedie, and the Director General, David Howman. I have attended WADA Executive and Foundation Board meetings when the Minister is unavailable. It has been a privilege to assist and act in that capacity.

The Board is mindful of the responsibility vested in it, the Chief Executive, and staff, to ensure that New Zealand athletes at all levels are educated and deterred from using performance enhancing drugs. In addition, we recognise our role to call to account those few who ignore the requirement for clean sport and act in breach of the Anti-Doping Rules.

Having said that, the final word must go to the many – New Zealand athletes who are committed to clean sport and demonstrate that outstanding levels of success can be achieved through sheer ability and honest hard work.

Hon. J.W. Gendall QC
Chair – Drug Free Sport NZ

REPORT OF THE CHIEF EXECUTIVE – Graeme Steel



The requirement to implement the new World Anti-Doping Code from January 1 added a whole new layer of tasks to the ongoing work of the organisation. For example there was a complete review and substantial revision of our primary operating manual. This along with other new developments has stretched the capacity of the organisation but

hopefully helped provide a sound platform for us to enhance the quality of our work into the future.

STAFFING

This year we welcomed three new staff although, sadly, two left before the year end.

Sian Clancy started as Education Programme Manager in July and has shown enormous energy in providing effective education opportunities to our wide range of stakeholder groups.

Kirsty Jones commenced as a half-time Communications Manager in August and brought a high level of expertise to the role. Unfortunately, Kirsty was provided with a new opportunity which she could not turn down and left in May. We thank Kirsty for her all too brief contribution and wish her well.

Lisa Grace brought tremendous experience and capability to the new role of Intelligence Analyst. As with Kirsty, however, Lisa received a better offer from our private investigation company. While sad to lose her full-time, we have been able to retain her services on a limited contract basis.

At year end, these two positions remain vacant and given the uncertainty over the level of funding available in the medium term it is likely that we will continue to proceed on a limited contract basis.

Except for these changes, staffing has remained stable. Over the past two years DFSNZ has introduced a predominantly new staff as it has adapted to new approaches in anti-doping work. This has not been always been straightforward, but despite these and other challenges staff have demonstrated tremendous perseverance and commitment to providing a high quality service to New Zealand sport and athletes.

BOARD

My thanks go to the Board for its supportive approach and proactive manner in addressing issues facing the organisation. The Board has not compromised its view that DFSNZ needs to progress and must neither mark time nor reduce its work.

In particular, Board Chair, Warwick Gendall has always been available and able to provide helpful advice. I also acknowledge departing members Dr Lesley Rumball and Mr Stewart Walsh, who provided strong sports medicine perspectives as well as acute insights into the sporting environment. I look forward to

the contributions of new members: Dr John Mayhew and Tim Castle, who have had distinguished careers in sports medicine and the law respectively, and through their work in those fields have had close contact with DFSNZ.

I should also acknowledge the ongoing contribution Professor David Gerrard makes to the work of DFSNZ in a variety of capacities. His Therapeutic Use Exemption Committee provides extraordinarily prompt and expert responses to applications which are not always straight forward.

NEW LOGO AND WEBSITE

The 2015 World Anti-Doping Code requires anti-doping organisations to embrace an evolving approach to anti-doping work which centres less on the volume of testing and more on gathering and using intelligence to guide testing and investigations. DFSNZ has been committed to this approach for several years and believes it should be encompassed in what we present to the sporting community.

To better reflect this change in approach, DFSNZ launched a new logo in 2015, with the considerable assistance of media company Augusto and described by the Chair in his report.

The new logo was launched in tandem with our new website. The site is more user-friendly, easily accessible and better meets the needs of athletes, support personnel and the wider sporting community. It provides a wealth of anti-doping tools, information, and advice as well as providing us with a future-proofed platform to communicate and engage with our stakeholders in the coming years.

FUNDING.

DFSNZ has historically operated within its means leaving us with a comfortable reserve to cover contingencies. However, since 2009/10 DFSNZ has had a net increase in budget of just \$68,000, all the while introducing and resourcing new initiatives. In order to do this and adapt to the new intelligence-led approach, we cut the urine testing programme by approximately 20 per cent.

The current year has been the first to clearly demonstrate that it is no longer possible to maintain an up-to-date programme with funding that has (in effect) remained static for seven years. Furthermore, the cut to the urine testing programme, while necessary in the short-term, has substantially reduced our reach and limited our ability to address new challenges, such as those relating to junior sport.

A modest deficit was incurred this year, but our operations in 2015/16 will lead to a much more substantial deficit and a reduction in reserves to unsafe levels. It is clear that DFSNZ will not be able to operate an effective programme beyond the 2015/16 year unless additional funds are procured.

There have been encouraging discussions with both the Minister and Sport NZ (who use the vast majority of the Vote Sport funds and have offered some interim assistance) but at the time of writing a medium-term solution had not been reached.

ANTI-DOPING RULE VIOLATIONS

In total, seven Anti-Doping Rule Violations were committed or determined during the year. Last year we reported only two, but four of this year's seven violations relate to activity in previous years. This year's collection of violations are easily the most varied we have ever seen and clearly reflect the changing nature of anti-doping work. They also demonstrate that non-analytical cases can be difficult to bring to rapid conclusions. There is further comment on these in the Testing and Investigations report.

NATIONAL SCENE

We remain concerned that National Sporting Organisations (NSOs) are not adequately prepared for and, in some cases, committed to dealing with the doping issue in a structured way. Adoption of the Rules is the first and most critical step and some sports have still not verified that this has occurred. DFSNZ wishes to carry most of the load, but it cannot operate successfully without effective partnerships with NSOs, most notably in facilitating education. We have worked hard to build constructive and positive relationships with sports which lead to good understanding and the effective implementation of programmes. We are extremely grateful to the NSOs which respond to this approach.

The sport which consumes much of our attention is Rugby Union. This sport has historically (and appropriately) made significant investment in testing at the professional level. We are now working with them to ensure we get maximum value from their investment. This may mean directing resources into additional education or other avenues. A similar approach is also being developed with NZ Cricket.

Over the past few years, it has become apparent that athletes in the junior levels of sport are becoming increasingly vulnerable to doping. This trend has been seen internationally in South Africa and the UK where a number of positive tests have been registered in Rugby Union at lower levels. We are addressing this with a close collaboration with NZ Rugby which will see an initial emphasis on education, followed by testing at under-19 level. We will need to consider how best to broaden this initiative in the future, but flag that this will challenge our resources.

We operate in a niche area and the availability of independent and expert advice is rare. We are therefore extremely grateful for the support of our monitoring organisation, the Ministry for Culture and Heritage and, most particularly, Senior Advisor Hugh Lawrence.

We also appreciate the support and cooperation of Sport NZ and High Performance Sport NZ. Their collaboration to educate young athletes in the Pathway to Podium programme is of great help, as is their support in other areas where we do not necessarily have resource or expertise. Their work on the Sport Inter Agency group on sports integrity has been invaluable. The challenge of seamless co-operation and exchange of information on a day-to-day basis remains, but this group has provided a very useful start.

I must acknowledge the work of our Sports Tribunal and recognise the contribution of the recently departed Registrar Brent Ellis, who was always available, efficient and accurate in his work. This year, for the first time, we felt compelled to challenge a Tribunal decision before the International Court of Arbitration for Sport

(CAS). This is normal in the law and does not suggest that we do not have complete respect for the Tribunal, its members, and the quality and integrity of its work.

I should acknowledge the interest and support for our cause shown by our new (and very busy) Minister and his support staff, who are always responsive.

Finally, the commitment of athletes, particularly those in our testing pools, to clean sport is remarkable. The vast majority deserve our highest commendation. Our annual survey of the athletes in these testing pools has revealed consistent and encouraging results (summarised elsewhere in this report). In particular, we are pleased with how highly they rate the work of our testing officials and the quality of the procedures we have in place. However, it is of some concern that their assessment of whether sporting outcomes in New Zealand were influenced by doping jumped from three per cent to seven per cent. The response to the question relating to the international environment increased from 20 per cent to 29 per cent. Given statistical variability in surveys of this size, this may not represent a real concern but it will do if a clear trend emerges.

THE INTERNATIONAL SCENE

It has been a busy year internationally, with a focus on implementing the 2015 World Anti-Doping code. WADA has provided support by way of guidelines, conferences, webinars and the like. They cannot be faulted for their hard work and commitment in assisting organisations to make the Code work effectively. Similarly, they are invariably responsive to calls for expert help. Nevertheless, there is a strong sense that the challenges they have set may stretch them too far. WADA cannot expect to micromanage every Anti-Doping Organisation's programme nor can it determine their needs and priorities. Requirements which attempt to do this are likely to be unproductive and distract from, or even obstruct, progress. WADA's primary challenge is to monitor not just compliance with the Code, but whether or not it is effective in fighting doping, particularly in environments where this has historically not been the case.

WADA plans to introduce a new version of its anti-doping database and results management system, "ADAMS", in 2016. Its ability to integrate with other software programmes, which provide superior management functions, will be critical in the seamless sharing of necessary data.

During the year serious revelations suggested widespread doping in various countries and within the sport of athletics. These have severely challenged the anti-doping movement. WADA, as the central independent body required to address doping internationally, must be at the centre of the response to these revelations. Sadly, the inescapable fact is that WADA does not have the financial backing it needs to lead the anti-doping movement as effectively as it must.

DFSNZ continues to enjoy close collaboration with peer organisations and partners. While the level of cooperation is almost universally high, I would single out the following:

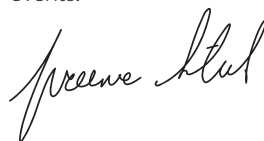
- All the countries in the International Anti-Doping Arrangement group. The ongoing effectiveness of this

"arrangement" may be questioned, but the relationships we have with each of the 10 members is invariably constructive and helpful.

- The Australian Sports Anti-Doping Authority has been under extraordinary pressure as the Essendon case lingers on, but that has not prevented it from offering cooperation and assistance whenever possible.
- The Sydney Laboratory is challenged by the need to implement rapid changes in anti-doping science, but it is always responsive and provides refreshingly intelligible commentary on complex scientific issues. Its world-leading effort, for example, in the implementation of peptide screening, provides a significant benefit.
- The United States Anti-Doping Agency has become an essential provider of expertise as we implement software it has developed specifically for national anti-doping organisations. Its assistance is very much appreciated and is provided well beyond any commercial arrangements in place.
- The Institute of National Anti-Doping Organisations (INADO) provides valuable services to NADOs. Its CEO Joseph de Pencier adds enormous knowledge and perceptiveness to anti-doping work. However, funding

assistance for the organisation from WADA will soon lapse and it will be a significant challenge to maintain let alone increase activity.

Working with International Federations is an essential part of our role. Our respective views on how best to tackle doping are not always the same and this inevitably represents a challenge. The annual WADA symposium in Lausanne provides an opportunity to enhance these relationships and we are committed to that collaborative approach. The primary difficulty we have is the widespread perception that anti-doping consists almost exclusively of arranging tests at major events to a pre-set formula. To us, it is clear that this is only part of effective anti-doping work. Collaboration which draws on all the tools available is essential if NADOs and International Federations are to optimise the opportunities provided through joint approaches around major events.



Graeme Steel
Chief Executive – Drug Free Sport NZ

REGULATION (TESTING AND INVESTIGATIONS) PROGRAMME

Our testing programme remains fundamental to our effectiveness, despite our use of a wider range of tools to deter and detect doping in sport.

DFSNZ's testing programme is of limited size and balances the need for regular testing across high performance athletes and high risk sports, with the need to maintain a presence in low to moderate risk sports. This means our Programme Managers, who plan and oversee testing, become experts in their assigned sports to ensure that we conduct intelligent and targeted testing. DFSNZ is fortunate to have a team of motivated sports enthusiasts working in these roles, who all share a passion for keeping New Zealand sport drug free.

DFSNZ uses a pool of independent contractors nationwide to implement our testing programme out in the field. Our Doping Control Officials, Blood Collection Officers and Chaperones do an outstanding job at the coal face working directly with athletes, event organisers, coaches and managers. The feedback from our athlete survey is testament to the excellent job they do. We also use a range of international service providers, including other national anti-doping organisations, to test New Zealand athletes based overseas.

Key highlights for the testing and investigations programme during the 2014-2015 year include:

- A major review of testing policies and procedures to reflect the revised 2015 World Anti-Doping Code
- A significant upgrade to our IT system to administer and manage testing and results
- WADA approval for New Zealand-based Labtests to conduct Athlete Biological Passport-related analysis

- The development of a framework to establish a more effective intelligence and investigations programme.

Science & Intelligence

Gone are the days when a test result is simply positive or negative. Every sample DFSNZ analyses provides useful biological information about an athlete. DFSNZ's Science Manager has developed a high level of expertise in this area and plays an invaluable role in analysing data and integrating it into our testing operations.

Likewise, the increasing role intelligence and investigation plays in detecting anti-doping rule violations is reflected in the fact that only two of the seven cases in the 2014-15 year were the result of a positive test. This year DFSNZ engaged the services of an intelligence analyst to develop and improve our systems and processes for gathering, analysing, storing and sharing information, as well as investigating potential rule violations.

As doping practices become more sophisticated, DFSNZ must look to be smarter and more innovative in planning and implementing our testing programme. Science and intelligence will have an increasingly important role to play in both informing our testing programme and detecting doping.

Athlete Whereabouts

Approximately 150 athletes are included in DFSNZ's Athlete Whereabouts Programme and must provide information to account for their whereabouts for 365 days a year. For those in the Registered Testing Pool (approx. 50), three whereabouts failures incurred within a 12-month period could result in a two-year ban.

Having accurate whereabouts information is essential to the effectiveness of DFSNZ's testing programme. It enables us to locate athletes for testing without any advance notice – one of the

most powerful means of deterrence and detection of doping in sport.

We do our utmost to support and assist athletes to meet their whereabouts responsibilities. If an athlete finds themselves in the precarious position of having two whereabouts failures, we will provide additional support and advice to help them avoid a third failure.

However, DFSNZ will take the necessary steps to enforce the whereabouts rules if an athlete persists in breaking them, whether through carelessness or intent. We did just that in the past year and the first-ever New Zealand athlete was banned for three whereabouts failures. Fortunately, most athletes in the whereabouts programme comply with the rules.

Any athlete reading this annual report who is part of the whereabouts programme will be pleased to learn that DFSNZ is working on a new more user-friendly Athletes Whereabouts website – due for launch in early in 2016!

Support of Clean Athletes

The fight against doping is about protecting the rights of clean athletes to compete on a level playing field. DFSNZ acknowledges that when we knock on athletes' doors to test it may not always be convenient and that providing daily whereabouts information can be an onerous task. This is all part and parcel of being a high performing athlete, but we'd like to take this opportunity to sincerely thank all clean athletes for their ongoing support and cooperation.

Anti-Doping Rule Violations

It can be stressful and costly for an athlete (and their family) to deal with anti-doping rule violation proceedings. It is particularly disappointing for DFSNZ to see athletes, who have no clear or obvious intention to dope, facing disciplinary proceedings. In many cases, these could easily have been avoided if the athlete had given due consideration to their anti-doping responsibilities and/or conducted basic due diligence to ensure they weren't breaking the rules.

Below is a summary of the seven anti-doping rule violations determined in the 2014-15 year. (Note: the seventh violation was committed during the year but the decision was released in July 2015.)

1. Presence of a Prohibited Substance in an Athlete's Sample

A young hockey player tested positive for prednisone after receiving emergency treatment for a serious medical condition. As a National Hockey League player she qualified as a "national-level athlete" so should have applied for a Therapeutic Use Exemption (if not before she took the medication, then as soon as practicable after taking it). This was a rare case in which the Tribunal felt that a reprimand was a sufficient penalty.

2. Possession & Attempted Use

A club rugby league player ordered a prohibited hormone modulator, Anastrozole, over the internet. It was intercepted at the border by Customs.

The athlete claimed to have purchased Anastrozole on the advice of a friend, for cosmetic purposes (to get bigger and stronger),

but not to improve his performance in rugby league. The Sports Tribunal did not accept this and banned him from all sport for two years.

3. Trafficking & Possession

A young weightlifter took the brave step of reporting his coach who had encouraged him to use anabolic steroids to improve his performance. The coach offered to source the steroids for the athlete and to show him how to administer them.

The coach initially denied the allegations, but eventually admitted to them and expressed genuine remorse for his actions. This removed the need for the young athlete to provide evidence against him at a hearing. However, the seriousness of the violations, including that fact they occurred within an athlete-coach relationship, resulted in the coach receiving a six-year ban.

4. Three Whereabouts Failures within 18-Months

The Sports Tribunal rejected this case on the basis that DFSNZ should have telephoned the athlete during its attempts to locate him for testing. DFSNZ appealed the decision to the international Court of Arbitration for Sport (CAS). DFSNZ believed that phoning athletes who cannot be located for testing contravenes the requirement for "no advance notice" under the World Anti-Doping Code. Furthermore, it undermines the effectiveness of a testing programme by alerting athletes, who may not be present at the nominated location, that they are being sought for testing.

CAS upheld the case brought by DFSNZ and the athlete was banned for 18-months. This was later reduced to 12-months under the revised World Anti-Doping Code which came into effect in January 2015.

5. Possession & Attempted Use

A young rugby player ordered a vial of the prohibited peptide "GHRP-6" over the internet. This was subsequently intercepted by Customs.

The athlete claimed to have purchased the vial in order to have a joke with his friends. Regardless of whether or not he intended to use the substance, the simple act of purchasing a prohibited substance over the internet was at best extremely naïve. The athlete received a two-year ban from the New Zealand Rugby Union's Judicial Committee.

6. Evasion & Tampering

A New Zealand weightlifter based in Australia purposely manipulated his whereabouts information by providing false and misleading information in order to avoid being located for testing. On numerous occasions the athlete changed his whereabouts information at the very last minute, stating that he was at an address more than 100 kilometres away from the original location. The evidence showed that he was not at that address on the particular date in question and almost certainly not at other times as well.

This case was delayed significantly due in part to the athlete, but also to separate allegations being brought against him simultaneously by the Australian Sports Anti-Doping Authority. In that case, the Court of Arbitration for Sport (CAS) banned the athlete from all sport for seven years for use, attempted use, possession and trafficking of prohibited substances.

In the DFSNZ case, the athlete strenuously denied the allegations, but presented no evidence in his defence and failed to engage constructively in the proceedings. The Sports Tribunal banned him for eight years (a second offence to be served concurrently with the ban issued by CAS).

7. Presence of a Prohibited Substance in an Athlete's Sample (Decision July 2015)

An experienced Touch player returned a positive test for the stimulant methylhexanamine contained in pre-workout supplements. DFSNZ had hoped that we had seen the last of this particular substance following a changed status to make it illegal and extensive efforts to educate athletes about the risk of supplements.

The Sports Tribunal concluded that the athlete had a high degree of fault and he was banned from all sport for fifteen-months.

It may well be that future cases of this nature do not meet the "no intention to enhance performance" bar and may therefore result in four-year bans.

EDUCATION PROGRAMME

Sian Clancy took up the role of Education Manager in July bringing strong academic (M.Ed) and sporting qualifications, and sound practical experience working with Netball NZ.

Her hard work has brought rewards in developing the programme in key areas, including:

- Education of the medical fraternity
- Collaboration with the NZ Rugby Union to extend an anti-doping programme into junior levels
- Developing an online education.

A total of 156 face-to-face seminars were conducted in the year, a significant increase on previous years. This allows anti-doping messages to reach more people within our sporting and medical communities.

We've had good feedback on the work of our small group of contracted educators in the field. The range of circumstances and environments in which they must deliver their material can be challenging and their ability to adapt and provide a quality service is remarkable.

While face-to-face education remains the preferred method of delivering education; there is an identified need for a comprehensive e-learning programme. Our efforts to replace our own online education have resulted in arrangements to introduce an "e-learning" module developed by the Australian Sports Anti-Doping Authority. This will use a DFSNZ-specific learning management system and should be rolled out by the end of 2015.

The Education Programme has sought to incorporate values-based education methods where possible, while tailoring presentations to respective audiences. We have also recognised the Treaty of Waitangi with the translation of key points into Te Reo Maori. Values-based education is current best practice and will be developed further in the coming year, with all DFSNZ Educators to

receive personal development in this area.

Another key development has been the increased communication and collaboration with National Sporting Organisations through the development of annual education calendars. Together with enhanced seminar feedback processes, this will ensure our education programme is maintained and enhanced.

DRUG FREE SPORT NEW ZEALAND AS AN EMPLOYER

DFS works hard to meet its obligations to be a "good employer" by implementing the following policy (as set out in the staff handbook).

Drug Free Sport NZ aims to be an equal opportunity employer and is committed to promoting equal opportunities regardless of religious or ethical belief, age, colour, race, marital status, sex, sexual orientation, political opinion, ethnic or national origins, employment status, family status or any disability you may have (subject to the exceptions contained in the Human rights Act 1993). This commitment applies to all areas of the work environment, all employment activities, resource allocation and all employment terms and conditions. Selection criteria and procedures aim to ensure that employees are selected, promoted, and treated on the basis of their relevant merits and abilities.

DFSNZ is committed to providing opportunities for staff personal development; flexibility in working hours and locations; and providing a safe and healthy environment free from harassment. These goals are clearly set out in all individual employment contracts and reflected in the ongoing development of policies and practices, including induction procedures. The staff manual incorporates relevant information and policies to assist staff understanding of employment-related matters.

Remuneration is negotiated and determined on an equitable basis. Opportunities to gain and develop both work and personal skills and experience are sought out and offered to staff. Given the small size of the organisation, and the limited knowledge pool in New Zealand, this will often include opportunities to travel and meet with international peers.

Staff profile

At July 1 2014, DFSNZ employed three male and five female staff with six on a full-time basis and two part-time (with 1.5 vacancies). On June 30 2015, DFSNZ employed seven full-time staff and two part-time staff (with 1.5 vacancies) – three male and six female.

Given the small size of the organisation, DFSNZ has not regarded it as useful to develop generalised profiles in relation to ethnicity or other discriminators. DFSNZ is able to deal with staff on an individual basis and has developed personality profiles for staff members to assist with interactions.

Staff participation

DFSNZ has implemented a programme, using external expertise, to ensure staff are able to freely comment on, and contribute to, the development and application of internal policies relating to staff wellbeing.

PROGRAMME SUMMARIES

(13/14 year numbers in brackets)

Testing:

- A total of 1218 (1281) urine based tests were conducted.
- 941 (925) constituted the DFSNZ programme, 384 (390) in competition and 557 (535) out of competition.
- 16 (13) blood samples were taken for direct (hGH) testing and a further 126 (117) as part of the Athlete Biological Passport programme.
- 141 (139) DFSNZ programme samples were screened for EPO.
- 277 (356) urine samples and 81 (32) blood samples were collected under contract.
- All tests were conducted at no notice to the athlete.
- ISO certification was maintained against the International Standards for; Testing, Prohibited List, Laboratory and Therapeutic Use Exemptions.
- The "whereabouts" programme had 41 (45) athletes in the "Registered Testing Pool" at year end. During the year there were 8 (9) "missed tests" (athletes not at agreed locations) and 3 (5) "filing failures" (athletes failing to provide necessary information).

Anti-Doping Rule Violations:

- 7 (2) Anti-Doping Rule Violations were determined during the year:
 - 2 (1) for presence
 - 1 Whereabouts
 - 2 Possession (including attempted use in 1 case)
 - 1 Attempted trafficking and possession
 - 1 (1) Evasion/Tampering (related to 2012/13 period, 2nd offence)

Therapeutic Use Exemptions:

- 72 (77) Standard Therapeutic Use Exemption (TUE) applications were received
- 31 (23) were unnecessary (non-national level athlete), withdrawn or referred to IF
- 38 (51) were approved and 3 (3) declined
- 20 (22) of the applications included systemic glucocorticosteroids such as prednisone for severe asthma or allergic reaction.
- 4 (5) methylphenidate (short/long acting for treatment of ADHD).

Education:

- 156 (124) formal presentations were provided by DFSNZ.
- 9 (5) Outreach events were organised.

International Activity:

Chair - Hon J. Warwick Gendall QC

- IADA Meeting, Paris, November 13.
- WADA Foundation Board and Executive Committee, November 14,15,16 (representing Sports Minister).

Board Member - Stephen Cottrell

- ANZSLA Conference, Adelaide, October 22-24.

Chief Executive - Graeme Steel

- ANZSLA Conference, Adelaide, October 22-24.
- Tackling Doping in Sport Conference, London, March 18-19.
- INADO AGM and Workshop, Lausanne, March 23.
- WADA Symposium, Lausanne, March 24,25.
- WADA Executive Committee and Foundation Board Meeting (Observer), Montreal, May 12,13.
- ORADO Board Meeting, Suva, May 9.

Operations Manager - Scott Tibbutt

- IADA Meeting, Paris, November 13.
- WADA Foundation Board and Executive Committee, Paris, November 14,15,16 (Observer)
- Danish NADO visit, Copenhagen, November.

Programme Director - Jude Ellis

- Tackling Doping in Sport Conference, London, March 18-19.
- INADO AGM and Workshop, Lausanne, March 23.
- WADA Symposium, Lausanne, March 24,25.

Programme Manager - Bridget Leonard

- USADA Science Conference, Phoenix, October 3-6.
- ASADA, Canberra and Sydney lab, June.

TUE/Medical Liaison Manager - Sarah Lawson

- WADA TUE Symposium, Paris, October 23,24.

Manager Intelligence Analysis - Lisa Grace

- Anti-Doping Intelligence and Investigations Seminar, Singapore, February 11,12.

TESTING HISTORY

History of DFSNZ (Urine) Testing Programme

	Out of Competition	In Competition	Contract Tests	Total	Gov't Funded Total	Anti-Doping Rule Violations	Positive Tests	% Positive/ No. of Tests
1996/97	339	283	38	660	622	11	10	1.52%
1997/98	586	400	8	994	986	16	12	1.21%
1998/99	556	377	18	951	933	6	1	0.11%
1999/00	585	443	152	1180	1028	9	7	0.59%
2000/01	762	500	99	1361	1265	14	8	0.59%
2001/02	706	447	328	1481	1153	13	13	0.88%
2002/03	682	445	286	1413	1127	12	9	0.64%
2003/04	713	443	361	1517	1156	9	8	0.53%
2004/05	707	511	301	1519	1218	18	17	1.12%
2005/06	772	490	340	1602	1262	15	15	0.94%
2006/07	696	525	378	1599	1221	15	12	0.75%
2007/08	587	477	296	1360	1064	17	17	1.25%
2008/09	595	481	303	1379	1076	9	9	0.65%
2009/10	539	496	308	1343	1035	8	6	0.45%
2010/11	657	483	412	1552	1140	13	10	0.64%
2011/12	682	414	573	1669	1096	6	5	0.30%
2012/13	561	332	363	1256	893	7	7	0.56%
2013/14	534	390	398	1322	924	2	1	0.08%
2014/15	557	384	277	1218	941	7	2	0.16%
Totals	11816	8321	5239	25376	20137	207	169	0.67%

PROGRAMME STATISTICS 2014/15

PROGRAMME FUNDED						
	Out-of-Competition		In-Competition		Totals	
	Urine	Blood	Urine	Blood	Urine	Blood
Archery	0	0	4	0	4	0
Athletics	42	13	36	0	78	13
Badminton	0	0	7	0	7	0
Basketball	4	0	20	0	24	0
Boxing	1	0	4	0	5	0
Canoeing	10	4	8	0	18	4
Cycling	127	36	37	0	164	36
Football	24	0	33	0	57	0
Hockey	8	0	31	0	39	0
Ice Skating	0	0	2	0	2	0
Judo	0	0	3	0	3	0
Netball	4	0	8	0	12	0
Orienteering	0	0	4	0	4	0
Para-Swimming	13	0	0	0	13	0
Powerlifting	3	0	19	0	22	0
Rowing	77	53	12	0	89	53
Rugby League	0	0	15	0	15	0
Rugby Union	166	9	21	0	187	9
Softball	2	0	2	0	4	0
Squash	0	0	3	0	3	0
Surf Life Saving	0	0	4	0	4	0
Swimming	15	8	24	0	39	8
Tennis	0	0	4	0	4	0
Touch Football	0	0	9	0	9	0
Triathlon	46	21	32	0	78	21
Volleyball	0	0	10	0	10	0
Water Polo	0	0	3	0	3	0
Waterskiing	0	0	3	0	3	0
Weightlifting	10	0	18	0	28	0
Wrestling	0	0	4	0	4	0
Yachting	5	0	4	0	9	0
PROGRAMME FUNDED TOTAL	557	144	384	0	941	144

USER PAYS						
	Out-of-Competition		In-Competition		Totals	
	Urine	Blood	Urine	Blood	Urine	Blood
Badminton	0	0	3	0	3	0
Cricket	8	0	0	0	8	0
Cycling	1	0	1	0	2	0
Rugby League	10	0	12	0	22	0
Rugby Union	116	50	68	0	184	50
Surf Life Saving	1	0	0	0	1	0
Swimming	0	0	1	0	1	0

USER PAYS CONTINUED

Triathlon	7	25	42	6	49	31
Water Polo	0	0	3	0	3	0
Waterskiing	0	0	4	0	4	0
USER PAYS TOTAL	143	75	134	6	277	81
TOTAL	705	219	518	6	1223	225

SUMMARY OF ANTI-DOPING RULE VIOLATIONS 2014/15

Offence date	Name	Sport	Substance / Offence	Outcome
Dec 12	Daniel Milne	Weightlifting	Possession/Attempted Trafficking	6 year ban
Aug 12 – Sept 13	Kris Gemmell	Triathlon	Whereabouts Failure	18 months ban reduced to 12 months with 2015 Code.
May 13	Darren Rieri	Rugby League	Possession/Attempted Use	2 year ban
Jul-Oct 13	Andrew Ciancio	Weightlifting	Evasion/Tampering	8 year ban (2nd offence)
Sept 14	Claudia Hanham	Hockey	Presence (Prednisone)	Reprimand
Oct 14	Finn Hart-Strawbridge	Rugby Union	Possession	2 year ban
Mar 15	Quentin Gardiner	Touch	Presence (Methyhexaneamine)	18 month ban

THERAPEUTIC USE EXEMPTION STATISTICS

Year July-June	TUE received	*Not distributed	Approved	Declined	Systemic Glucocorticoids	ADHD Methylphenidate
2009 - 2010	59	9	46	4	19	4
2010 - 2011	65	21	41	3	21	2
2011 - 2012	81	32	49	0	22	4
2012 - 2013	80	23	56	1	20	4
2013 - 2014	76	22	51	3	23	7
2014 - 2015	72	31	41	3	20	4

* Not distributed as either - non national level / permitted in sport / out of competition / referred to IF.

ATHLETE SURVEY RESULTS

(83 (99) athletes from a potential total of 150 (145) in the RTP and NTP were interviewed confidentially by an independent Market Research company. Note percentages may vary from 100 due to rounding.)

TESTING PROGRAMME	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
No. times tested in last 3 years by DFSNZ											
None	42	36	26	12	5	3	2	2	0	2	1
One	21	25	23	18	11	10	6	6	0	4	4
Two	9	14	18	21	12	11	7	3	3	4	6
Three +	29	24	32	49	72	76	85	90	97	90	88
No. times tested in last 3 years by other organisations											*1refused
None	75	70	61	50	41	28	29	28	9	23	24
One	14	13	13	18	15	16	16	13	13	9	16
Two	4	7	10	9	9	11	11	15	10	10	8
Three +	7	10	15	15	35	43	44	43	67	58	15
Likelihood of being tested "In Competition" next 12 months											
Very likely / likely	62	59	67	79	88	91	89	90	94	92	94
Unlikely / very unlikely	24	31	25	13	8	6	6	6	4	4	5
Neither / Don't know	14	11	9	9	4	3	4	4	1	4	0
Mean- 1=very likely, 5=very unlikely	2.4	2.6	2.3	1.9	1.6	1.5	1.5	1.6	1.4	1.4	1.4
Likelihood of being tested "Out of Competition" next 12 months											
Very likely / likely	44	39	51	55	81	82	90	85	94	93	94
Unlikely / very unlikely	42	45	38	35	12	7	8	12	6	4	6
Neither / Don't know	14	16	8	10	7	10	2	3	0	3	0
Mean- 1=very likely, 5=very unlikely	2.9	3.1	2.8	2.5	1.8	1.7	1.6	1.8	1.3	1.3	1.3
Frequency of tests is sufficient											
Very satisfied / satisfied	64	68	71	78	75	83	86	89	89	88	92
Dissatisfied / very dissatisfied	10	8	11	4	5	0	2	4	3	7	1
Neither / Don't know	27	24	17	18	20	16	12	8	8	5	7
Mean- 1=very satisfied, 5=very dissatisfied	2.2	2.2	2.2	1.9	2	1.8	1.8	1.8	1.7	1.7	1.6
Testing procedures used											
Very satisfied / satisfied	80	79	89	88	89	94	99	99	90	94	90
Dissatisfied / very dissatisfied	2	1	2	1	3	3	0	1	9	6	0
Neither / Don't know	18	19	9	12	8	4	1	1	1	0	9
Mean- 1=very satisfied, 5=very dissatisfied	1.8	1.8	1.7	1.5	1.7	1.5		1.5	1.4	1.4	1.4
Attitude of Agency Officials											
Very satisfied / satisfied	75	79	88	87	93	96	94	96	99	96	93
Dissatisfied / very dissatisfied	0	0	0	2	1	0	2	3	1	0	6
Neither / Don't know	25	21	21	11	6	3	5	2		4	1
Mean- 1=very satisfied, 5=very dissatisfied	1.6	1.7	1.5	1.5	1.5	1.3	1.4	1.4	1.3	1.4	1.4
Programme is a deterrent											

Very satisfied / satisfied	78	76	79	89	88	86	91	94	93	93	94
Dissatisfied / very dissatisfied	7	8	5	2	2	3	1	4	0	1	0
Neither / Don't know	15	17	11	10	10	11	8	3	7	6	6
Mean- 1=very satisfied, 5=very dissatisfied	2	2	1.9	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6
Reasonable for top athletes to participate in Whereabouts Programme											
Strongly Agree / Agree							86	83	89	81	89
Strongly Disagree / Disagree							6	6	1	7	8
Don't know / Neutral							9	11	10	12	8
Mean- 1=very satisfied, 5=very dissatisfied							1.6	1.7	1.4	1.7	1.8

INFORMATION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Quality of information											
Very satisfied / satisfied	83	85	84	93	90	94	89	93	93	85	95
Dissatisfied / very dissatisfied	5	4	0	0	2	0	2	1	1	1	5
Neither / Don't know	12	11	15	7	8	5	9	6	5	14	0
Mean- 1=very satisfied, 5=very dissatisfied	1.9	1.8	1.7	1.6	1.6	1.6	1.6	1.6	1.5	1.7	1.6
Availability of information											
Very satisfied / satisfied	78	80	78	88	87	95	92	85	89	87	87
Dissatisfied / very dissatisfied	7	6	7	0	4	1	2	3	2	2	0
Neither / Don't know	15	15	14	12	9	4	6	11	9	11	13
Mean- 1=very satisfied, 5=very dissatisfied	1.9	1.9	1.9	1.7	1.7	1.5	1.6	1.8	1.6	1.7	1.8

GENERAL	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Doping influenced the outcome of one or more domestic competitions in which I competed-last 12 months											
Definitely									2	2	2
Likely									2	1	5
Not sure / Don't know									14	22	25
Unlikely									19	25	24
Definitely not									62	50	42
Mean - 1=Definitely, 5=Definitely not									4.4	4.2	4.0
Doping influenced the outcome of one or more international competitions in which I competed-last 12 months											
Definitely									11	8	7
Likely									9	12	22
Not sure / Don't know									22	25	29
Unlikely									30	29	25
Definitely not									28	26	14
Mean - 1=Definitely, 5=Definitely not									3.5	3.5	3.2

Performance enhancing Drugs are being used in your own sport in NZ											
Strongly Agree / Agree	12	13	10	9	9	7	6	7	6	3	X
Disagree / Strongly disagree	63	66	69	71	73	76	85	73	82	84	X
Neither / Don't know	25	21	21	20	18	17	9	20	11	11	X
Refused										2	X
Mean- 1=strongly agree, 5=strongly disagree	3.5	3.8	4	4.1	4.2	4.3	4.4	4.2	4.4	4.4	X
Performance Enhancing Drugs are being used in your own sport overseas											
Strongly Agree / Agree	47	51	48	47	48	51	46	39	43	33	X
Disagree / Strongly disagree	23	20	25	22	32	19	24	28	24	30	X
Neither / Don't know	30	29	28	31	20	30	31	33	32	36	X
Refused										1	X
Mean- 1=strongly agree, 5=strongly disagree	2.5	2.5	2.5	2.5	2.7	2.4	2.7	2.8	2.53	2.9	x
Enough effort put into controlling use of Performance Enhancing Drugs in NZ											
Strongly Agree / Agree	68	65	75	81	80	86	90	88	84	89	90
Disagree / Strongly disagree	9	9	6	4	3	1	3	2	2	4	1
Neither / Don't know	23	26	19	15	17	13	6	10	13	7	8
Mean- 1=strongly agree, 5=strongly disagree	2.1	2.2	2	1.8	1.8	1.6	1.6	1.7	1.6	1.6	1.6

DRUG FREE SPORT NEW ZEALAND

Performance Summary

YEAR 1/07/2014 – 30/06/2015

(2013/14 numbers in brackets where applicable)

(Note that responses relating to “athletes” result from a survey of 150 (145) elite athletes identified as being in high risk categories and included in our Registered Testing Pool (“RTP”) and National Testing Pool (“NTP”). The telephone survey obtained responses from 83 (99) of that group.)

OUTCOME 1 – EDUCATION IMPACT MEASURES:

A1 Target:	99% Elite NZ athletes (those in the RTP and NTP) accept a responsibility to be “clean”.
Result:	100% (100%) of Elite NZ athletes accept a responsibility to be “clean”.
Target – Met	If current elite athletes do not accept the responsibility to be clean, the challenge to establish clean sport for the future is doubly difficult. It is expected that there should be universal acceptance of this position. Nevertheless in the previous year two athletes did not agree and it is pleasing that there is 100% acceptance from the current survey.
A2 Target:	Elite NZ athletes and Support Personnel know the Rules, how to comply and the consequences of non-compliance. We will track the number of Anti-Doping Rule Violations which can be attributed to inadvertence or ignorance. Target is less than 3.
Result:	There has been 1 (1) case which can be attributed to inadvertence from a total of 7 (2) Anti-Doping Rule Violations which have been determined based on the years testing and investigations.

Target – Met	<p>While there has only been a single incident of inadvertent doping identified during the year the circumstances remain unsatisfactory. An experienced athlete who had access to education material and had attended a seminar still failed to meet minimum standards in how he sought to treat a medical condition. In this case the doctor was also seriously at fault.</p> <p>Changes to the status of two previously commonly identified substances were undoubtedly of assistance in ensuring this number remained low. (The reporting threshold for cannabis has been raised significantly and methylhexanamine (DMAA) is now illegal in New Zealand.)</p>
A3 Target:	The Sporting Community supports clean sport. We will ask athletes and the NSO Chief Executives to assess whether or not the sporting community supports clean sport. Target 100% of athletes and 95% of NSOs Chief Executives.
Result:	<p>100% (100%) of Elite NZ athletes agree that the sporting community supports “clean” sport.</p> <p>100% (100%) of NSO CEOs agree that the sporting community supports “clean” sport. (Based on year end survey.)</p>
Target – Met	<p>A critical factor in ensuring athletes compete cleanly is the level of support for that position within the sporting community is high. When it is high athletes know they will be supported in taking a drug free stance and, on the contrary, they understand they will not be supported if they choose to dope.</p> <p>DFSNZ determined that a good and efficient method of assessing that is to ask the people who have the best overview of the sporting environment, as it relates to their particular sport, being the NSO Chief Executives along with the athletes themselves.</p> <p>100% in both groups reported the level of support for “clean sport” within their sport was good or excellent.</p>

OUTCOME 1 – EDUCATION – OUTPUT MEASURES:

1.1 Target	<p>100% of athletes in the “Registered Testing Pool” and the “National Testing Pool”, as well as those attending defined major international events, will be supplied with current information on how to comply with the Anti-doping Programme. Target - 100% of “elite” athletes (as defined) are provided with current information.</p> <p>* Major events are determined annually by the Board and in the current year are:</p> <ol style="list-style-type: none"> Triathlon World Champs Rowing World Champs Cycling World Champs U20 world football cup Cricket World Cup. <p>Athletes attending these events are of a high priority</p>
Result	DFSNZ has improved the robustness in the manner in which it verifies supply of current information to these groups. However in the case of two athletes in the RTP it is unable to verify supply of information. (2014 flaws in reporting mechanisms were reported and target not met.)
Target – Not Met	<p>Supply of information to key groups is critical to demonstrate that any failure to follow the Rules is not through ignorance. During the year DFSNZ introduced additional checks to verify that this information is supplied as set out below. However in two cases involving athletes living in Africa posted material was returned.</p> <p>RTP and NTP athletes were supplied via post with updated information in December 2014..</p> <p>Athletes attending major events are provided with information by one of three methods: Attendance at seminars (attendance list kept) Completion of on-line education module (externally verified) Personal delivery of written resources confirmed by team manager or responsible official.</p>
1.2 Target:	A minimum of 120 seminars will be delivered to priority groups.
Result	156 (130%) (120)

Target –Met	DFSNZ provides seminars to groups of athletes and athlete support personnel on a regular basis. The intent of the seminars is to provide direct and necessary information to those within the testing programme as well as raise the level of awareness of anti-doping work to a wider group. Whenever possible, these are delivered to the highest priority groups on demand and to other groups with lower priorities as resources allow. Priority groups are those athletes and individuals most likely to be subject to testing, currently or in the foreseeable future, and those who provide advice/services to them (e.g. coaches and doctors). A particular focus group are athletes in the “academy” stage within priority sports. These seminars are provided by authorised education providers based in the main centres, who travel as required.
1.3 Target:	>90% of users of website are satisfied it was helpful to them. 89.29% of athletes in the RTP and NTP agreed that the website was helpful.
Target – Not Met	Progress: Measurement of satisfaction for new website is possible via a feedback facility for users of the website. The volume of feedback is very low and insufficient to regard as a valid number. Response from RTP/NTP athletes is encouraging but fractionally below (0.71%) target. This measure is different from previous years and consequently comparatives are not available.

OUTCOME 2 - TESTING AND INVESTIGATION- IMPACT MEASURES:

B1 Target:	96% of athletes consider the likelihood of being caught doping is too high to risk. Elite athletes (those in our core Testing Programmes) will be asked, by way of a confidential survey, whether or not they are satisfied our programmes provide an effective deterrent.
Result:	94% (93%) are satisfied that our programmes provide an effective deterrent.
Target – Not Met	Deterrence is the primary goal of an anti-doping programme. In other words the programme, including testing, should be sufficient to ensure athletes, who may contemplate doping to perceive the risk of being caught (along with associated health risks) so high that it is not worth the risk. A deliberately high and increasing target has been set in order to stretch performance above what was achieved in the previous year. While the result remains encouragingly high and has increased marginally it remains below the target set.
B2 Target:	96% of Athletes believe that DFSNZ programmes are effective in detecting doping. Elite athletes (those in our core Testing Programmes) will be asked, by way of a confidential survey, whether or not they are satisfied that our programmes are effective in detecting doping.
Result:	98% (91%) are satisfied that our programmes are effective in detecting doping.
Target –Met	For anti-doping work to succeed, athletes must have confidence that the programmes are effective in detecting doping. This goes beyond just the testing programme. There are a variety of influences on athletes’ perceptions of effectiveness. This year’s result improves considerably on the previous year and exceeds the increased target of 96%. Our approach relying heavily on intelligence lead investigations will hopefully continue to demonstrate to athletes that it will be more difficult to evade detection, whether by a test or other means, than ever before.

OUTCOME 2 - TESTING AND INVESTIGATION- OUTPUT MEASURES:

2.1 Target:	A minimum of 900 urine tests will be conducted. (* appropriation measure – see footnote)
Result:	941 (105%) (925) 557 OOC (535), 384 in comp (390) and an additional 277 (356) contract tests. 141 (139) samples were analysed for epo.
Target – Met	A reduction in the minimum number of tests was part of a broader plan established 2 years prior to enable greater concentration on intelligence gathering and investigative work. This lower number provides little opportunity to extend the programme into emerging priority areas and notably elite junior competition in selected sports.

2.2 Target:	A minimum number of 120 blood samples will be collected. (* appropriation measure – see footnote)
Result	142 (120%) 126 (117) ABP, 16 (13) full blood.
Target – Met	<p>The target for blood sample collection does not provide any particular insight other than to demonstrate that DFSNZ is active in this area of growing importance. The ability to optimise the blood programme has continued to be limited by the logistics of getting samples to the Sydney laboratory. The nature of athlete biological passports is that profiles take time to develop and it is unusual to see instant results. DFSNZ has collaborated with an Auckland based lab “Labtests” for it to gain “Approval” from WADA to conduct ABP analysis. This will be operational from August 2015.</p> <p>New requirements from WADA relating to the “TDSSA” have not been a focus in this period however additional “Full blood” screens will be necessary to comply with this in the future.</p>

2.3 Target:	ISO Certification against the relevant WADA International Standards will be maintained.
Result:	A valid certificate is in place.
Target – Met	ISO certification is a method used by a number of the best performed anti-doping organisations around the world to demonstrate their adherence to the mandatory International Standards, established under the World Anti-Doping Code. This process provides for independent and expert verification that procedures being applied meet those Standards and, consequently, athletes can be confident they are being treated correctly and consistently.

2.4 Target:	Annual Report summarising and assessing the impact of all investigative activity will be produced.
Result	Report provided and received at June 20 meeting.
Target - Met	<p>DFSNZ has, over a number of years, improved its capacity to investigate a variety of circumstances that may relate to doping. Some investigations are simply inquiries that are unproductive, while others can involve significant work and may lead to Rule Violation allegations.</p> <p>How to properly measure the success or effectiveness of these investigations remains an evasive goal. In order to move towards an effective tool for this purpose, it is necessary to quantify the work conducted and qualitatively assess its impact over time.</p> <p>In place of a specific performance target DFSNZ has therefore chosen to provide a report that sets out and comments on the activity over the year. As such reports are accumulated DFSNZ will be better placed to determine more objective measurement tools of progress.</p> <p>The Report was produced by the Intelligence Manager for the June 20 Board meeting. That Manager resigned at the end of the year and DFSNZ’s effectiveness in this field is heavily dependent on its ability to find and fund a suitable replacement.</p>

OUTCOME 3 - INFLUENCE- IMPACT MEASURE:

C1 Target:	DFSNZ is influential in the development and implementation of international policy and best practises. DFSNZ participates in prioritised international forums.
Result:	DFSNZ has participated in IADA, WADA, INADO and ORADO meetings in the period. These are the prioritised international forums.
Target – Met	DFSNZ must comply with all mandatory requirements established by WADA. Given that we are bound to compliance, it is important we do what we can to ensure we are able to influence, as much as we can, the nature of those requirements. The ability to measure real influence, as one of more than 700 Code signatories, is all but impossible. It is clear it is not possible to influence without participating in the debates. DFSNZ has prioritised the forums it believes give the best opportunity to influence and has met its commitment to attend and participate fully.

OUTCOME 3 - INFLUENCE- OUTPUT MEASURES:

3.1 Target:	DFSNZ will be deemed compliant with the Code and New Zealand will be deemed to be in compliance with the UNESCO Convention (except where non compliance arises from matters outside DFSNZ jurisdiction).
Result:	DFSNZ is currently deemed compliant by both measures (including 2015 Rules).
Target - Met	<p>Compliance with the Code and more generally meeting New Zealand's international obligations to anti-doping work are critical objectives for DFSNZ. Consequently standing measures of that compliance are used to demonstrate that we are doing what we must. WADAs compliance regime relies predominantly on self reporting and assessment of applicable Rules (the "SADR"). Similarly UNESCO compliance relies primarily on self reporting. In both cases faithful reporting of our circumstances has seen us deemed compliant.</p> <p>The new WADA Code came into effect on January 1 2015 and includes some new requirements and, in particular related to a Technical Document for Sport Specific Screening. WADA has not deemed immediate complete compliance with this Document as a condition of its assessment of the overall compliance of an "ADO" in 2015. DFSNZ will be seeking to meet these requirements in full in the coming year.</p> <p>(DFSNZ can not validate compliance with obligations under the Code which are the responsibility of Government more broadly.)</p>

3.2 Target:	DFSNZ contribute fully to WADA processes which determine the Rules. DFSNZ makes submissions in all relevant Code and International Standard consultation rounds.
Result:	DFSNZ has made a submission on the 2015 Prohibited List. DFSNZ has supported the Sports Minister and/or his representative at WADA meetings.
Target - Met	DFSNZ must comply with all the mandatory requirements established by WADA. Given we are bound to compliance, it is important we do what we can to ensure we are able to influence, as much as we can, the nature of those requirements. The formal opportunity to influence the relevant documents is provided through the WADA submission process. DFSNZ has made submissions on all documents that most directly impact on its work. In this year that was the Prohibited list. In 2015 The New Zealand Sports Minister has taken up a position on the WADA Executive Committee (in addition to the Foundation Board) and DFSNZ has contributed fully to supporting him in that role.

SUMMARY

Performance target met	12
Performances target not met	3
Total	15

APPROPRIATIONS - SUMMARY OF PERFORMANCE:

	Measure	Performance	
Total Appropriation			\$2,239,000
Urine drug tests administered during year*	900	946 (see 2.1)	\$1,551,041
Blood samples collected during the year*	120	144 (see 2.2)	\$285,627
Additional Appropriation Measure			
Elite athletes believe their sporting contest in NZ are not influenced by doping	90%	66% unlikely/definitely not	\$402,331

DIRECTORY

AS AT 30 JUNE 2015

MEMBERS OF THE DRUG FREE SPORT NEW ZEALAND BOARD

Hon. J. Warwick Gendall QC (Chair)
Stephen Cottrell
Dr. Lesley Rumball
Sarah Ulmer
Mr Stewart Walsh

CHIEF EXECUTIVE

Graeme Steel

OPERATIONS MANAGER

Scott Tibbutt

PROGRAMME DIRECTOR

Jude Ellis

BANKERS

Bank of New Zealand

AUDITORS

Audit New Zealand on behalf of the Auditor General

LEGAL COUNSEL

Paul David QC
Lee Salmon Long

DRUG FREE SPORT NEW ZEALAND - FINANCIAL STATEMENTS STATEMENT OF RESPONSIBILITY

The Board is responsible for the preparation of Drug Free Sport New Zealand's financial statements and the statement of service 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 service performance fairly reflect the financial position and operations of Drug Free Sport New Zealand for the year ended 30 June 2015.

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:



Hon. J. Warwick Gendall QC

Chairperson
Date: 30 October, 2015



Sarah Ulmer

Board Member
Date: 30 October, 2015

DRUG FREE SPORT NEW ZEALAND

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
Revenue				
Funding from the Crown		2239000	2239000	2239000
Interest revenue		36615	36000	38638
Contract income		253665	200000	244814
Total revenue		2529280	2475000	2522452
Expenditure				
Testing/investigation programme	3	1950403	1830000	1835609
Education and research		283100	300000	324275
International		250481	220000	169668
Contract testing		213543	225000	230232
Total expenditure		2697527	2575000	2559785
Surplus/(deficit)		(168247)	(100000)	(37333)
Total comprehensive revenue and expense		(168247)	(100000)	(37333)

The accompanying notes form part of these financial statements.

DRUG FREE SPORT NEW ZEALAND

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
Balance at 1 July		934033	871000	971366
Total comprehensive revenue and expense for the year		(168247)	(100000)	(37333)
Balance at 30 June	12	765786	771000	934033

The accompanying notes form part of these financial statements.

DRUG FREE SPORT NEW ZEALAND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
Assets				
Current assets				
Cash and cash equivalents	4	656660	498000	212952
Receivables	5	44258	40000	53019
Investments	6	0	324000	600000
Inventories	7	12614	5000	4961
Prepayments		39162	20000	33797
GST receivable		20186	15000	29153
Total current assets		772880	902000	933882
Non-current assets				
Investments	6	75685		75685
Property, plant and equipment	8	86168	27000	46077
Intangible assets	9	67292	87000	108245
Total non current assets		229145	114000	230007
Total assets		1002025	1016000	1163889
Liabilities				
Current liabilities				
Payables	10	192885	215000	194506
Employee entitlements	11	43354	30000	35350
Provisions		0		0
Total current liabilities		236239	245000	229856
Total liabilities		236239	245000	229856
Net assets		765786	771000	934033
Equity				
Contributed capital		0		
Accumulated surplus/(deficit)	12	765786	751000	934033
Total equity		765786	771000	934033

The accompanying notes form part of these financial statements.



Hon. J. Warwick Gendall QC
Chairperson
Date: 30 October, 2015



Sarah Ulmer
Board Member
Date: 30 October, 2015

DRUG FREE SPORT NEW ZEALAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

Notes	Actual 2015	Budget 2015	Actual 2014
Cash flows from operating activities			
Receipts from the Crown	2239000	2293000	2239000
Interest received	36615	36000	38638
Receipts from other revenue	261283	200000	235902
Payments to suppliers	(1843821)	(1672000)	(1838971)
Payments to employees	(798177)	(680000)	(692822)
GST (net)	9199	(10000)	(12139)
Net cash flow from operating activities	13 (95901)	167000	(30392)
Cash flows from investing activities			
Receipts from sale of property, plant and equipment			
Receipts from sale of investments			
Purchase of property, plant and equipment	(60391)	(5000)	(31822)
Purchase of intangible assets		(15000)	(38486)
Investments	600000		(50000)
Investments long term			(75685)
Net cash flow from investing activities	539609	(20000)	(195993)
Net (decrease)/increase in cash and cash equivalents	443708	147000	(226385)
Cash and cash equivalents at the beginning of the year	212952	331000	439337
Cash and cash equivalents at the end of the year 4	656660	478000	212952

The accompanying notes form part of these financial statements.

DRUG FREE SPORT NZ

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Drug Free Sport NZ (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 2015, and were approved by the board on October 22, 2015.

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).

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 23.

Presentation currency

The financial statements are presented in New Zealand dollars.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

DFSNZ is primarily funded from the Crown. This funding is restricted in its use for the purpose of DFSNZ meeting the objectives specified in its founding legislation 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.

Crown funding is regarded as “non-exchange” revenue.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

Interest revenue is recognised using the effective interest method. It is “exchange” revenue.

Contract Income

Is income received in return for the provision of anti-doping services and is based on the predicted genuine cost of those services. It is “exchange” revenue.

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.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that DFSNZ will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments

Bank deposits

Investments in bank term deposits are initially measured at the amount invested.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

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 and electronic equipment.

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

Additions

The cost of an item of furniture and electronic equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to 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 the furniture and electronic equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis for all furniture and electronic equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of furniture and electronic equipment have been estimated as follows:

- Furniture 10 years (10%)
- Electronic equipment 4 years (25%)

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 development and 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%).

Impairment of furniture and electronic equipment and intangible assets

DFSNZ does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Furniture, electronic equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

Payables

Short-term payable are recorded at their face value.

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.

Superannuation schemes**Defined contribution schemes**

Obligations for contributions to Kiwisaver and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Provisions

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

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".

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- contributed capital;
- Accumulated surplus/(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.

Cost allocation

DFSNZ has determined the cost of outputs using the cost allocation system outlined below. Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output. Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity/usage information as follows: Testing and Investigation 85%, Education 10% and International activity 5%.

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 property, plant and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment 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 expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. DFSNZ minimises the risk of this estimation uncertainty by:

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

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgement in accounting policy.

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.

2. PERSONNEL COSTS

	Actual 2015	Actual 2014
Salaries and wages	768469	667143
Defined contribution plan employer contributions	29708	25679
Increase/(decrease) in employee entitlements	8004	(974)
Total personnel costs	806181	691848

Employer contributions to defined contribution plans include contributions to KiwiSaver and Fidelity Life.

3. OTHER EXPENSES

	Actual 2015	Actual 2014
Fees to auditor:		
fees to Audit New Zealand for audit of financial statements	20720	20181
fees to Audit New Zealand for other services	0	0
Board fees and expenses	49378	68885
Depreciation and amortisation	60125	42373
Loss on disposal	1128	3178
Doping Control Official fees	210602	187635
Laboratory fees	294093	314558
Operating lease expense	86023	79288
Personnel costs	806181	691848
Legal costs	99952	136906
Contract testing costs	213543	230232
Other expenses	855782	784701
Total other expenses	2697527	2559785

4. CASH AND CASH EQUIVALENTS

	Actual 2015	Actual 2014
Cash at bank and on hand	656660	212952
Term deposits with maturities less than three months	0	0
Total cash and cash equivalents	656660	212952

5. RECEIVABLES

	Actual 2015	Actual 2014
Receivables (gross)	44258	53019
Less: provision for impairment	0	0
Total receivables	44258	53019
Receivables from the sale of goods and services (exchange transactions)	44258	53019

Total receivables are from the provision of contract testing.

The ageing profile of receivables at year end is detailed below:

	2015			2014		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	37598	0	37598	53019	0	53109
Past due 1-30 days	6660	0	6660	0	0	0
Total	44258	0	44258	53019	0	53019

All receivables greater than 30 days in age are considered to be past due.

6. INVESTMENTS

	Actual 2015	Actual 2014
Current portion		
Term deposits	0	600000
Total current portion	0	600000
Non-current portion		
Term deposits	75685	75685
Total non-current portion	75685	75685
Total investments	75685	675685

There is no impairment provision for investments.

The carrying amounts of terms deposits with maturities less than 12 months approximate their fair value. An extended term investment of \$75685 is required to support a bank guarantee in relation to a property lease agreement.

7. INVENTORIES

	Actual 2015	Actual 2014
Testing equipment	12614	4961
Total inventories	12614	4961

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Electronic Equipment	Total
Cost or valuation			
Balance at 1 July 2013	22488	45484	67972
Additions	28864	3314	32178
Disposals	8185	0	8185
Balance at 30 June 2014	43167	48798	91965
Balance at 1 July 2014	43167	48798	91965
Additions	6033	54359	60392
Disposals	0	4100	4100
Balance at 30 June 2015	49200	99057	148257
Accumulated depreciation			
Balance at 1 July 2013	14700	23292	37992
Depreciation expense	2997	9550	12547
Elimination on disposal	4651	0	4651
Balance at 30 June 2014	13046	32842	45888
Balance at 1 July 2014	13046	32842	45888
Depreciation expense	4653	15648	20301
Elimination on disposal	0	4100	4100
Balance at 30 June 2015	17699	44390	62089
Carrying amounts			
At 1 July 2013	7788	22192	29980
At 1 July 2014	30121	15956	46077
At 30 June 2015	31501	54667	86168

9. INTANGIBLE ASSETS

	Acquired software
Cost	
Balance at 1 July 2013	319379
Additions	38485
Disposals	0
Balance at 30 June 2014	357865
Additions	0
Disposals	32758
Balance at 30 June 2015	325107
Accumulated amortisation	
Balance at 1 July 2013	219794
Amortisation expense	29826
Disposals	0
Balance at 30 June 2014	249620
Amortisation expense	39824
Disposals	31629
Balance at 30 June 2015	257815
Carrying amounts	
At 1 July 2013	99585
At 1 July 2014	108245
At 31 June 2015	67292

10. PAYABLES

	Actual 2015	Actual 2014
Creditors	88066	96820
Accrued expenses	104819	97686
Total payables	192885	194506

11. EMPLOYEE ENTITLEMENTS

	Actual 2015	Actual 2014
Accrued salaries and wages	17372	14162
Annual leave	25982	21188
Total employee entitlements	43354	35350

12. EQUITY

	Actual 2015	Actual 2014
Contributed capital		
Balance at 1st July	0	0
Capital contribution	0	0
Balance at 30 June	0	0

	Actual 2015	Actual 2014
Accumulated surplus /(deficit)		
Balance at 1st July	934033	971366
Surplus/(deficit) for the year	(168247)	(37333)
Balance at 30 June	765786	934033

Total equity	765786	934033
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13. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Actual 2015	Actual 2014
Net surplus/(deficit)	(168247)	(37333)
Add/(less) non-cash items		
Depreciation and amortisation expense	60125	42373
Total non-cash items	60125	42373
Add/(less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	1128	3178
Total items classified as investing or financing activities	1128	3178
Add/(less) movements in statement of financial position items		
(Increase)/Decrease in receivables	8761	(10249)
(Increase)/Decrease in inventories	(7653)	(1666)
Increase/(Decrease) in payables	(1621)	(19623)
Increase/(Decrease) in employee entitlements	8004	(974)
(Increase)/Decrease in prepaid expenses	(5365)	2466
(Increase)/Decrease in GST receivable	8967	(8564)
Net movements in working capital items	11093	(38610)
Net cash flow from operating activities	(95901)	(30392)

14. OPERATING LEASES

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

	Actual 2015	Actual 2014
Not later than one year	87480	84696
Later than one year and not later than five years	294090	335584
Later than five years	0	33690
Total non cancellable operating leases	381570	453970

There are no capital commitments at balance date (2014: nil). The major portion of the total non-cancellable operating lease expense relates to the lease of part of one floor of an office building. DFSNZ has committed to a six year term which expires in December 2019.

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

A term deposit to support a bank guarantee, as required for DFSNZ's property lease, has been established for \$75,685 (equivalent to 12 months rent).

15. CONTINGENCIES

DFSNZ, at balance date, has no contingent assets or liabilities (2014: nil).

16. RELATED PARTY TRANSACTIONS

DFSNZ is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect DFSNZ would have adopted in dealing with the party at arms 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 2015	Actual 2014
Board Members		
Remuneration	48176	64965
Full-time equivalent members	5	5
Leadership Team		
Remuneration	440022	421509
Full-time equivalent members	4	4
Total key management personnel remuneration	488198	486474
Total full time equivalent personnel	9	9

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 2015	Actual 2014
J Warwick Gendall	18469	28500
Stephen Cottrell	7480	14685
Dr Lesley Rumball	7480	8250
Sarah Ulmer	7267	5610
Mr Stewart Walsh	7480	7920
Total Board member remuneration	48176	64965
Plus Board Expenses	1202	3920
Board fees plus expenses (see note 3)	49378	68885

The following payments have been made to members of the Therapeutic Use Exemption Committee who are not Board members: Chair, Associate Professor David Gerrard \$4,000 (\$4,000); Members, Dr Rob Campbell \$3,000 (\$3,000), Dr Cathy Ferguson \$1,500 (\$3,000), Dr Tony Edwards \$3,000 (\$3,000).

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 (2014: nil).

18. EMPLOYEE REMUNERATION

	Actual 2015	Actual 2014
Total remuneration paid or payable		
\$100,000 - \$109,999	1	2
\$110,000 - \$119,999	1	
\$120,000 - \$129,999		
\$130,000 - \$139,999		
\$140,000 - \$149,999	1	1
Total employees	3	3

During the year ended 30 June 2015: 0 (2014: 0) no employees received compensation and other benefits in relation to cessation.

19. EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date.

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 2015	Actual 2014
<i>Loans and receivables</i>		
Cash and cash equivalents	656660	212952
Investments – current	0	600000
Investments – non current	75685	75685
Receivables	44258	53019
Total loans and receivables	776603	941656

	Actual 2015	Actual 2014
<i>Financial liabilities measured at amortised cost</i>		
Payables	192885	194506
Total financial liabilities measured at amortised cost	192885	194506

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 good 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 2015	Actual 2014
COUNTERPARTIES WITH CREDIT RATINGS		
Cash at bank and term deposits	732345	888637
AA		
Total cash at bank and term deposits	732345	888637
COUNTERPARTIES WITHOUT CREDIT RATINGS		
Receivables		
Existing counterparty with no defaults in the past	44258	53019
Existing counterparty with defaults in the past	0	0
Total receivables	44258	53019

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 contractual undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 6 months	6-12	Later than 1 year
2014					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	194506	194506	194506	0	0
Total	194506	194506	194506	0	0
2015					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	192885	192885	192885	0	0
Total	192885	192885	192885	0	0

21. CAPITAL MANAGEMENT

DFSNZ's capital is its equity, which comprises accumulated funds and revaluation reserves. 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,

22. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from DFSNZ's budgeted figures in the Statement of Performance Expectations are as follows:

Statement of comprehensive revenue and expense

Contract Testing (Net position)

A budgetted net loss position of -\$25,000 did not occur and a gain of \$40,000 was recorded. Invoicing reflects quoted prices which are based on predicted actual costs but allow for contingencies. Minimal additional costs were incurred during the year.

Testing/ Investigations

Subsequent to the SPE, where the cost allocation was \$1,830K the Board agreed a working budget which reallocated resources to this programme meaning a total cost of \$1,920K compared to the final figure of \$1,950. Costs significantly over budget included blood lab set up which had been assumed would apply in the following year (\$56K) and costs associated with responding to the new 2015 World Anti-Doping Code (\$29K).

International Programme

A \$26K grant agreed to go to the WADA research fund was not in the original budget. \$18K additional to budget was agreed to be spent on attendance at international meetings.

Statement of financial position

There was a variance of \$183K between the actual starting position and budget.

\$75K of current investment (lease bond on premises) was deemed to be non-current.

Analytical laboratory equipment worth \$44K was purchased a year ahead of plan.

Intended investment in bespoke software was deferred.

23. ADJUSTMENT ARISING ON TRANSITION TO THE NEW PBE ACCOUNTING STANDARDS

Reclassification adjustments

There have been no reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

Independent Auditor's Report

To the readers of Drug Free Sport New Zealand's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Drug Free Sport New Zealand (DFSNZ). The Auditor-General has appointed me, Athol Graham, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of DFSNZ on her behalf.

OPINION ON THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

We have audited:

- the financial statements of DFSNZ on pages 21 to 35, that comprise the statement of financial position as at 30 June 2015, 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 on pages 15 to 19.

In our opinion:

- the financial statements of DFSNZ:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015;
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Public Sector); and
- the performance information:
 - present fairly, in all material respects, DFSNZ's performance for the year ended 30 June 2015, including:
 - for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriation;
 - 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.

Our audit was completed on 30 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of DFSNZ's financial statements and performance information 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 DFSNZ's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within DFSNZ's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- present fairly DFSNZ's financial position, financial performance and cash flows; and
- present fairly DFSNZ's performance.

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

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Athol Graham

Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand