

Example future scenario for community sport and recreation organisations

Using the four-box approach

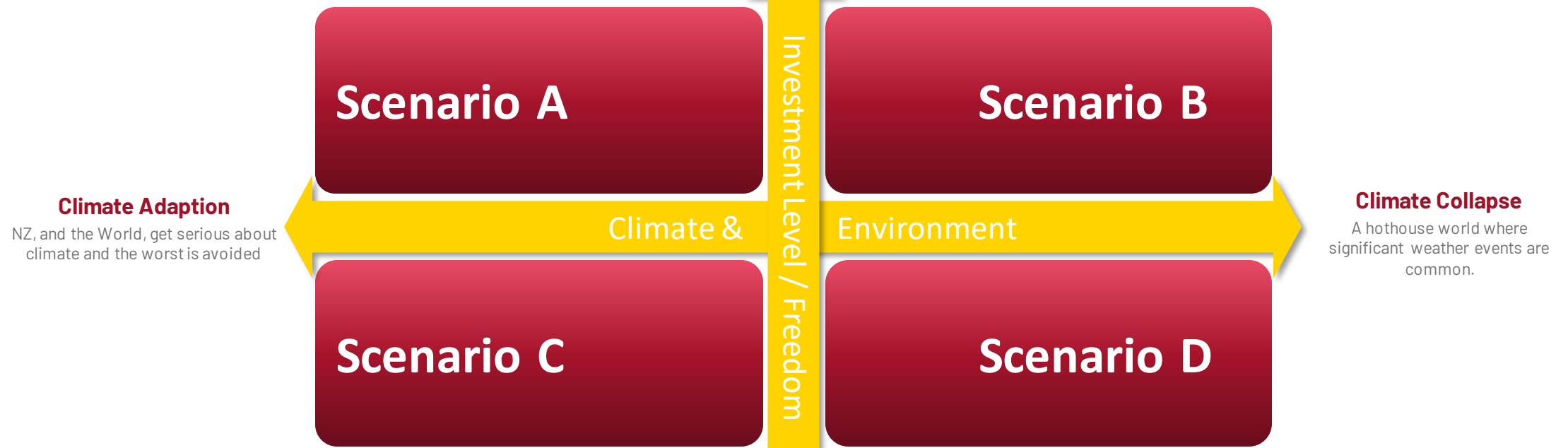
Uncertainties:

Public Funding; Response to climate change

Aotearoa, alongside the global community, has taken significant steps to reduce climate-change impacts. Elite sport funding remains high, as consumers look for low-carbon experiences not acquisitions.

Buoyant Investment
Investment in the sport remains high, both public and private.

Aotearoa, in common with other developed countries, has failed to address the climate issue. Funding for elite sport remains high as countries look to compete in all spheres.



Climate Adaption
NZ, and the World, get serious about climate and the worst is avoided

Climate Collapse
A hothouse world where significant weather events are common.

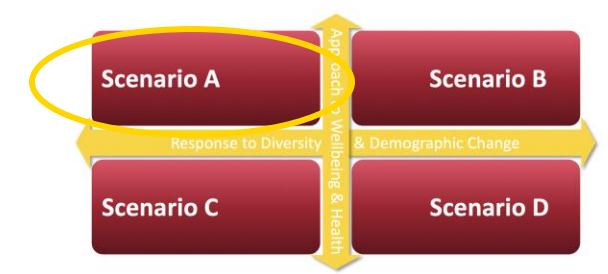
Aotearoa's global reputation has been enhanced by strong action to tackle climate-change challenges. Societal pressure on government and a greening investment sector depresses available funds.

Dollars Dry Up
Competition for a shrinking pool of investment dollars is intense.

Climate collapse is now considered likely. The related economic turmoil is starving perceived non-essential programmes of cash.

Scenario A:

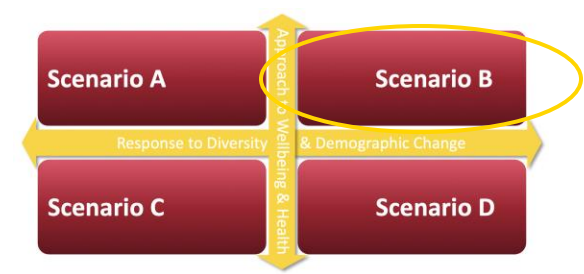
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- The pessimism of the post-pandemic years has given way to an increasing appreciation of the capacities of new technologies that have driven innovative breakthroughs to the significant challenge of climate change.
- One aspect of technology that has grown immensely has been the various virtual metaverses, which is now the dominant social media space for human connection. A combination of virtual and mixed reality experiences has enabled individuals to develop a far more empathetic relationship over distances that far surpass the earlier toxic spaces of one-dimensional social media.
- One result has been the facilitation of vibrant community spaces to address the many inequalities that Aotearoa had previously experienced. These disparities were tackled head-on through a rebalancing of the tax system as those hit hardest by the pandemic's economic outcome became more politically vocal. This shift has enabled the funding of community amenities and ensures all individuals have the resources to participate.
- An area of taxation that was initially politically more challenging was the imposition of carbon taxes on a range of goods and activities identified as carbon-intensive. As with many initiatives, the Nordic countries took the lead, with Norway, for example, introducing a weight tax on oversize electric vehicles back in 2022. New Zealand was initially slow to follow, but international precedent and pressure shifted local sentiment to accept the additional costs and constraints necessary to address the climate crisis dramatically.
- The northern European countries again led in one of the most controversial aspects of this shift to low-carbon living. The Dutch were the first to restrict flying by capping flight slots from Schiphol. Given the energy-rationing necessary in Europe to address the consequences of the Ukrainian war, it was a logical step to establish flight rationing as the magnitude of the climate challenge became increasingly clear. Again New Zealand was not a leader in this respect. Still, with the cost of flying increasing considerably and fewer slots available to the airlines, Kiwis are now more cautious about the flights they take.
- Overall, the world has moved away from the conflicts of the early 20s to take a more collaborative approach to critical global challenges. Sport has been the beneficiary as a pivotal platform to bring people together. Still, funding is increasingly tied to the beneficial impacts it can have beyond the field of play rather than a singular focus on elite achievement.

Scenario B:

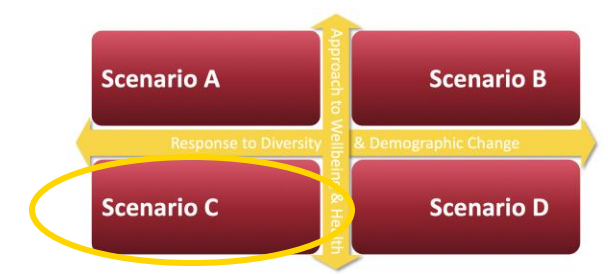
Aotearoa, in common with other developed countries, has failed to address the climate issue. Funding for elite sport remains high as countries look to compete in all spheres.



- After yet another inconclusive COP, it is clear that the World is failing to tackle increasing emissions, and the gulf between the asset rich and poor has continued to expand. Austerity is the watchword of governments, which has ensured the growing philanthropy sector is the primary source of income for those with projects to fund. However, access to these funds is complex, with stringent conditions for benefactors. Choosing and maintaining these financial relationships is an ongoing challenge.
- Shrewd investors use unprecedented levels of data to underpin decisions as organisations seek to mitigate risk and maximise their opportunity in a world of ultra-competition. This capability is driven by the massive proliferation of sensor technologies and enabled unlimited tracking of the environment
- As the focus of strident expressions of national pride, sports teams and athletes are under intense pressure to perform. The constant scrutiny of their digital slipstream drives sponsorship decisions and contributes to the turnover of athletes suffering from burnout.
- In this pressurised world of increasing climate crises, pleasure-seeking reigns as people look for escapism and double down on consumption. The competition to attract consumer dollars is intense, and niche marketing to those with disposable income ensures that brands rapidly switch away from declining areas of demand and seek fresh market opportunities. The comment by a leading brand expert that *"Winter is a product, not a season"* reflected this thinking. It demonstrated how readily investments were switched away from more climate-vulnerable sectors.
- Investors are indeed having second thoughts when asked to underwrite significant weather-dependent events as the world continues to warm. For example, while the Beijing Winter Olympics total reliance on artificial snow went relatively unnoticed then, such practices are now perceived as unacceptable by communities experiencing extreme water stresses as seasonal snow cover recedes.
- Water is such a hot topic globally that it is increasingly creating global conflict, especially between the large Asian economies. The outcome is a fractious, multi-polar world continually challenged by extreme climate events.

Scenario C:

Aotearoa's global reputation has been enhanced by strong action to address climate-change. Societal pressure on government, and a greening investment sector, has placed extra pressure on funding access.

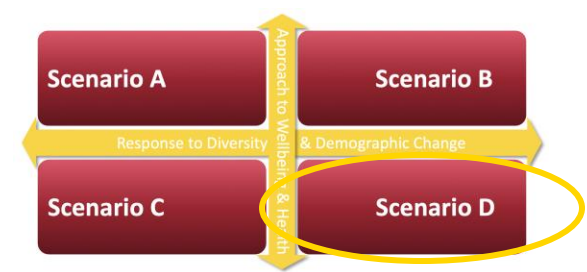


- Aotearoa has been at the forefront of global efforts to address the climate crisis. A focus on investing to achieve social and environmental outcomes has been critical to this effort. However, it has meant that results that cannot demonstrate a return on these objectives have struggled for funds.
- Generally, the world seems a little slower as travel focuses on experience rather than speed, and air travel is once again seen as a luxury item. However, the emphasis on carbon-efficient transport has meant that travel around specific events is more prolonged, and people generally aim to spend more time in the places they visit.
- An upside to this has been a greater focus within home communities that has improved social cohesion. The ongoing work to develop co-partnership approaches between Tangata Whenua and Tangata Tiriti has reinforced this and is a fundamental lens through which the government allocates funding.
- The economy now reflects a shift from just-in-time global supply to an emphasis on circular and sharing consumption models. While a critical element of New Zealand's strategy to bring the economy within ecological boundaries, it has also been given added impetus by the supply-chain disruptions of the early 20s pandemics.
- The need for new economic models was exposed once it became apparent that there weren't enough global resources necessary to replicate the old fossil-fuel approaches in the renewable energy era. Repurposing and repairing are the order of the day, and the country is increasingly looking to on-shore capabilities and industries. However, attracting these capabilities is a challenge as, despite New Zealand's relatively caring environment, all countries are now competing for younger talent.
- Successive New Zealand governments have retained and developed the well-being economy approaches to shift thinking beyond focusing on GDP. There is increasing debate as to whether the traditional 'work-ethic' needs to be increasingly supplemented with a 'rest-ethic'. Given the country's natural amenities, this has unsurprisingly attracted the support of the tourism and recreation sectors.

Scenario D:

Climate collapse is now considered likely.

The related economic turmoil is starving perceived non-essential programmes of cash.



- A volatile global environment and significant advances in robotics and 3D printing technologies have encouraged countries to re-shore manufacturing. Aotearoa is no exception to this, but there's growing concern that the expected bonus of new jobs has failed to materialise. The lack of money in people's pockets has kept the economy static and continues to pressure government funds.
- A destabilised climate and uncertain global outlook have dampened the demand for international travel, particularly as technology has enhanced connections. E-Sports has been a quiet pioneer here, redefining how to keep people engaged online and expanding the possibilities for online entertainment and experience. Physical travel remains prohibitively expensive for the majority, and those that do travel by air are often in for a rough ride as climatic conditions worsen. It's cheaper and easier to seek your thrills closer to home.
- The climate has increasing impacts closer to home too, but not everyone's impacted equally, and successive climate episodes are worsening existing inequalities. Unfortunately, this trend encourages aspirant spending as people seek to demonstrate their status through increasing consumption, often of items and services promoting climate breakdown. Subsequent social resentments are not helped by the trend of more affluent communities to retreat to their gated communities.
- Resentment is also the dominant global sentiment as those countries least responsible for the climate crisis continue to experience its worst effects. With an ongoing failure to agree on consumption reductions, the concept of a global community is under threat.
- Within New Zealand, climate change is affecting many environments, from the Southern Alps to the coast. A dramatic example is the loss of ice volume from the southern glaciers, which has dropped from 170 cubic kms at the end of the 1800s to only 12 cubic kms today.
- While saddened by the loss of such iconic natural features, most New Zealanders are more concerned about issues closer to home. With houses in many areas becoming uninsurable, the undermining of property values is having a significant knock-on effect on the economy. Ironically, it's mainly hitting middle-income Kiwis whose primary wealth source is their property.
- The government is consequently under significant pressure to support citizens and to spend wisely to address these extreme economic challenges.