Drivers of change

NAVIGATING FUTURE UNCERTAINTY IN SPORT AND RECREATION IN NEW ZEALAND

JULY 2024

SPORT
NEW ZEALAND
IHI AOTEAROA

Te Kāwanatanga o Aotearoa
New Zealand Government

Introduction

The world we live in is undergoing unprecedented change, and the sport and recreation sector in New Zealand is no exception. Technological advances, shifting societal norms, and evolving global economic and geopolitical forces are reshaping nearly every aspect of the sport and recreation landscape, challenging us to adapt with agility.

Simultaneously, the growing awareness of environmental sustainability and the need to promote health and wellbeing are compelling us to rethink our sport and recreation practices and assume a more proactive role as catalysts for positive change.

If we embrace this dynamic environment and position ourselves to capitalise on the rapid transformations unfolding, we will be better equipped to thrive in the years to come. Indeed, in an era of constant flux, the ability to think critically about the future and anticipate potential challenges and opportunities is paramount.

This futures report aims to provide a roadmap for navigating the road ahead, empowering decision-makers, and shaping a more resilient and sustainable future for sport and recreation in New Zealand.

It explores the main drivers of change that will shape sport and recreation in the future and uses these drivers to describe plausible future scenarios. This will let us better understand the implications of our actions and develop strategies resilient to the uncertainties that lie ahead.

The future is not fixed. Many different futures are conceivable over the next decade. Although this creates uncertainty in the short term, it also allows room for hope, with opportunities sitting alongside challenges.

Our hope is that this report will inspire discussion and prompt action to minimise risks and build on long-term opportunities and solutions needed to secure the future we desire for ourselves and the generations that follow.

The world of sport and recreation is changing. By embracing this dynamic environment, the sport and recreation sector in New Zealand can navigate the road ahead with confidence and emerge as a beacon of resilience and innovation.

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▶ **Ensuring the sector is fit for the future**

Report overview

This report explores how the operating context for sport and recreation in New Zealand is changing. This change allows for the development of more robust actions and strategies that consider not only the immediate operating environment, but the future we might face, giving us confidence our work will be resilient to different future scenarios.

The report identifies 15 critical drivers of change that will affect sport and recreation in New Zealand. It details what we are currently seeing, what we might expect to see over the next 10 years and the potential impact this will have on sport and recreation.

To help us imagine how these drivers of change may shape the future, they are used to inform four alternative futures: stories of the future. These stories are plausible versions of the future that inspire creativity and non-traditional thinking. They help us consider different possibilities we should prepare for and envision a different path forward. They are constructed by exploring how drivers of change may cause the future to evolve in different ways.

Report structure

Section 1 explores the 15 drivers of change, with each driver having four components:

What are we seeing?

An overview of the driver and its current trajectory.

What can we expect?

How the driver could develop in the future based on current trajectory and expectations.

What might this mean for sport and recreation?

An outline of some of the main implications for the sport and recreation sector.

What questions should we be asking ourselves today?

Exploring our possible response today to improve our future resilience.

Each driver links to further information and promotes the interconnections between drivers – noting no driver exists in isolation.

Section 2 introduces the four alternative stories of the future, identifying the interplay of drivers, and the questions the stories provoke.

Multi-stage process

The 15 drivers of change were identified from the 31 disruptors[1] that Sport NZ has been actively monitoring since 2021. Each driver was explored, through discussion with industry experts and workshopping, to better understand its current trajectories, and how these are likely to develop in the future. The report was peer reviewed by experienced futurists.

Six steps to developing this report

1

15 main disruptors identified

2

Analysis of disruptors

3

Input from experts

4

Workshops to explore implications

5

Development of alternative futures

6

Peer review

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1   Thirty-one disruptors being monitoring by Sport NZ

How to use this report

1. Strategic planning

Use the 15 drivers of change and alternative futures to resilience test existing strategy and develop future strategies.

Ask:

- Is your existing strategy resilient to the drivers of change?
- What are the implications of the alternative scenarios for you are?
- What challenges and opportunities do the alternative scenarios present to you?
- What do you need to be successful in each of the scenarios?

Create your own alternative futures by attributing different disruptor levels and combinations to the drivers of change.

2. Challenge your assumptions

Use the report to identify and discuss assumptions you have about the future and assess and monitor the level of confidence you have in the assumption being accurate.

Helpful resources:
Sport NZ's assumptions monitor
Sport NZ's assumptions report

3. Conversations

Use the implications and critical questions from the drivers and scenarios to facilitate conversations with colleagues and the sector to extend your understanding of plausible future states and how you might respond.

4. Foster a future-thinking culture

Strategic foresight should be an ongoing activity, not a one-off project. Regular scanning, analysis and sense-making will help you stay attuned to the evolving environment.

Set aside time for futures discussions and add futures to senior leadership and board agendas.

Helpful resource:
Sport NZ's quarterly disruptor monitor

5. Build knowledge and networks

Visit Sport NZ's futures platform for helpful resources and techniques to extend your knowledge and build your networks.

Email dave.adams@sportnz.org.nz if you are interested in joining a sport and recreation future's network in NZ.

Drivers of change

Social	Technological	Political	Economic	Environmental
Use of time What time will be available for future participation?	**Digital leisure** How does sport and recreation respond to new forms of leisure?	**Population health** How will health morbidities and the government's response affect sport and recreation?	**Available funding** How will sport and recreation be funded in the future?	**Climate change** How will climate change impacts and mitigations affect sport and recreation?
Trust and cohesion How can sport and recreation build societal trust and cohesion?	**Artificial intelligence** How will artificial intelligence change sport and recreation?	**Geopolitical tension** How will growing geopolitical tensions affect elite sport?	**Household wealth** How affordable will it be to participate in sport and recreation?	
Sport's social licence How does sport need to adapt to changing social sensitivities?	**Robotics and augmentation** How will robotics and augmentation affect participation and performance?	**Ideological shift** How will changes in government affect sport and recreation?		
Ageing How will ageing sections of the population affect delivery and support?	**Democratisation of information** How can sport and recreation respond to an influx of data?			
Diversity How can sport and recreation help all identities to thrive?				

Drivers help navigate the significant amount of data used in futures programmes by summarising related ideas into different themes, making large amounts of data more manageable. The 15 drivers provide diverse building blocks for scenario creation that are both relevant and specific to a sport and recreation audience.

The drivers are based on the best evidence and data available at the time of publication. The implications and possible impacts are intended to present a high-level view, and not an exhaustive list of possibilities.

This report will be updated periodically.

Social

Use of time

What are we seeing?

The COVID-19 pandemic, the trend towards a gig economy (characterised by temporary, flexible and freelance jobs) and people's changing relationship with work have created unprecedented changes in use of time. For younger people in particular, work isn't as central as it was for earlier generations.

For some, work has become more uncertain, contributing to income instability and less predictable working lives and routines. This is exacerbated by the rising cost of living. For others, flexible working arrangements have accelerated, letting them pursue hobbies and interests previously too difficult to fit into schedules, while also shifting the demand and provision of leisure services to suburban areas away from city centres.

How we decide to use our non-work time is also becoming more varied. Appreciation of nature and digitalisation in particular have expanded people's options, driven partly by a strong desire to share special or unique experiences on social media.

Social media channels and digital content streaming have reduced some social and recreational activities by shifting consumer behaviour towards at-home entertainment. New Zealanders spent $716 million on gaming in 2023, with eSport NZ suggesting three out of four Kiwis play video games.[2] However, social media channels and digital content have also stimulated participation in social and physical activities through building a sense of community and providing engaging goals or challenges.

The concept of slow living is gaining traction as a counterbalance to the fast-paced, technology-driven lifestyles of today. People are seeking ways to simplify their lives, reduce stress and focus on meaningful experiences. This is reflected in the growing popularity of activities such as yoga, meditation and mindfulness-based practices.

In Europe there has been a shift toward supporting self-organised sport and recreation, recognising most Europeans organise their physical activity in informal settings like outdoors, as part of commuting or at home rather than in competitive sports settings.[3]

2   IGEA - NZ consumer video game sales 2023
3   Playthegame - study challenges european model of sport, 2024

Social

Use of time

What can we expect?

- Weakening economic conditions will erode some of the lifestyle changes and aspirations that have evolved. However, these awakened aspirations will be hard to extinguish, so over the longer term they may lead to continued large social shifts in how people choose to use their time.

- Ongoing agile business practices and flexible working arrangements will continue to challenge the five-day working week and accommodate people's other priorities and interests. Commuting and working patterns will also continue to change as people live further away from, and travel less frequently to, work. The blurring of work-life boundaries due to flexible work arrangements may lead to burnout and difficulty disconnecting.

- As automation and artificial intelligence disrupt established industries, workers will seek alternative careers requiring fewer hours or will retrain for roles that offer greater autonomy and control over their time. The impact will be variable across industries and regions, thereby releasing time for some but not others.

- Work will continue declining in importance relative to family, friends and leisure, as will the need to compartmentalise time into 'work' and 'leisure'. These dynamics will be less relevant to people in unstable employment, who will face increased job displacement through automation.

- Increasing pressure on superannuation will mean more people will need to supplement retirement funds, resulting in many working past the age of 65. This suggests a widening gap between generations and income levels on how time will be used.

- Digital technologies will continue to develop and remain a major influence on how people spend their leisure time. Augmented and virtual realities have not yet fulfilled their promises of immersive experiences but will keep improving.

- Overexposure to massive amounts of information and digital content will cause digital and social burnout among users. This will strengthen the trend toward digital detox, an appreciation for nature and outdoor activities, and the increasing popularity of stress reduction activities like meditation, exercise and hobbies.

Social

Use of time

What might this mean for sport and recreation?

- Sport and recreation will face increased competition for people's leisure time from digital experiences, especially when immersive and augmented reality become widely available. The rise of personalised options and wearable technology will also lead to new models of instruction that maximise efficient use of time.

- We need to keep adapting to this digital evolution and consider how to use such tools to engage and retain participants. This includes using digital technology and gamified elements to make traditional sport and recreation experiences more interactive, engaging and convenient.

- Participants will increasingly expect personalised and tailored sport and recreation options. This will include commitment-free physical activity and one-off experiences that can be shared on social media. Personalisation will be advanced through technologies such as wearable devices and personalised training apps, which will also enable data-driven approaches to sport and recreation.

- Changing locations and patterns of work will influence the spaces where sport and recreation is delivered and accessed, with people increasingly looking to local amenities, while the need for personalised and local options will highlight the importance of making sport and recreation more accessible and inclusive for diverse populations and abilities.

- If people become more accustomed to working and spending time locally, they may be less willing to travel longer distances for recreational activities on weekends. This could affect participation in sports and activities that require more travel.

- Greater flexibility of time could lead to more diverse supply and demand as people are able to fit physical activities more easily into their schedules. Local competitions and facilities will need to adapt their schedules to accommodate these changing patterns. Conversely, as time becomes a more valuable commodity, shorter, high-intensity workouts or activity formats may be more in demand to maximise health benefits within limited timeframes.

- For many, whom flexibility and four-day working weeks will be unfeasible, undesirable, or not offered, creating a 'flexibility divide' that exacerbates current inequities. Such workers may be less able or likely to participate in physical activities for leisure or less able to volunteer for sport and recreation organisations.

- For those who face the loss of work-related status through decreased work focus or job loss, sport and recreation pursuits may take on greater importance and increase their sense of identity, self-worth and meaning.

- With a growing awareness of health and wellness, people may allocate more time to sport and recreation for wellbeing. This could lead to opportunities to participate in recreational sports, fitness classes and outdoor activities. The latter will be aided by increased awareness of the mental health benefits associated with being in nature.

- The need to work longer to supplement retirement funds may leave less time for older adults to volunteer and participate in community activities.

Social

Use of time

What questions should we be asking ourselves today?

- How might competitions and activities (and associated training) be tailored to accommodate participants more variable schedules?

- How can we adapt to changing work patterns and locations, including increased flexibility and the potential for a flexibility divide that exacerbates inequities?

- What new participation opportunities can be offered that provide broad community appeal, are more flexible, inclusive, inviting and personally rewarding?

- How can we capitalise on the potential for these activities to provide identity, self-worth and meaning for those facing loss of work-related status?

- How might we attract and retain volunteers as time demands shift?

- How can digital tools and technologies be designed and used to better encourage and support physical activity participation?

- How can we balance the benefits of virtual and digital leisure with the need to maintain physical activity and social interactions in the real world?

- How can we build on the increased awareness of the mental health benefits associated with being in nature to drive growth in outdoor activities?

- What new partnerships with technology companies and healthcare providers could lead to innovative solutions to engage participants?

Interconnected drivers

- Ageing
- Digital leisure
- Artificial intelligence
- Household wealth

Further information

Our World in Data – Time use

Time Magazine – Our changing relationship with time

World Economic Forum – How people spend their time globally

Interactive Games and Entertainment Association

Social

Trust and cohesion

What are we seeing?

Social cohesion in New Zealand is under threat, as the country faces ongoing challenges that are undermining both institutional and social trust. Growing polarisation, discontent, and a decline in trust mean that New Zealand is no longer viewed as the highly cohesive society it once was.

Polling in 2024 shows most New Zealanders believe that trust and cohesion in our society is in decline[4]. This sentiment cuts across political lines, with both left and right-leaning voters expressing deep distrust in traditional institutions and a desire for strong, unconventional leadership.

Māori and Pacific communities have lower trust in institutions, reflecting a long history of discrimination and socioeconomic disparities.

Only 50 percent of us feel a sense of community in our neighbourhood, and more than a third (39 percent) feel isolated some of the time.[5]

The root of these issues lie in a growing disconnection between the political and economic elite and everyday Kiwis. This is fuelled by issues like inequality, the cost-of-living crisis, and the lingering effects of the COVID-19 pandemic. These issues are common across western societies enabling pan-global narratives to thrive.

The rise of social and mainstream media helped to undermine social cohesion. Algorithms make it less likely that we are exposed to, or consider, different points of view, while simplistic narratives and distinct camps of support or opposition discourage exploration of complex issues and inhibit understanding of different perspectives.

The proliferation of realistic fake digital information, facilitated by advances in artificial intelligence, has further exacerbated political and social polarisation and distrust. Such information spreads quickly and is hard to correct or rebut once it has taken hold.

On the upside, when issues such as the 2023 weather-related disasters are addressed, they bring people together to support each other, building social cohesion.

4   Iposos Global Advisor – 2024 report on populism
5   Iposos Global Advisor – 2024 report on populism

Social

Trust and cohesion

What can we expect?

- The erosion of trust is expected to continue, making it harder to achieve cohesive support for meaningful societal change.

- Addressing the factors contributing to trust erosion and leveraging technology for greater transparency and engagement will be essential in building stronger and more resilient communities. This will be a focus for national and local governments.

- Trust and cohesion will be further tested as we experience a range of foreseen and unforeseen events. Government and institutional responses (or lack of) to these events will affect trust toward political institutions. This will influence political polarisation and social fragmentation, and the ability to govern effectively.

- Economic hardship and decreased local government spending on discretionary services, coupled with growing inequality and demographic trends, will place increasing pressure on the social fabric and cohesion of communities. This will contribute to feelings of isolation, insecurity and deteriorating mental wellbeing.

- The volume and speed at which information becomes available may influence people to engage with simpler narratives or select information that reinforces their current views (confirmation bias), increasing conspiratorial or extremist views. This could result in individuals becoming more cautious and reserved in their interactions, affecting work environments, and levels of cooperation and productivity.

- Despite these challenges, technological advances will offer opportunities to strengthen trust through data-driven approaches and citizen engagement in decision-making.

- Ongoing weather and other events may also be a catalyst for stronger community ties with changing priorities and working practices potentially leading to people spending more time and effort in their local communities. Conversely, they could also be used by less scrupulous commentators to cement distrustful narratives.

Social

Trust and cohesion

What might this mean for sport and recreation?

- Sport and recreation's ability to bring people together, bridge cultural and demographic gaps, and drive community cohesion will see greater emphasis being placed on this role by national and local policymakers.

- Sport organisations may need to adapt their offerings to cater to a more diverse range of needs and interests, with a focus on inclusivity. This could challenge some traditional approaches, with the ability to diplomatically navigate change determining whether sport really is seen as a bridge, or whether it is regarded as suppressing alternate forms of expression.

- A decrease in societal trust will lead to increased scrutiny of the integrity of sport and recreation organisations, resulting in demands for greater transparency, accountability and fair play. Controversies will have a more significant impact on public perception. This will result in conflicting demands and aspirations that need to be addressed at local, national and international levels of governance. This will require new leadership and governance skills, with pressure to increase transparency while managing reputational risk.

- Reduced trust will lead to a more cautious approach from commercial brand association with sport, potentially impacting financial support for sports teams and events.

- The erosion of societal trust may compel athletes to take a more active role in social and political issues. This could lead to increased athlete activism and social commentary, but also might invite online vitriol, colouring the interaction between the public and athletes.

- Governments and sport and recreation organisations will face challenges in implementing policies and regulations if there is a lack of trust in their decision-making processes. Public scepticism will make it more difficult to gain support for initiatives related to public funding.

Social

Trust and cohesion

What questions should we be asking ourselves today?

- How can we build on our unique ability to bring people together and foster greater community cohesion, especially for underserved groups?

- How do we ensure our programmes and facilities are accessible and welcoming to diverse populations, considering affordability and cultural sensitivities?

- How might we need to work in different ways to maintain our reputation and counter the spread of misinformation and disinformation on social media?

- How do we attract directors with the required skill sets, enable meaningful engagement and achieve resolution when the audience is polarised?

- Are our governance structures and decision-making processes sufficiently transparent to build public trust, and what steps can we take to increase accountability?

- How can we support athletes who wish to take a more active role in social and political issues while managing reputational risks and fostering open dialogue with the public?

- How can we proactively engage the public and build trust in our decision-making to facilitate the implementation of new policies and regulations related to public funding and resource allocation?

- How do we most effectively work with other sectors such as education and social service providers to reinforce social cohesion initiatives?

Interconnected drivers

- Social licence
- Diversity
- Population health
- Ideological shift
- Climate change impacts

Further information

The New Zealand Treasury - Social Cohesion in New Zealand

Edelman Trust Barometer 2023

Centre for Informed Futures - Addressing the challenges to social cohesion

Trust in news in Aotearoa New Zealand 2024

Social

Sport's social licence

What are we seeing?

The strong cross societal support that sport has always enjoyed in New Zealand is increasingly being threatened by misalignment to changing social norms and societal values, misinformation and 'sportswashing'.

Shifts in societal attitudes and values, focusing on resilience, family, relationships, diversity, social tolerance, wellbeing and environmental concerns, are influencing the public's acceptance of standard practices. Known as 'social licence', this impact extends to the realm of sport.

Concerns about growing physical and mental health impacts have accelerated improvements in player safety through education, rule changes and data, while cases of abuse, discrimination and inadequate responses to this have eroded trust in some sports organisations.

Elite athletes' mental health struggles continue to gain recognition and erode public trust when the cause and response are questioned. Athletes and representative groups are being more open about these struggles and have more freedom to express political views.

Sport's connection with alcohol is, today, viewed much less favourably than it once was. In addition, the strong relationship between gambling and the funding of sport has also led many to question the wellbeing outcomes of sport.

Improvements in women's representation in sports media, governance, and coverage have improved sports' social licence. However, debate and variable responses to including transgender individuals in sport have raised questions about inclusion, fairness and safety.

Global trends in social movements such as MeToo will increasingly influence sport, noting the longevity of these movements beyond the periods of media hype and prominent coverage.

The intersection of sport and climate change is increasingly raising questions about the responsibility of sports organisations to reduce their impact on the environment, and sporting events are facing pressure to demonstrate responsible delivery and legacy.

False or misleading information is affecting the social licence of sport by distorting public perception and eroding trust in organisations, events and athletes.

The practice of hosting events and buying and sponsoring teams to improve brand image and reputation is increasingly raising ethical concerns.

Social

Sport's social licence

What can we expect?

- Societal attitudes and values will become more progressive, with New Zealanders becoming increasingly reluctant to engage with organisations that fail to align. Ability to keep pace will influence how people view sport in the next 10 years.

- Perceptions about the health and wellbeing benefits of sport will be challenged by the sedentary nature of emerging digital sports, the increased exposure to concussion stories, and the ongoing association of alcohol and gambling with sport.

- The nature of certain contact sports will change to ensure their longevity as rules are adapted to reduce injury rates (particularly head injuries). Sports will offer multiple formats to address a variety of participant groups and retain the trust of parents.

- Discussions on gender equality and gender diversity will become more prevalent.

- New Zealand athletes will speak out more on social, cultural, and political issues both on and off the field, and will have more say in how their sport is run.

- Intolerance towards those seen as not doing their part to curb climate change will increase and scrutiny will be heightened on sponsorship deals for their impact on the environment and society. This is likely to include the potential impact of international sporting events hosted in New Zealand, with the alignment or otherwise of the broader sports sector with vocal advocates having social licence implications (positive or negative).

- More sponsors will seek to partner with organisations that uphold positive societal values, although corporates (and countries) will continue to use sport to improve their image, with increasing levels of public backlash.

- The integrity of sport will be increasingly challenged by performance enhancement.

- As a microcosm of society, sport will continue to serve as a platform to express progress or regression against changing societal attitudes and values.

Social

Sport's social licence

What might this mean for sport and recreation?

- The social licence of sport will evolve with changing societal values, and organisations that adapt will be more likely to maintain or improve their social licence.

- Sport will need to place greater emphasis on promoting and representing positive social impacts, such as inclusivity, community engagement, wellbeing and the environment, and will be expected to make a positive difference through actions not just talk.

- Governance and management will be expected to reflect diversity and community values.

- Recognising and evolving the importance of cultural identity and its connection to sport will be critical to social licence retention.

- Sport will be expected to proactively address environmental concerns in its operations, sponsorships and international events.

- Sport will need to increase its operational and financial transparency and accountability, potentially leading to stricter adherence to ethical standards, fair play and performance-enhancement regulations in sport.

- Athletes will face increased scrutiny of their behaviour both on and off the field, with heightened expectations to uphold ethical standards.

Social

Sport's social licence

What questions should we be asking ourselves today?

- What positive social impacts can we have on the community, such as promoting wellbeing, environmental sustainability and community engagement? How can we amplify and demonstrate these impacts?

- How will we measure the effectiveness of our initiatives in promoting community engagement?

- Are our current governance and management practices aligned with community values and expectations? What changes do we need to make to improve transparency, accountability and ethical standards?

- What are the environmental impacts of our activity, from operations to events and sponsorships? How can we minimise our environmental footprint and demonstrate our commitment to sustainability?

- Do we have clear policies and support systems in place to uphold ethical standards and appropriate behaviour from our athletes, both on and off the field? How can we better educate and empower our athletes to be positive role models?

- How can we improve communication and engagement with our stakeholders, including the wider public, to understand their evolving expectations and concerns regarding our social licence? What channels can we use to transparently address these issues?

- What do we see as our role in creating and responding to changes in societal norms and expectations?

Interconnected drivers

- Trust and cohesion
- Diversity
- Artificial intelligence
- Climate change impacts

Further information

Sport NZ report on social licence for sport and recreation

Social licence and equestrian sport

Restoring the social licence of mega-sporting events

World values survey and New Zealand's changing values

Importance of social licence to equestrian sport

How countries use sport to improve their image

Social

Ageing

What are we seeing?

Like most developed countries, New Zealand has a growing proportion of older people due to declining birth rates and longer lifespans. Medical interventions and lifestyles have increased average life expectancy from 78 years in 2000 to nearly 83 in 2023.[6] This is causing higher demand for health services, a shift in resource allocation and economic challenges.

Seventeen per cent of New Zealand's population is aged over 65 and, for the first time ever, will soon outnumber those aged under 15.[7] Māori and Pacific populations are considerably younger, with a median age over 10 years younger than the national median of 38.1 years.[8] One in three New Zealanders aged under 25 identify as Māori.

New Zealand has experienced its lowest natural increase in population since World War II, contributing only 15 percent to annual population growth in 2023.[9]

Fertility rates in New Zealand have declined rapidly over the past 10 years from the replacement fertility rate of 2.1 births per woman to 1.56 births. The impact of this has been masked by 80 percent to 85 percent of population growth in recent times coming from migration.[10]

Government has introduced policies to help people afford to have and care for children, but these are countered by the cost of living, and changing societal attitudes to having children.

Because people are living longer, the numbers are increasing of elderly people experiencing illness, dependency, poor mental health and frailty in the final years of their lives. Cardiovascular conditions and dementia are leading causes of health loss, with physical inactivity a risk factor for both.

Disparities in life expectancy and health outcomes are notable, particularly for Māori and Pacific communities which have respective life expectancy about six years and five years lower than European/Other people (although the gap is closing).

Resources are shifting towards supporting the growing older population, affecting policy decisions and resource allocation.

New Zealanders are increasingly working past the age of 65, in some cases to adequately fund their retirements. This is despite net worth typically increasing with age, with those aged 65 years to 74 years having the highest median individual net worth of $433,000[11]. Disparities exist, however, among ethnicities, with those of European ethnicity typically reaching retirement age with greater financial wealth.

6   Statistics NZ 2024 – Population trends
7   Statistics NZ - Census 2023
8   Statistics NZ - Census 2023
9   Retirement Commission 2021 – Demographic disruption
10   Statistics NZ 2024 – Population trends
11   Retirement Commission 2021 – Pre-retirement report

Social

Ageing

What can we expect?

- Structural population ageing will result in more elderly than children and more deaths than births, ushering in the end of the natural growth which has long been the main driver of population growth in New Zealand and elsewhere.

- Our ageing population will significantly affect healthcare, workforce dynamics, economic growth, housing and the allocation of resources in New Zealand.

- By the 2030s, individuals aged over 65 are projected to increase to 25 percent of the population.[12] This demographic shift will lead to a greater need for public resources for older groups, including healthcare infrastructure and services, and will divert resources from other areas of the economy.

- Māori and Pacific populations aged under 15 will continue to increase in number and as a proportion of this population group. This could flow through to Māori and Pacific populations becoming more prominent in society and positions of influence.

- As more people reach an age at which they may no longer need, want or be able to work, the labour force will shrink, potentially leading to labour shortages in certain sectors. This will have negative consequences for economic growth and productivity, further hindered by anticipated superannuation costs of $30 billion per year by 2030.[13]

- To mitigate this, government will implement policies to encourage older workers to remain in the workforce and attract younger workers from overseas

to help support the economy and social services. However, some of the younger population will be lured offshore as global competition for young people heats up, and the elderly's ability to remain agile and responsive to increasingly disruptive technological opportunities will be tested.

- Forty-five of the 67 territorial authorities will have population declines by 2048, including some regions becoming 'hyper-aged', where over 20 percent of the population is aged 65 or older.[14]

- The political views of the growing older cohort who control a significant portion of wealth will become increasingly relevant to policy decisions, affecting the equitable allocation of resources between generations.

12 Spoonley, Newshub interview, 2024
13 NZ Treasury, 2023
14 Statistics NZ, subnational population projections

Social

Ageing

What might this mean for sport and recreation?

- Government-led emphasis on physical activity will be greater as a cost-effective way to support healthy ageing and reduce demand on health services. This will include shifts in perceptions and definitions of physical activity to include age-inclusive practices, activities and infrastructure adaptions.

- The workforce will need to be better equipped to understand and meet the needs of older audiences and their physical and mental abilities.

- The viability of competitions and infrastructure will be compromised by reducing populations in some towns and regions.

- There will be a trend towards more multigenerational participation in sport and recreation requiring modified versions of participation that allow for mixed abilities.

- New markets and economic opportunities will emerge catering to products and services tailored to the needs and preferences of older adults with New Zealand seeing a rise in the popularity of sport and recreation activities specifically designed for older adults.

- Virtual and augmented reality may become more prevalent in recreational activities for seniors, overcoming physical challenges.

- A greater emphasis might be placed on community-based sport and recreational activities that facilitate social interaction for older people, particularly those not working.

- More people staying healthier longer in later life at a time when they may not need or want to work, will provide more time for participation and volunteering.

Social

Ageing

What questions should we be asking ourselves today?

- How can we adapt our programmes, facilities and rules to be more age-appropriate and inclusive for older adults?

- How can we shift perceptions and definitions of physical activity to be more welcoming and accessible for older participants?

- How can we address ageist stereotypes around physical activity?

- How can we ensure our workforce is equipped to understand and meet the unique needs of older audiences in terms of their physical and mental abilities?

- How can we maintain the viability of our competitions and infrastructure as populations decline in some regions?

- How can we encourage and facilitate participation between different generations in sport and recreation activities?

- What new products, services and economic opportunities can we develop to cater to the preferences and needs of older adult participants and spectators?

- How can we leverage virtual and augmented reality technologies to overcome physical challenges and increase participation among older adults?

Interconnected drivers

- Use of time
- Trust and cohesion
- Robotics and augmentation
- Population health
- Ideological shift

Further information

Statistics New Zealand
– Population trends

Retirement Commission 2021
– Demographic disruption

Global government forum
– How advanced analytics and AI
can contribute to healthy ageing

Retirement Commission 2021
– Profile of pre- and post-retirees

Ipsos Generations Report 2024

Social

Diversity

What are we seeing?

New Zealand, a nation celebrated for its diversity, is home to over 160 ethnic groups, with Māori (17.8 percent), Pasific (8.9 percent), Asian (17.3 percent), and European/Pākehā (67.8 percent) making up the majority of the population.[15]

As the country grapples with both bi-cultural and multi-cultural paradigms, it recognises the ongoing effects of colonisation and the need to address inequities and harms. These discussions are being shaped by increases in Asian ethnicities, indigenous knowledge, and a shift in the traditional understanding of diversity.

The increase in the use of te reo Māori reflects a broader societal shift towards recognising and celebrating Māori culture.

Additionally, individuals, notably adolescents, are embracing a wide spectrum of gender identities, including non-binary, genderfluid, and gender non-conforming, moving beyond the traditional male-female gender binary, with the biggest uplift being among Gen Z.

Neurodiversity is also being embraced, with autism, ADHD, and dyslexia viewed as normal variations in the human genome, rather than disorders to be cured. One-in-five New Zealanders are neurodivergent.[16]

Gender equality has seen positive shifts in women's educational attainment, labour force participation, and support for women to take on paid work. However, challenges remain, including addressing inequities faced by Māori, Pacific, migrant, disabled and Rainbow women.

Progress has also been made in promoting improved opportunities for the 24 percent of New Zealanders who identify as having a disability,[17] including establishing Whaikaha - Ministry of Disabled People, and implementing a disability action plan.

The intersection of disability, gender identity, and sexual orientation presents unique challenges, with disabled young people who identify as part of the Rainbow community, for example, being among the top three most vulnerable cohorts of Rainbow youth, following trans and non-binary young people.

While societal attitudes toward diversity and inclusion have become more accepting and progressive, prejudice and pushback persist. Cultural divides and a polarisation of views on societal values and social justice mean they are becoming increasingly politicised and complex issues to navigate, challenging organisations to create inclusive and equitable outcomes.

15 Statistics NZ 2021 – Population projected to become more ethnically diverse
16 NZ Herald 2023 - Education around neurodiversity needed
17 Office of Disability Issues - Key facts about disability in New Zealand

Social

Diversity

What can we expect?

- Societal values will become more progressive, with expectation for organisations growing to adopt inclusive practices regarding race, gender, disability, religion, sexual orientation and other characteristics.

- The European/Other ethnic category is projected to decrease from 68 percent in 2023 to 64 percent by 2043, while the Asian descent population is expected to rise from 17 percent to 26 percent in the same period. The proportion of people identifying as Māori will increase from about 17.8 percent to 20.5 percent by 2043, and the Pasific population from 9 percent to 10 percent.[18]

- New Zealand will continue to become more ethnically diverse in some but not all parts of the country. Where a shift occurs, so too will a corresponding shift occur in the services required.

- Traditional demographic groupings will become less relevant for defining and describing people, including more people identifying as non-binary and gender fluid.

- Socioeconomic factors will intersect with diversity to create a more complex picture and obscure underlying questions of participation. This could include income inequality, poverty rates, and access to resources among different ethnicities, genders, and disability groups.

- Biculturalism and the ability to navigate multiple cultures will become increasingly valued by society. This will be helped by technology promoting diversity and biculturalism through tools like language translation and virtual reality.

- Despite these progressive societal shifts, community cohesion in some places may be at increasing risk in the face of vocal opposition by some groups to the Treaty and diversity and inclusion initiatives.

- As equality proves not to be enough to address systemic inequalities and barriers faced by marginalised groups, a shift will occur in the debate from equality to equity, with a greater focus on the different starting points and needs of individuals.

18 Newshub 2024 - Statistics NZ projects Aotearoa to become more ethnically diverse

Social

Diversity

What might this mean for sport and recreation?

- As society becomes more progressive and sensitive to how individuals want to be identified, organisations will increasingly be required to meet the needs of a much more diverse and less traditionally identifiable participant. This will affect how the sector engages, communicates, and creates relevant offers.

- An expectation will be for sport to change its binary approach to gender, through inclusive policies for all gender identities. Organisations will need to develop a knowledgeable and sensitive workforce to cater to people's diversity.

- Diversity in leadership roles will be expected to role-model inclusive practices.

- Expectations will increase for organisations to take a stand on equity issues, which may be polarising because support for marginalised groups can be viewed as 'unfair' by those who believe in strict equality.

- Emphasis will increase on creating accessible and inclusive spaces for sport and recreation to accommodate diverse populations and abilities.

- There will be a rise in modified versions of traditional sports that are more inclusive for different abilities and genders, with associated innovations in equipment and rules to create a more level playing field.

- The growing Māori population will present opportunities to enhance inclusivity, cultural identity and community wellbeing through sport and recreational activities.

Social

Diversity

What questions should we be asking ourselves today?

- How can we develop inclusive policies, programmes, and facilities that cater to people of all gender identities and expressions? What training and education is needed for the workforce to be knowledgeable and sensitive in this area?

- How does the sector ensure youth-led initiatives are supported that promote inclusivity in sport and recreation?

- How can we actively promote diversity in leadership roles to serve as role models for inclusive practices? What barriers exist, and how can we address them?

- How can we take a proactive and principled stance on equity issues, while being prepared to navigate potential polarisation and perceptions of "unfairness" from those who believe in strict equality? How can we effectively communicate the importance of equity?

- How can we ensure our engagement, communication, and programme offerings are relevant and accessible to our increasingly diverse audiences and participants? What research and community engagement are needed to understand their needs?

- How can we meaningfully incorporate Māori culture, identity, and community wellbeing principles into our activities? What partnerships and collaborations with Māori organisations can we build to enhance inclusivity?

- How may we need to change current practices to develop culturally appropriate programmes and strategies to engage with diverse populations who may not currently participate in sport and recreation?

- What steps can we take to make our facilities, programmes and services more accessible and inclusive for diverse populations and abilities?

- How can we foster intercultural exchange, understanding and collaboration through sport and recreation? What programmes or events can bring diverse communities together in meaningful ways?

Interconnected drivers

- Trust and cohesion
- Social licence
- Robotics and augmentation
- Population health
- Available funding
- Household wealth

Further information

2023 Census | Stats NZ

Population projected to become more ethnically diverse

Aotearoa NZ gender attitudes survey

Te Ara – Gender diversity

Ombudsman – Disability Rights: How is New Zealand doing?

Disability Figures – Disability in New Zealand

Technological

Digital leisure

What are we seeing?

The rise of digital technology has significantly transformed the way people in New Zealand engage with leisure activities. Nearly two-thirds of Kiwis now spend 2 hours to 4 hours per day online, with social media, streaming video and gaming being popular pastimes.[19]

The gaming industry has seen widespread adoption, with 94 percent of households owning at least one video game device, 79 percent of respondents playing video games, and 48 percent of gamers being women. The average age of New Zealand gamers is 35 years, and they play for entertainment, social connections and mental stimulation.[20]

The growth of digital media and online interactions has led to a shift in how people, especially younger generations, engage with the world. Many now view online experiences as meaningful replacements for in-person interactions, with Gen Z and Gen Alpha audiences increasingly demanding interactive and immersive experiences.

However, the adoption of more immersive technologies like augmented and virtual reality has been relatively slow due to technological limitations, high prices and a lack of alluring applications. This may be compounded by socio-economic disparities that hold some sectors back from taking full advantage while others forge ahead with new leisure opportunities.

Traditional forms of physical activity are also being increasingly mediated by technology, with the rise in smartphone ownership and growth of wearable technology allowing more activities to be quantified and analysed.

While digitally mediated leisure has become more accessible and cheaper, sophisticated products and services are also available with the potential to transform in-home exercise, allowing more individuals to receive instructed guidance. The sophistication of tools designed to map walking, cycling and running routes is also increasing, with technology and data-

driven services further enabling the generation of active travel routes tailored to individual preferences.

E-sports, having grown in popularity and professionalism, are a form of entertainment increasingly vying for people's time and attention, posing significant competition for traditional analogue activities.

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19 Interactive Games and Entertainment Association – New Zealand Plays 2023
20 Interactive Games and Entertainment Association – New Zealand Plays 2023

Technological

Digital leisure

What can we expect?

- Digital leisure activities will become more seamlessly integrated into our lives, with businesses adopting digital solutions to enhance customer engagement and experiences.

- The rise of digital leisure will lead to a blurring of the traditional divide between work and leisure, requiring a rethink of work life balance.

- The future of sport and entertainment will be characterised by the growth of online games, augmented and virtual reality, and e-sports, offering more immersive and physical experiences. This will include digital competitions running alongside in-real-life competitions.

- Virtual classes, interactive workout apps and fitness tracking will enable more personalised and flexible at-home fitness solutions, leading to a shift in the perceived value and attractiveness of different leisure options.

- Consumers will seek out instagrammable and memorable personal experiences, driving the need for innovative, decentralised experiences enabled by the metaverse.

- Web 3.0 will transform the relationships between athletes, fans and owners, leading to new democratised business models.

- Leisure businesses will embrace digital solutions to improve customer engagement, drive revenue and enhance the overall customer experience, including adopting digital membership systems, integrating with health tracking devices, incorporating smart exercise equipment and leveraging smart parking technologies.

- Increasing online interactions will exacerbate issues of online safety, data privacy, and cyberbullying.

Technological

Digital leisure

What might this mean for sport and recreation?

- The increasing prevalence of digital technologies and applications designed to promote fitness and wellness will pose challenges and disruptions to conventional sport and recreation.

- Wearable technology and data analysis could lead to the rise of the citizen-athlete, empowering everyday athletes to track their progress, compete in virtual challenges, and connect with like-minded individuals. This could foster a more participatory and data-driven approach to fitness, with less reliance (and relevance) on traditional sport organisations.

- The rising prominence of e-sports raises concerns about its potential to promote a more sedentary lifestyle and reduce physical activity. However, e-sports could also adapt and develop in directions that provide participants with physical and mental health advantages.

- Sport and recreation organisations must embrace digital to meet the evolving needs and expectations of younger people and enhance on and off-field performance. This includes understanding fan behaviour, evolving media strategies, and integrating emerging technologies like big data, the internet of things, and augmented and virtual reality.

- Digital technologies may be used to create hybrid experiences that combine the physical and virtual worlds. Building bridges between the two worlds of activity will be necessary to ensure inclusivity and relevance.

- Wearable technology can revolutionise health and fitness monitoring, while gamifying activities can make them more engaging and accessible, encouraging participation through interactive apps, challenges and rewards.

- With the creation of individual-specific data, we will need to become more adept at managing online safety, data privacy, and cyberbullying these issues and advising participants.

Technological

Digital leisure

What questions should we be asking ourselves today?

- How can we adapt our offerings and digital strategies to better meet the evolving needs and expectations of younger generations of participants and fans?

- What is the long-term impact of digital technologies on traditional sport and recreation? Will certain activities become obsolete? Where are the opportunities and risks for existing codes as technologies emerge?

- What new digital content and media strategies can we adopt to engage our audience across a range of platforms and devices?

- How can we integrate big data, the Internet of Things, and emerging technologies like augmented and virtual reality to enhance the experience and performance of our participants?

- How can we use wearable technology and gamification to make our activities more engaging and accessible, and encourage higher participation levels?

- What interactive apps, challenges, and reward systems can we develop to drive increased and sustain participation?

- What ethical considerations and privacy protections do we need to have in place as we adopt new digital technologies?

- What are the health considerations as the blurring of work-life digital worlds and almost universal screen time promote a more traditional, offline, physical experience as a vital component of well-being?

- How can we ensure the responsible and transparent use of customer data and emerging technologies?

Interconnected drivers

- Use of time
- Artificial intellince
- Population health
- Household wealth
- Climate change impacts

Further information

New Zealand Plays 2023

Digital Leisure - Transformation of leisure activities

Leisure trends and technology within generations x, y, and z

Interactive Games and Entertainment Association

Technological

Artificial intelligence

What are we seeing?

The rapid advances in artificial intelligence (AI) have transformed various industries and aspects of our lives.

In 2023 the world witnessed a significant increase in the use of generative AI programmes like ChatGPT, which have found applications in scientific research, financial markets, medical diagnoses, conservation, policing and security.

These AI developments have also generated discussion about potential existential risks and concerns about the misuse of AI, as well as its impact on economic and social inequities, workplaces and lifestyles.

The International Monetary Fund suggests AI may already be affected about 40 percent of jobs globally, either through complementing existing tasks and roles or replacing them.[21] This highlights that automation is not just taking over simple physical and repetitive tasks but is also affecting a broad range of tasks performed by white-collar workers.

More extreme concerns relate to the development of general AI - a form of AI that would be able to perform any intellectual task that a human can do. The likelihood and timeframe for general AI is still uncertain.

AI applications in sport include predicting injuries and performance, personalised training, monitoring player and ball positions during games and player recruitment.

The International Olympic Committee unveiled its AI strategy in 2024.[22] The strategy aims to identify promising athletes, personalise training, improve judging, protect athletes from online harassment, and enhance the viewing experience for the 2024 Paris Olympics and beyond.

Many organisations are in a fear of missing out phase, rather than having a clear understanding of how AI can best be applied to their needs.

The rise of deep fakes, both video and audio, amplified by social media, is seeding disinformation and further undermining trust in governments, other institutions, groups and individuals. In response, the European Union has introduced AI regulations,[23] and other countries are developing regulatory frameworks, though their appropriateness and effectiveness remain to be seen.

21 International Monetary Fund – Artificial Intelligence
22 International Olympic Committee 2024 - AI Agenda
23 European Union 2024 - AI regulations

Technological

Artificial intelligence

What can we expect?

- More sophisticated generative AI models that can combine text, visual and audio information will become available in the short term, improving functionality.

- An AI arms race will continue as some nations and companies seek to establish dominant AI capabilities and applications.

- AI-powered automation and robotics will become more sophisticated, increasing productivity and cost savings across sectors.

- Natural language processing will continue to evolve, enhancing the capabilities of chatbots, virtual assistants, and other AI interfaces.

- AI will become increasingly proficient in generating creative content, transforming fields like art, entertainment and advertising.

- AI will affect both the number and quality of jobs, with some tasks being automated while others are enhanced by AI-enabled tools.

- AI will be used to build predictive models that can improve the accuracy of sports betting odds and enable new forms of real-time, micro-betting.

- As AI systems become more sophisticated, the concerns are that they could become in charge and make decisions that negatively affect humanity. This could include AI systems optimising for goals that are misaligned with human values and interests.

- The transition to an AI-dominated world could be chaotic and destabilising, with AI systems potentially making decisions that are opaque, uncontrolled and detrimental to humans.

- More intellectual property and copyright challenges to AI training data and generated content are anticipated, while regulation will also evolve.

Technological

Artificial intelligence

What might this mean for sport and recreation?

- More sophisticated AI models will analyse vast amounts of player and athlete data, video and audio to provide deeper insights into performance, technique, injury prevention and training needs. This will help coaches and athletes optimise their training and strategies.

- AI-powered coaching tools and personalised training plans could become more accessible, even for amateur athletes or those in remote locations. This could overcome some of the issues associated with an ageing demographic of coaches in regions and produce athletes in unlikely places.

- Human officials could be increasingly replaced by AI-powered systems that make more accurate and consistent calls.

- AI-powered chatbots, virtual assistants, and content generation will enhance the fan experience by providing personalised recommendations, real-time game updates and engaging digital content.

- AI will help manage sports facilities, events, and logistics more efficiently through automation, predictive maintenance and crowd management.

- AI will contribute to the design and optimisation of sports equipment, improving aerodynamics, materials and performance.

- Blockchain technology will be used for secure and transparent management of sports-related transactions, ticketing and athlete contracts.

- As AI systems become more sophisticated, there are concerns about their ability to make decisions that may negatively affect human values and interests, such as unfair player evaluation or biased content generation. This could lead to a backlash if it is seen as detracting from the spirit of the game.

- The use of AI in sports may raise new challenges around the ownership and use of data, video and other content generated by AI systems.

Technological

Artificial intelligence

What questions should we be asking ourselves today?

- How can we leverage AI-powered analytics to optimise training, tactics, injury prevention and strategies for our athletes and teams? What data sources and AI models would be most beneficial?

- What are the ethical and fairness considerations around replacing human officials with AI-powered systems? How can we ensure transparency and accountability in the decision-making process?

- How can we empower coaches to make better in-game decisions by providing them with real-time data and AI-driven insights? What data and models would be most useful?

- How can we use AI and immersive technologies like virtual and augmented reality to enhance the fan experience and engagement? What personalised content and interactive features would fans find most valuable?

- In what ways can AI contribute to the design and optimisation of sports equipment to improve performance? How can we balance innovation with fairness and safety regulations?

- How can we leverage blockchain technology to improve the security, transparency and efficiency of sports-related transactions, ticketing, and athlete contracts? What are the potential benefits and risks?

- What policies, governance frameworks and stakeholder engagement processes do we need to put in place to ensure the responsible and ethical use of AI? How can we address issues like bias and privacy?

- How can we upskill and reskill our workforce to effectively leverage AI and other emerging technologies? What new roles and competencies will be required?

- What partnerships and collaborations with technology companies, research institutions and other stakeholders should we pursue to drive innovation and stay ahead of the curve?

- How can we ensure that the benefits of AI are equitably distributed and accessible to all participants, from elite athletes to grassroots communities? What steps can we take to mitigate the risk of widening disparities?

Interconnected drivers

- Use of time
- Trust and cohesion
- Digital leisure
- Democratisation of information
- Geopolitical tension
- Available funding

Further information

World Economic Forum Global Risks Report 2024

International Monetary Fund – Artificial intelligence

International Olympic Committee – AI strategy

McKinsey 2024 - the economic potential of generative AI

Technological

Robotics and augmentation

What are we seeing?

The advances in robotics, wearable technologies and cognitive enhancement tools are poised to have a profound impact on the world of sport and recreation, as well as many other industries. While these technologies hold the promise of enhancing human capabilities, improving productivity and addressing societal challenges, they also raise significant ethical concerns and have the potential for unintended consequences.

Wearable upgrades, bionic limbs and smart clothing can enhance able-bodied individuals with advanced abilities. Cognitive assessment and training tools are also improving athletes' decision-making and reaction times.

In sport, robots are taking over tasks like field maintenance and ball retrieval, while AI-equipped drones provide advanced camera coverage. Concerns have even been expressed about an arms race as robotic limbs potentially replace natural body parts.

Immersive virtual and augmented reality environments are transforming athlete training, honing skills in ways that could make traditional sports appear "broken" in comparison.

Athletes can now turn to technological means such as gene editing and cyborg technologies, to amplify their athleticism, and events are emerging that are interested in maximising human endeavour, whether artificially enhanced or not.

Beyond sport, robotic advances are disrupting many other industries. AI and machine learning enable robots to perform increasingly complex tasks in autonomous vehicles, manufacturing and agriculture.

Collaborative cobots work safely alongside humans, while soft robotics and swarm robotics find applications in healthcare, rehabilitation and environmental monitoring. Medical robots can operate with greater precision than human surgeons, and humanoid robots may revolutionise personal assistance, entertainment and education.

However, these rapid technological changes also raise significant ethical concerns and regulatory challenges. The rate of innovation is outpacing the ability of governments to understand and govern these developments, potentially slowing the realisation of benefits and leaving risks unmitigated.

Technological

Robotics and augmentation

What can we expect?

- Robots are expected to become more ubiquitous, revolutionising industries like healthcare, manufacturing and logistics through enhanced capabilities like computer vision and conversational AI.

- The likelihood that manual, entry-level roles will be substituted leading to a more challenging environment for lower-skilled workers.

- Scientists predict that human augmentation with additional robotic body parts could soon become a reality, such as adding extra limbs or digits to enhance human abilities, including in sport.

- Future robots may behave and think more like humans, becoming more adaptable and productive partners, serving as assistants, instructors, explorers and even doctors.

- Robots are more likely to work alongside humans in a symbiotic relationship, handling repetitive or physically demanding tasks while humans focus on creative and complex problem-solving.

- Enhanced human robot collaboration will occur through the development of sophisticated cobots equipped with advanced sensors, AI and machine learning capabilities.

- Robots will have increased autonomy, enabled by advances in AI and machine learning, allowing them to make decisions and take actions without direct human intervention.

- AI and the Internet of Things will integrate to enhance the capabilities of robots, allowing them to access real-time data, monitor their surroundings, and adjust accordingly.

- This will increase the need for careful consideration of ethical implications and the development of regulatory frameworks to ensure the responsible use of robotics and augmentation technologies.

Technological

Robotics and augmentation

What might this mean for sport and recreation?

- Athletic performance could be enhanced through exoskeletons and powered suits that increase athletes' strength and endurance; wearable sensors and robotics enabling real-time biomechanical analysis, identify potential injury risks and optimise training techniques; and smart equipment with augmented reality interfaces that provide athletes with real-time feedback on their performance, helping them make on-the-fly adjustments.

- This could increase pressure on athletes to constantly push their limits and to adopt technologies even if they offer marginal benefits in a sporting world where the margins between win/loss is slim. This will particularly be the case in economically geared competitions.

- Advances in performance enhancement will challenge existing regulations and the integrity of elite sport, with potential shifts in detection methods and the concept of fair competition hanging in the balance.

- Robot-assisted experiences, such as robotic mascots or drone displays, could enhance the overall fan experience in stadiums and arenas.

- Robotics could enable individuals with disabilities to participate in sport and recreational activities through the development of adaptive equipment, enhancing inclusivity. This would include augmented prosthetics and exoskeletons to empower athletes with physical disabilities to compete at higher levels.

- Robots and AI will revolutionise industries like healthcare, manufacturing, and logistics, potentially leading to new forms of human robot competition.

- Advances in technologies like computer vision, conversational AI, drones, and autonomous systems will transform how sport is played, officiated and experienced by fans. The lines between spectator and participant could blur, with the potential for interactive experiences where fans influence the game through augmented reality.

Technological

Robotics and augmentation

What questions should we be asking ourselves today?

- How can we ensure fair and ethical use of performance-enhancing technologies like exoskeletons, wearable sensors and smart equipment in competitive sport? What guidelines or regulations need to be developed to maintain a level playing field?

- What are the consequences of using performance-enhancing technologies regarding personal ethics and public perception?

- How will integrating gene editing and cyborg technologies affect the definition of natural abilities in sport? When does human competition become something else. Do we care, or are there performance definitions that are sacrosanct?

- How can regulators ensure fair and transparent treatment in a new classification system, especially regarding gene manipulation and technological enhancement? What skills will be needed by future governing bodies to assess these enhancements?

- How can sport organisations and the wider community work together to ensure that using advanced technologies in sport does not compromise the values of inclusivity, fairness and ethical competition?

- How can we leverage robotics and augmentation to enhance the fan experience in stadiums and arenas, such as through robotic mascots or drone displays, without detracting from the core athletic competition?

- How can we use robotics and adaptive equipment to improve inclusivity and accessibility, empowering athletes with physical disabilities to compete at higher levels?

- How can we harness advances in computer vision, conversational AI, drones and autonomous systems to transform how sports are played, officiated, and experienced by fans?

- How can we ensure that the benefits of these technologies are distributed equitably and do not exacerbate existing disparities or create new forms of exclusion?

Interconnected drivers

- Use of time
- Diversity
- Population health
- Household wealth

Further information

Sport NZ – Unlevel playing field report

United Kingdom Ministry of Defence – Human augmentation report

Are robot athletes the next big thing in sport

Technological

Democratisation of information

What are we seeing?

The democratisation of information, enabled by the internet and digital media, has empowered people to become active creators and curators of information, rather than just passive consumers.

This has increased the potential to improve democratic participation by facilitating dialogue between governments, citizens and diverse groups in society.

Significant aspects of this trend include citizens being increasingly empowered to share stories, comment on news, and distribute information; improved access to information, and people being able to make more informed decisions; increased transparency as information becomes more widely shared; and better peer-to-peer sharing of information to improve political knowledge.

However, the democratisation of information also comes with challenges, such as the need to balance it with appropriate security and access controls for sensitive data. One such challenge is 'surveillance capitalism' where the primary product of companies like Google and Facebook is the data collected about users to manipulate behaviour for their commercial ends.

Additionally, the growing quantity and diversity of information available online is considered by many to be lowering overall quality, contributing to the rise of echo chambers, and reducing trust in experts and the accuracy of information in general.

The sport and recreation sector is generating an increasing wealth of data and insights but still struggles to effectively use this information to drive decision-making and improve outcomes.

Technological

Democratisation of information

What can we expect?

- The digital divide will shift more towards skills, confidence and sophistication of use rather than just accessibility, making it harder for people to find reliable information online. This has been accelerated by the collapse of traditional media and will exacerbate echo chambers and information silos.

- Citizen involvement in decision-making will continue to increase, along with more fact-checking and critical analysis, improving access to information.

- Challenges could include widespread scepticism of institutions, concentration of power by data lords, difficulty for citizen-produced content, and continued issues like polarisation and inequality.

- Digital wellbeing will be a challenge with the constant bombardment of information having negative effects and resulting in discussion about responsible information consumption.

- Increased surveillance and data monitoring by governments and corporations could erode personal privacy and autonomy, requiring stronger regulations.

- Increased access to government data and open data could promote transparency and accountability and enable innovative solutions to social problems, but increased effort will be needed to ensure information is easily accessible, secure and used responsibly.

Technological

Democratisation of information

What might this mean for sport and recreation?

- The growth of user-generated content will provide diverse perspectives on insights into sport and recreational involvement.

- The quantity of data produced will require organisations to develop better data-gathering and analysis skills. This will include balancing data-driven insights with athlete privacy rights.

- Disseminating details about sport and recreation services and initiatives will become more straightforward, yet there will simultaneously be an increasing quantity of rival information sources to contend with.

- The facilitation of community sport and recreational activities through online organisation and promotion may encourage broader participation. However, consideration of digital accessibility for people with disabilities is needed to ensure everyone can access sport and recreation information online.

- Availability of information could disrupt existing supply, with individuals capable of finding information and services online. This could include athletes being empowered to take a more active role in their training.

- Direct-to-fan digital channels will increase opportunities for athlete branding and personalisation.

- The rise of digital revenue streams such as streaming services and online ticket sales, will lead to shifts in traditional business models.

Technological

Democratisation of information

What questions should we be asking ourselves today?

- How can we leverage user-generated content to gain diverse perspectives on and insights into our activities?

- How can data be used to improve the delivery and promotion of sport and recreation services and initiatives?

- How can we ensure equitable access to digital information and services related to sport and recreation?

- What skills and resources do we need to effectively gather and analyse the growing quantity of data related to sport and recreation?

- How can organisations balance the need to disseminate information online while contending with an increasing quantity of rival information sources?

- How can we help athletes build their personal brands and connect directly with fans through digital channels?

- Will there be a rise in athlete-driven online training communities? How might coaches adapt to this?

- How can we adapt our business models to capitalise on new digital revenue streams, like streaming and online ticket sales, while maintaining traditional revenue sources?

- What policies and regulations are needed to ensure the integrity and accessibility of digital information and services related to sport and recreation?

- How can we promote responsible information consumption and create a healthy online environment for athletes and participants to avoid information overload and negativity?

- How can we balance data-driven insights with athlete privacy rights?

Interconnected drivers

- Trust and cohesion
- Diversity and inclusion
- Artificial intelligence
- Ideological shift

Further information

Sport England 2023 - Digital futures report

Digital threats to democracy

What does democratising data mean?

Political

Population health

What are we seeing?

The health landscape in New Zealand is complex, with both positive and concerning trends. Life expectancy is high, compared with other countries, but significant disparities exist across ethnic and socioeconomic groups.

Preventable risk factors like tobacco use, alcohol consumption, poor nutrition and physical inactivity contribute to the leading causes of health loss, including cardiovascular disease, cancers and diabetes. Obesity rates are high, especially among Māori, Pacific and socioeconomically deprived populations.[24]

Mental health challenges are a growing concern, with over half the population experiencing mental distress or addiction issues.[25] Rates of self-harm hospitalisations, particularly among youth, have increased significantly.[26]

Certain groups, such as Māori, Pacific, and disabled people, face disproportionately higher rates of mental wellbeing challenges.

Where people live in New Zealand can significantly affect their health outcomes. Certain regions and neighbourhoods have higher rates of poverty, limited access to healthcare services, and fewer opportunities for physical activity and healthy eating, contributing to disparities in health status. Communities that reside in low-income urban areas often reside in low-income urban areas, face a higher burden of chronic conditions like obesity, diabetes and respiratory diseases.[27]

Health care in New Zealand is under pressure, leading to workforce shortages, a heavy reliance on foreign-trained professionals, and lengthy waiting lists.

The Government allocated $16 billion over the four years from 2024 for health services and costs pressures.[28]

While the healthcare system faces challenges, emerging technologies in precision medicine (through the synergy of technologies like bioinformatics, gene sequencing and AI) offer hope for more personalised and effective care. This is becoming increasingly important as the population ages, and chronic diseases like heart disease, cancer and dementia become increasingly prevalent. Solutions to these challenges are also focusing on how to leverage data, AI and targeted therapies to help improve patient outcomes and ease the burden on healthcare systems.

24 Health New Zealand 2024 – Health Status Report
25 Mental Health and Addiction in New Zealand
26 Health New Zealand 2024 – Health Status Report
27 Health New Zealand 2024 – Health Status Report
28 NZ Government 2024 – Vote health

Political

Population health

What can we expect?

- Health polarisation will continue based on differences in lifestyle and consumption habits across different groups.

- The prevalence of mental health conditions will grow and increasingly shape government policy as a result.

- The focus on population health and wellbeing as a measure of government success will increase.

- There will be a growing emphasis on the social determinants of health, such as the built environment, socioeconomic factors, and access to services.

- Individuals will become more active and informed in their own healthcare decisions and treatment in both the public and private sectors.

- 'Light touch' interventions, such as the range of non-medical support services in the community to address health and wellbeing will increase as a method for reducing demand for national health services.

- While the current political environment seems intent on realigning Māori health initiatives, traditional knowledge (Rongoa Māori) will likely form a significant component of future approaches.

- Health indicators and outcomes will become better measured and better analysed as more data are produced.

- People will become increasingly interested and capable of collecting data and 'quantifying' their own health and wellness.

- Privatisation of healthcare services and a growth in health tourism will increase as those who can afford it seek faster, cheaper options abroad.

Political

Population health

What might this mean for sport and recreation?

- An increased focus on preventive health measures will drive greater participation in sport and recreational activities as individuals seek to maintain their health.

- The role of sport and recreation in fostering social connection and belonging (important for mental health) provides a rationale for participation.

- The growing awareness of mental health importance will influence the popularity of activities known for their mental health benefits, like mindfulness-based practices.

- Technological advances, such as wearable devices and virtual reality, will enhance the integration of health and fitness tracking into sport and recreation, creating more personalised experiences, but could aggravate mental health if they increase isolation.

- Communities will develop more programmes and initiatives that blend health and recreation, with healthcare providers collaborating to offer tailored activities for specific health conditions or age groups.

- As the global population ages, focus will increase on sport and recreational activities tailored to the needs and desires of older adults.

- Government policies and public health campaigns will affect the availability and accessibility of recreational spaces, potentially leading to increased investments in public infrastructure to promote physical activity.

- Sport and recreation organisations will need to further gear their value proposition and offering toward both physical and mental health – notably for those population segments expected to experience poor health.

- Medical advances to address obesity may have the unintended consequence of reducing levels of physical activity, with people thinking it is no longer required.

Political

Population health

What questions should we be asking ourselves today?

- How can we leverage technological advances like wearable devices and virtual reality to better integrate health and fitness tracking into our offerings, creating more personalised experiences for participants?

- What new collaborative opportunities exist with healthcare providers to develop tailored sport and recreation programmes for specific health conditions or age groups within our communities?

- How can we expand our programmes to better accommodate the mental health benefits of activities like mindfulness-based practices, and market these offerings to attract participants seeking these benefits?

- How can we design activities specifically tailored to the needs and desires of the ageing population?

- What partnerships or advocacy efforts are needed to ensure sufficient public investment in recreational infrastructure and spaces that promote physical activity within our communities?

- How can we evolve our value propositions and programme offerings to better address both the physical and mental health needs of our target populations, especially those at risk of poor health outcomes?

- What data, metrics and evaluation frameworks should we put in place to measure the effects of our programmes on population health indicators?

- What training and professional development are needed for our workforce to effectively deliver programmes and services that integrate health and wellness objectives?

- How can we foster cross-sector collaboration with public health, urban planning, education and other relevant stakeholders to align sport and recreation strategies with broader population health goals?

- How can we proactively address the potential unintended consequences of reduced physical activity levels due to medical advances in addressing obesity and sedentary lifestyles?

Interconnected drivers

- Trust and cohesion
- Social licence
- Ageing
- Digital leisure
- Ideological shift
- Household wealth

Further information

Health NZ 2024 - Status Report

Mental Health and Addiction in NZ

Treatments tailored to you:
How AI will change NZ healthcare

Political

Geopolitical tension

What are we seeing?

The world is facing significant geopolitical upheaval and instability. The established global order, dominated by US leadership and international institutions, is giving way to a more multipolar world with competing powers and narrowing national interests.

Many countries no longer see their interests reflected in the current system, which is perceived as slow to adapt to a rapidly changing world. This has led to a decline in faith in institutions like the United Nations and World Trade Organization, as well as a resurgence of hard power dynamics, such as increased defence spending and nuclear deterrence.

The Russia Ukraine and Israel Hamas conflicts have heightened fears of further regional wars, while concerns grow over China's assertiveness regarding Taiwan and the South China Sea.

The appeal of liberal democracy has waned in many parts of the world, threatening global cooperation on critical issues like climate change and pandemics. The COVID-19 pandemic accelerated many of these negative trends, including rising inequality, declining development progress, and growing resentment towards public authorities and experts.

This has fuelled the rise of populism, nationalism and protectionism as short-term domestic concerns increasingly take priority over global challenges. Election outcomes such as those in the United States of America and India, bring with them greater levels of global uncertainty.

Meanwhile, non-state actors such as social movements and multinational companies are exerting greater influence on global affairs, sometimes filling the void left by struggling political leaders.

This complex and rapidly evolving geopolitical landscape presents significant challenges for governments and the international community.

Political

Geopolitical tension

What can we expect?

- Competition between the United States of America and China will intensify, with both vying for influence in regions like Asia-Pacific, Europe and Africa.

- Countries will shift alliances and partnerships as they reassess their alignments with the evolving global order, potentially leading to the formation of new alliances and realignment of existing ones. New Zealand will firm up relationships with its traditional allies and Indo-Pacific countries.

- Persistent regional conflicts and tensions, such as in the Middle East, Eastern Europe and the South China Sea, could escalate.[29]

- The existing global order will be further challenged by rising nationalism and populism, leading to increased isolationism and protectionism.

- Countries that most effectively harness technological advances in areas like AI, quantum computing and biotechnology, will gain significant advantage in the emerging global order.

- Climate change and resource scarcity will drive competition for resources and potential conflicts over water, energy and arable land. More broadly, our future assumptions are based on being able to readily access the materials necessary for a post-carbon economy, and if this assumption is misplaced New Zealand is vulnerable at the end of a very long supply chain.

- Heightened cyber warfare and cybersecurity threats will pose significant risks to national security, critical infrastructure and economic stability.

- International institutions will evolve as will the need for new mechanisms to address the changing global order and facilitate cooperation and conflict resolution.

- The rise of mega-leagues and powerful private entities will challenge the influence of traditional sport's governing bodies, like the International Olympic Committee and will transcend political issues that will hamper traditional inter-country events.

29 Mininstry of Foreign Affairs and Trade 2023 - Navigating a shifting world

Political

Geopolitical tension

What might this mean for sport and recreation?

- In a more fragmented world, the threat to athletes may increase given what they represent rather than who they are, from countries keen to make political or religious points.

- Due to geopolitical tensions, security costs and the threat of terrorism at sporting events are likely to increase, while nationalistic sentiments among fans may heighten, potentially leading to conflicts and disputes at international and domestic sporting competitions.

- Nationalism may overshadow the sporting spirit in some traditional team sports, but individual sports might see less impact, with a focus on athlete performance rather than nationality.

- International boycotts, sanctions and personal athlete convictions could increasingly disrupt athlete participation in events.

- How New Zealand balances its relationship between its traditional ally the US, and its largest trading partner China could impact its elite sport alignment?

- Hosting and bidding for sporting events could be increasingly challenging due to security concerns and negative publicity associated with geopolitical instability. Then again, events could become the mechanism for rebuilding global cohesion.

- Politicisation of sport could lead to increased doping and other unethical practices, as motivation for cheating increases and governing bodies struggle to maintain integrity measures. This could accelerate a loss of faith in World Anti-Doping Agency and international governing bodies.

- New Zealand's strong integrity reputation could be leveraged to attract athletes and events seeking a neutral environment. This would also be underpinned more generally if we retain our high placing on the global transparency index.

- A shift in support could occur to mega-leagues and privately owned events, challenging existing athlete pathways and government funding motivations. New Zealand athletes could be treated as 'wildcards' (given they will not be bringing a big market following with them).

- New markets could open up opportunities such as an Asian NBA.

- Sport diplomacy and its role in reducing political and military tensions may become more critical.

Political

Geopolitical tension

What questions should we be asking ourselves today?

- What policies and procedures need to be in place to ensure fair and inclusive participation of athletes from countries involved in international conflicts or subject to sanctions? How can we balance political neutrality with ethical responsibilities?

- What strategies can we use to manage heightened nationalist sentiments and fan conflicts at international competitions, while still fostering a spirit of sportsmanship and global unity?

- How can we assess and account for security challenges and reputational risks when bidding to host major sporting events in regions with geopolitical instability? What alternative hosting models should be considered?

- What additional safeguards and oversight mechanisms need to be implemented to prevent an erosion of anti-doping efforts and other integrity measures in sport amidst geopolitical distractions?

- What steps can be taken to rebuild trust and faith in organisations like the world Anti-Doping Agency if their authority is undermined?

- In an era of heightened geopolitical tensions, how can sports diplomacy be most effectively used to reduce political and military conflicts? What strategies and initiatives can build on sport's soft power?

- What role can sports events play in rebuilding global cohesion and cooperation in the face of geopolitical fragmentation? How can the unifying power of sport be leveraged for diplomacy and peacebuilding?

- How can we balance the need for heightened security at sporting events with maintaining an open and welcoming atmosphere for athletes and fans? What security measures are appropriate without compromising the spirit of the event?

- How can international sports governing bodies and event organisers navigate the challenges of athlete participation and event hosting amid geopolitical conflicts and sanctions? What policies and processes need to be in place to ensure fairness and integrity?

- How will the shift towards mega-leagues and privately owned events affect traditional athlete pathways and government funding models for sport? What are the implications for athlete development and national sporting programmes?

- How should sports adapt their athlete pathways and funding models to potential shifts towards mega-leagues and privately owned events?

- Are there opportunities for sports to expand into new markets like Asia, and how can smaller nations like New Zealand position themselves in this landscape?

Interconnected drivers

- Social licence
- Ideological shift
- Climate change impacts

Further information

World Economic Forum 2024 – Global risks report

Ministry of Foreign Affairs and Trade 2023 – Navigating a shifting world

Political

Ideological shift

What are we seeing?

The formation of New Zealand's new coalition government represents an ideological shift from the previous Labour-led administration. Led by the centre-right National Party, the new government is a three-way alliance with the right-wing ACT New Zealand and the centralist New Zealand First Party.

The National Party and its coalition partners operate right of centre, while the Labour Party, Green Party and Te Pati Māori are left of centre. This splitting of politics into left and right camps is mirrored throughout the world, with differing views on the economy, the roles of the individual and the state, and notions of freedom and social justice.

The distinction between the left and right in New Zealand is not as marked as in some other countries.

However, this coalition marks a move away from the policies of the previous government, with important priorities including a reduction in public sector spending, a refocus on academic achievement in

education, tightening rules around benefits and entitlements, and repealing initiatives of the previous government.

It is a challenging time to be government, with the country facing chronic and highly divisive economic, social and cultural issues, as well as international strategic challenges. Growing political and social divisions have been reflected in celebrity statements, academic disputes, sporting events and opinion polling on social division.

Operating within a coalition government compounds the complexity. This is reflected in agreements being a hybrid of intent and outcomes and the production of separate agreements between National and each coalition partner, including 'agree to disagree' provisions.

The coalition government has signalled a pragmatic, pro-business approach, priorisiting economic growth, profitability, front-line services and a favourable environment for businesses.

The lack of a clear national policy or manifesto for sport and recreation from the major political parties in New Zealand suggests the sector is not an immediate priority for them. However, the appointment of senior Minister Chris Bishop to the Sport and Recreation portfolio indicates the government recognises the value of this portfolio.

Political

Ideological shift

What can we expect?

- The current government will have a more conservative approach compared with the previous Labour government, with an emphasis on fiscal discipline and efficiency in government spending, focusing on frontline public services over bureaucracy.

- A refocus of the education curriculum will occur on core academic subjects like mathematics, reading and writing, with the removal of gender, sexuality and relationship-based education guidelines.

- A social return on investment approach to funding and delivering social services will return, using data and evaluation to identify effective programmes.

- Local councils will face increased cost pressures, with more costs passed onto the user.

- A more hands-off 'sport for the sake of sport' approach will be adopted, in contrast to the previous Labour government's 'development through sport' emphasis on the broader societal benefits of physical activity.

- Voter reaction to coalition governments may change, with the cost of forming a coalition potentially leading to the major party suffering from voter disillusionment more than the minor parties.

Political

Ideological shift

What might this mean for sport and recreation?

- We may need to adapt and position our value proposition to align with the new government's priorities and continue to navigate the changing policy landscape and potential cost pressures.

- We will need to be open to aligning the integration of physical education, school sports and extracurricular physical activities with the refocus on core academic subjects.

- We will need to reflect on the effect of an increased user–pays environment on the accessibility of sport and recreation.

- We will need to show that our research and evaluation approaches are aligned to our outputs and outcomes and that quality performance data is being generated and used.

- Relationships will need to be built across government and with the Minister and ministries where there is mutual benefit.

Political

Ideological shift

What questions should we be asking ourselves today?

- How can we redefine and communicate our value proposition to align with the government's priorities?

- What opportunities exist to partner with schools and the education system to integrate sport and physical activity into the refocused curriculum on core academic subjects?

- How can we proactively position sport and recreation as a significant contributor to addressing broader societal challenges? What evidence can we provide to demonstrate our positive impact in these areas?

- How can we engage constructively with the government to develop fair and inclusive policies that balance the needs of all participants?

- How can we strengthen our research, evaluation and performance measurement approaches to clearly demonstrate the outputs and outcomes of sport and recreation programmes?

- What data and evidence can we provide to show the cost-effectiveness and social return on investment of sport and recreation programmes?

- How can we adapt to increased cost pressures on local councils, potentially requiring a shift in funding and facility maintenance approaches?

Interconnected drivers

- Trust and cohesion
- Ageing
- Diversity
- Population health
- Geopolitical tension
- Climate change impacts

Further information

Fran O'Sullivan, NZ Herald 2023 – radical or conservative new coalition?

Bryce Edwards 2003 – Political parties in New Zealand: A study of ideological transformation

James Plunkett 2024 – The oddness of the political moment

Michael Cox 2018 – Understanding Global Rise of Populism

Chris Trotter 2024 – Where the people walk

Economic

Available funding

What are we seeing?

The sport and recreation sector received funding of $4 billion in 2022, or $3.9 billion when excluding revenue flowing between organisations within the sector.[30]

The largest sources of funding are membership and participation fees ($1.3 billion), local government spending ($1.1 billion), and central government, sponsorship, commercial revenue, grants, and philanthropy (each contributing $300 million to $400 million).

Proceeds from gambling via Lotto, pokies and sports betting provide a critical source of 'discretionary' funds to the sport and recreation sector but are vulnerable to political change and increasing competition from offshore gambling providers.

The distribution of the $170 million from pokies per year is threatened by the increase in pokie venues being owned by narrow-interest groups that align to societies serving their interests, and tightening regulations challenging the viability of those venue operators.

Reviews of Lotto and regulatory and legislative changes to sports betting will also affect the existing funding model for sport and recreation.

The biggest share of funding ($1.2 billion) goes towards services and facilities used by the community, funded by central and local government. This source of funding is under increased pressure from a slowing economy and multiple competing cost priorities.

Of the organisations receiving revenue, clubs receive the most, at $1 billion per year, followed by national sport organisations ($600 million) and regional sports organisations ($400 million).

Funding has decreased since 2018, with an estimated $540 million (14 percent) less in real terms in 2022 compared with 2018. This decline has largely been driven by reductions in revenue from membership, participation, sponsorship, and commercial activities and has led to the sector becoming more reliant on central and local government and gaming funding sources.

Central government spending will be constrained by a slowing economy and the cost of servicing debt.

A trend can also be seen away from organised sporting activities towards pay for play activities. Revenue for the fitness industry, events, and other recreational activities is increasing, while funding for national sports organisations, regional sports organisations and clubs has decreased by 20 percent in real terms since 2018.[31]

Alcohol sponsorship in sport is estimated to have fallen from around $21 million in 2015 to $10 million to $12 million in 2023. This represents about 5 percent to 6 percent of all sponsorship revenue received by sports organisations and aligns with increased difficulty attracting commercial sponsorships.

The cost of living is affecting funds from participants with a shift towards cheaper activities and a steady decline in club revenue. This is reflected in the net household expenditure on recreation and culture decreasing to 8.3 percent in the year ended June 2023 (down from 9.6 percent in 2019).[32]

These funding dynamics will focus attention on cost efficiencies and will challenge the mindset that more funding is the answer.

30 NZIER 2023 – An analysis of the funding of the play, active recreation and sport sector in New Zealand
31 Sport New Zealand 2022 – Social return on investment (SROI) of Recreational Physical Activity in Aotearoa New Zealand
32 Statistics NZ 2024 – Household income and housing cost statistics year ended June 2023

Economic

Available funding

What can we expect?

- Government funding through Sport NZ may be constrained by economic pressures and competing priorities. However, the physical and mental health and social cohesion value proposition may open up other sources of government support.

- Access to pokies funding will decline due to a decrease in operators, a continued narrowing of distributions, increased competition for gambling spend and exposure to economic downturns. The nature of future regulation may affect this source of funding positively or negatively. Either way, it is highly vulnerable.

- Anticipated regulation of online gambling may bring a new source of funds for community sport and recreation, offsetting possible declines from Lotto.

- Commercial sponsorships will move towards more data-driven, meaningful, and globally focused partnerships that prioritise fan engagement and a measurable return on investment.

- Pay for play activities will increase, increasing the divide between those who can afford to participate and those who cannot. Economic realities will drive traditional providers toward servicing those who can pay. This divide may be offset somewhat by an increase in central and local funding targeting those where cost is a barrier.

- Increased cost barriers and the loss of access to sport and recreation will increase calls for the existing funding model for sport and recreation to be reviewed. This could extend to exploring cost efficiencies.

- Climate change may reduce central and local government funding for sport and recreation as it is required to respond to major weather events.

- Government funding for elite sport will be tested against government priorities and societal values, with a heightened focus on value proposition alignment.

- 5G technology may improve in-stadium experiences, while also enabling fans to virtually attend games from anywhere. This shift towards virtual and online engagement could open up new commercial opportunities.

- Blockchain technology will begin to affect digital leisure activities in the future, eliminating the need for intermediaries and allowing direct transactions between parties. This could lead to more efficient and cost-effective sport and recreation options.

Economic

Available funding

What might this mean for sport and recreation?

- The funding model supporting sport and recreation in New Zealand is likely to be different. The sector will need to prepare for this.

- Comprehending evolving participant demands and shifting societal values will be pivotal in attracting participants and garnering support.

- Maximising the use of enhanced data to demonstrate return on investment to potential sponsors will be crucial.

- An increased need for service and product differentiation based on socioeconomic status will arise due to the widening wealth divide.

- Reducing costs and improving efficiencies will be at least as important as securing new funds, involving the use of new technologies, intra- and inter-sector collaborations, and more innovative use of existing facilities such as schools and repurposed retail spaces.

- Aligning the value proposition with government priorities, including those beyond sport and recreation, and the ability to convey a compelling narrative will be essential. Social cohesion and the rebuilding of trust will form a vital part of this value proposition, along with the benefits to physical and mental health.

- Embracing an open mindset towards exploring how new technologies might create novel revenue streams will be advantageous.

Economic

Available funding

What questions should we be asking ourselves today?

- How can we diversify our funding sources to reduce reliance on government grants and gambling proceeds? This could involve exploring new commercial opportunities, growing philanthropic and crowdfunding models, and developing social enterprise initiatives.

- How can we prepare for and adapt to potential changes in the funding model supporting sport and recreation in New Zealand? What alternative funding sources can be explored to mitigate risks and ensure a sustainable funding system?

- How can we better understand and cater to evolving participant demands and shifting societal values to attract and retain participants? What changes or innovations are needed in offerings, delivery models and messaging to align with these evolving needs?

- How can we leverage enhanced data and analytics to effectively demonstrate return on investment and value proposition to potential sponsors and funders? What metrics and narratives resonate best with different stakeholder groups?

- How can we leverage emerging technologies like 5G to enhance the fan experience and open up new revenue streams? Improving in-stadium experiences and enabling innovative virtual and online engagement could help offset declining live event attendance.

- How can we better demonstrate the societal benefits and positive impact of sport and recreation to secure continued government support? Highlighting the contributions to community wellbeing, public health and economic development may help justify ongoing public investment.

- How can we ensure equitable access and distribution of funding to serve diverse communities, including underrepresented groups? Addressing infrastructure gaps and barriers to participation for marginalised populations should be a main priority.

- What strategies can the sport and recreation sector adopt to reduce costs and improve operational efficiencies, such as leveraging new technologies, fostering collaborations, and optimising facility usage? How can these efforts be balanced with the need for innovation and investment in growth areas?

- How can we collaborate across the sector and with other stakeholders to develop sustainable funding models and innovative solutions? Partnerships between government, national bodies, the private sector, and local communities will be crucial to navigating these challenges.

- How can we embrace an open mindset towards exploring new technologies and their potential to create novel revenue streams or enhance existing offerings?

Interconnected drivers

- Diversity
- Digital leisure
- Artificial intelligence
- Ideological shift
- Household wealth
- Climate change impacts

Further information

NZIER 2023 – An analysis of the funding of the play, active recreation and sport sector in New Zealand.

Economic

Household wealth

What are we seeing?

New Zealand's household wealth has seen significant changes in recent years, with both positive and concerning trends emerging.

The median net worth of New Zealand households increased by 21 percent from 2018 to 2022, reaching $397,000. However, this growth has been uneven, with the net worth of the wealthiest 20 percent of households increasing by $313,000 to $2.02 million, while the median net worth of the bottom 20 percent increased by only $3,000 to $11,000. That the former hold 69 percent of total household net worth reflects the uneven distribution of wealth in the country.[33]

This disparity is driven largely by the housing market, which has seen a 46 percent increase in median house prices between June 2018 and June 2021. While rising home values have slightly decreased overall wealth inequality as measured by the Gini coefficient,[34] the benefits have accrued disproportionately to wealthier households.

We also have historically high levels of household debt[35] which has challenging implications for the low-equity, young and lower-income groups if interest rates rise or economic conditions falter.

New Zealand's mean wealth per adult fell from $472,150 in 2021 to $388,760 in 2022, a drop of $67,420, likely due to a 9 percent decline in house prices and the appreciation of the US dollar. This suggests that the economic shocks of recent years, including the COVID-19 pandemic, have had a significant impact on household wealth.

High inflation has impacted available household spend. While this is expected to return to under 3 percent in 2025, unemployment is anticipated to reach 5.3 percent at the same point.

Reports from the International Monetary Fund and Organisation for economic Co-operation and development in 2024 both highlighted the need for New Zealand to improve productivity if household wealth is to increase. They promoted policy interventions to foster competition, relax foreign investment rules, and improve educational outcomes, particularly for disadvantaged groups.[36]

As New Zealand navigates these challenges, policymakers also need to consider how to address the growing wealth inequality and ensure the benefits of economic growth are more evenly distributed across all households.

33 Stats NZ – Household expenditure statistics: Year ended June 2023

34 Wikipedia – The Gini coefficient

35 Reserve Bank of NZ 2024 – Household debt

36 International Monetary Fund – Report on New Zealand

Economic

Household wealth

What can we expect?

- Economic adversity in the short to medium term, with lower levels of economic growth and higher unemployment, will reduce disposable incomes for many and increase economic inequality.

- According to economists the economic recovery is expected to be uneven, with certain regions and sub-regions more adversely affected, potentially leading to greater polarisation in individual experiences. This may accelerate projects and investment aimed at reducing disparities.

- Anticipated high net migration will support economic activity but will also increasing population growth, putting pressure on government expenditure and contributing to higher house price growth.

- Volatility in financial markets, declining housing affordability, and risks of a housing market bust could significantly affect household wealth, especially for younger people struggling to enter the property market.

- The growing reliance of young house-hunters on financial help from their parents means home ownership will increasingly become the provenance of the children of those who already own houses, exacerbating wealth inequality.

Economic

Household wealth

What might this mean for sport and recreation?

- Participation gaps may widen because the uneven economic recovery and rising inequality may make it more difficult for lower-income households to afford participation in certain sport and recreational activities. This could lead to disparities in participation rates between socioeconomic groups.

- Public funding for sport and recreation infrastructure and programmes could become pressured, especially in less affluent regions, if economic growth remains slow and central and local government budgets are strained.

- Funding constraints may lead to creative and flexible approaches to facilities, such as better use of school facilities and repurposing of unused retail space.

- Private investment and funding for sport and recreation facilities, programmes, and events from the growing number of ultra-high net worth individuals and millionaires in New Zealand will likely increase. This could expand and improve the country's sport and recreation infrastructure. It could also lead to strategy influences which are potentially at odds with generally accepted sport and recreation principles.

- Volunteering in the sport and recreation sector may increase as economic conditions become more challenging, and as people seek to stay active and engaged.

- Consumer demand may shift towards more exclusive or premium sport and recreation offerings catering to the growing high-net-worth population, due to changing demographics and wealth distribution.

- Opportunities for the commercialisation and monetisation of sport and recreation, such as through ticketing, broadcasting rights and sponsorships, will likely increase due to the growth in household wealth.

Economic

Household wealth

What questions should we be asking ourselves today?

- What strategies can we implement to prevent widening participation gaps between socioeconomic groups and to ensure sport and recreation remains affordable and accessible to all, regardless of household wealth?

- How can we strike the right balance between catering to the growing demand for exclusive or premium sport and recreation offerings, while still maintaining a diverse range of inclusive and community-focused programmes?

- What innovative funding models and partnerships can we explore to maintain and expand public sport and recreation infrastructure and programmes, especially in less affluent regions, as government budgets face potential pressures?

- How can we ensure that the expansion and improvement of sport and recreation infrastructure driven by private investment from high-net-worth individuals also benefits lower-income communities and promotes greater accessibility and inclusion?

- What role can volunteers play in supporting the sport and recreation sector, especially as economic conditions become more challenging, and how can we best harness and support this volunteer workforce?

- How can we strengthen our focus on accessibility, inclusion and community wellbeing to counteract the potential widening of participation gaps due to rising inequality?

Interconnected drivers

- Use of time
- Digital leisure
- Population health
- Available funding

Further information

Sport New Zealand 2022
– Social return on investment of Recreational Physical Activity in Aotearoa New Zealand

Sport New Zealand 2023
– The economic value of sport and active recreation

Sport New Zealand 2023
– The value of play, active recreation and sport

Statistics NZ 2024
– Household expenditure statistics: Year ended June 2023

International Monetary Fund
– Report on New Zealand

Environmental

Climate change

What are we seeing?

Climate change is no longer a distant threat; its devastating consequences are already being felt worldwide. The past decade was the hottest on record, with 2023 being the warmest year in 125,000 years.[37] Temperatures continued to rise into 2024 and have taken us beyond the 1.5 degrees Celsius threshold for the first time, albeit only over a 12-month period.

Climate change is driving more extreme weather events like droughts and floods, and significant warming is causing ice sheet melt in West Antarctica and Greenland, contributing to sea level rise. Global temperatures could rise between 1.5 degrees Celsius and 3.9 degrees Celsius by 2100 if current trends continue.

Climate change brings significant health and economic risks, and the number of billion-dollar extreme weather events has steadily increased and will only intensify. However, there is reason for cautious optimism.

Renewable energy technologies like solar and wind power are expanding exponentially, now providing nearly 12.5 percent of global electricity. Electric vehicle sales are also increasing and being developed at scale and at speed. Crucially, green technologies are improving in efficiency and affordability, driven by fundamental technological progress rather than subsidies.

The challenge remains immense, with emissions growth only slowing, not reversing, because China and developing Asia are now amongst the largest emitters. But the tools to address climate change are rapidly advancing, driven by technological progress and intergovernmental treaties and agreements to reduce carbon emissions, such as the Paris Agreement. The Paris Agreement compels signatories to substantially reduce their emissions to hold the global temperature increase to below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the increase to 1.5 degrees Celsius.

While policies and laws addressing mitigation have expanded, gaps exist between projected emissions from implemented policies and the reductions needed. Finance flows for adaptation and mitigation also fall short of required levels across sectors and regions, especially in developing countries that are more exposed to the impacts of climate change.

New Zealand has the fourth highest per capita emissions in the OECD, primarily because of our intense agriculture sector (50 percent of our emissions) and transport use (17 percent).[38] On top of this, offshore oil and gas exploration could soon return to an ocean near you. This will be of concern to Gen Z who identify climate change as their second most pressing concern behind the cost of living.

37 Intergovernmental Panel on Climate Change – IPCC Sixth Assessment Report
38 World Resources Institute – State of Climate Action 2023

Environmental

Climate change

What can we expect?

- If countries meet their Paris Agreement commitments, continue deploying clean energy and phase out fossil fuels, we will still see increased temperatures for decades to come.

- Heat waves will become more frequent and severe, affecting hundreds of millions to billions of people globally. Flood risk is expected to increase by 100 percent at 1.5 degrees Celsius of warming and 170 percent at 2 degrees Celsius of warming, leading to more frequent and heavier rainfall, snowfall, and flooding events.[39] Warmer air also holds more moisture: Cyclone Gabrielle had 10 percent to 20 percent more rainfall because of climate change.

- The number of billion-dollar natural disasters will continue to rise, with insurers already pricing in a new normal of higher frequency and more extreme events. Insurance will not be available in many situations.

- Many economies will remain largely unprepared for these climate impacts and the collective ability of societies to adapt could be overwhelmed, considering the sheer scale of potential impacts and infrastructure investment requirements.

- Climate change poses significant risks to New Zealand, including higher temperatures, more frequent droughts and extreme storms, and rising sea levels. Responding to weather events could increase net core Crown debt by 4 percent of gross domestic product by 2061.[40] It will also disproportionately affect regions which do not have the financial or social resources to respond.

- Public opinion on climate change is reaching a tipping point, with younger generations in particular, driving greater urgency for action. However, climate concern alone may not be enough to change behaviour - convenience, cost, and safety will continue to be strong drivers.

39 Intergovernmental Panel on Climate Change – IPCC Sixth Assessment Report
40 NZ Treasury 2024 – Budget economic and fiscal update

Environmental

Climate change

What might this mean for sport and recreation?

- More extreme weather events will increase cancellations and damage facilities and playing fields.

- Access to insurance will be increasingly difficult for sports events.

- The sport and recreation activities people choose will be increasingly dictated by emerging weather patterns.

- Increased heat waves and extreme temperatures will make some outdoor activities less safe and enjoyable and some sports unviable.

- Sports competitions will be expected to embrace new formats that reward sustainable practices and incentivise teams to reduce their carbon footprint. Early movers may attract environmentally aware participants.

- Organisations will be encouraged to go beyond net zero emissions and work to achieve nature-positive outcomes.

- Environmental metrics will likely be included in competition licensing criteria, forcing organisations to operate sustainably or face sanctions. These are already in place for some major sports events.

- Event hosting will shift towards using pre-existing infrastructure and clean energy, rather than building new 'vanity projects'. International fan travel may be limited.

- Climate-conscious athletes may choose not to compete in events by 2030 due to sustainability concerns. Examples of this are already occurring.

- Partners and sponsors will increasingly seek to align with sustainable athletes and organisations, seeking positive association and vice versa.

Environmental

Climate change

What questions should we be asking ourselves today?

- How much do we know about the impact of our activities and what should we do to reduce our contribution to climate change?

- What are the incentives for sports to reduce their impact?

- How can sports competitions and events embrace new sustainable formats that incentivise teams and organisations to reduce their carbon footprint?

- What steps can we take to go beyond net zero emissions and achieve nature-positive outcomes by better understanding and mitigating their environmental impact?

- How can environmental metrics and sustainability criteria be incorporated into competition licensing and event hosting requirements to drive more sustainable practices?

- What strategies can be adopted to shift event hosting towards using pre-existing infrastructure and clean energy sources rather than building new facilities?

- How can sports organisations prepare for the possibility that climate-conscious athletes may choose not to compete in certain events by 2030 due to sustainability concerns?

- What adaptations will be needed to address the impacts of increased heat waves, extreme temperatures, and other climate change effects that could make some outdoor activities less safe and viable?

- How can sports organisations leverage partnerships and sponsorships to align with sustainable athletes and organisations, capitalising on the growing demand for positive climate action?

Interconnected drivers

- Trust and cohesion
- Social licence
- Digital leisure
- Population health
- Geopolitical tension
- Ideological shift
- Available funding

Further information

IPCC sixth assessment report

Sport New Zealand - Sport, Recreation and Climate Change: The heat is on

Climate Change Performance Index – CCPI 2024: Ranking and Results

State of Climate Action 2023

Dr Rod Carr speaks to sport sector conference on climate change

Rings of Fire - Report on heat risks at 2024 Paris Olympics

Alternative futures

The first section of this report looks at 15 critical drivers of change most likely to disrupt sport and recreation. These drivers can be combined in different ways to create alternative future scenarios that explore a range of possible futures and their implications.

Future scenarios help us imagine plausible future states, enabling us to anticipate disruptions, inform strategy, develop future skills, increase organisational agility and improve decision-making today. By exploring alternative futures, scenarios stimulate innovative thinking and encourage creative problem-solving.

Scenarios help us consider potential future events beyond our current understanding, challenging our assumptions about what is plausible. By examining our responses to these narratives, we can gain insights into our biases and strengthen our resilience in the face of an uncertain future.

To identify plausible future states for sport and recreation, Jim Dator's[41] four futures framework is used. This describes four broad categories of how the future may unfold:

1
Growth
Continued development along current trajectories.

2
Collapse
Sudden breakdown of systems and ways of being.

3
Discipline
New forms of control and restraint imposed to prevent collapse.

4
Transformation
Emergence of entirely novel systems and ways of being.

Dator argues these four futures encompass the range of possibilities people envision for the future.
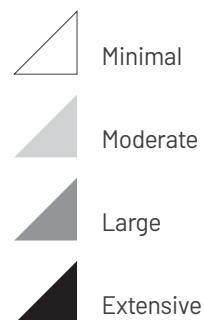
The 15 drivers of change will be woven through the four scenarios.

41 Jim Dator is a futurist who specialises in understanding and developing alternative futures.

Scenario 1:

Par for the course

Restoring trust and cohesion

Polarised discourse breeds an atmosphere of mistrust, erecting formidable barriers to collective action. From policy reforms to technological advances, this fractured landscape impedes progress, casting a long shadow over our ability to confront the many challenges that lie ahead. Overcoming this rift in social cohesion is paramount, because it represents a significant hurdle on the path to a prosperous and united future.

The artificial intelligence revolution

The rapid ascent of AI heralds a new era of unprecedented economic potential, yet its double-edged nature cannot be ignored. While promising vast rewards, this technological revolution also carries the risk of exacerbating existing inequalities and displacing workers across industries. Navigating this intricate landscape demands a nuanced understanding of AI's far-reaching implications, for only then can we harness its power while mitigating its potential pitfalls.

Confronting the climate crisis

The spectre of climate instability looms large, casting a pall of uncertainty over every facet of life in New Zealand. The potential for widespread disruption and upheaval is a stark reality that cannot be ignored. Confronting this existential threat requires a concerted effort, one that transcends boundaries and unites all segments of society in a shared quest for a sustainable future.

Wealth disparities

Inequality, the defining scourge of our times, casts a long shadow over the economic landscape. It threatens to unravel the very fabric of society, sowing the seeds of social friction and political polarisation. As the chasm between the haves and the have-nots widens, consumer spending will falter, and economic growth will stagnate. Addressing this untenable trend is a necessity for ensuring long-term stability and prosperity.

Social	Technological	Political	Economic	Environmental
Use of time What time will be available for future participation?	**Digital leisure** How does sport and recreation respond to new forms of leisure?	**Population health** How will health morbidities and the government's response affect sport and recreation?	**Available funding** How will sport and recreation be funded in the future?	**Climate change** How will climate change impacts and mitigations affect sport and recreation?
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Ageing How will ageing sections of the population affect delivery and support?	**Democratisation of information** How can sport and recreation respond to an influx of data?			
Diversity How can sport and recreation help all identities to thrive?				

Disruption level

Minimal

Moderate

Large

Extensive

Par for the course: the scenario

The nation stands at the precipice of a brave new world, where the boundaries between the physical and virtual realms blur, and the pursuit of knowledge becomes a perpetual dance.

Driven by the relentless march of AI, every sector of the economy has undergone a metamorphosis, transforming the very nature of the workforce. Lifelong learning is no longer a luxury but a necessity, as individuals strive to keep pace with the ever-shifting demands of this augmented age. Virtual reality tools, once the stuff of science fiction, now offer affordable gateways to continual education, though access remains a challenge for marginalised communities.

Yet, amidst this technological renaissance, a paradox emerges. The ubiquity of social media has sown seeds of distrust, undermining social cohesion. Virtual disharmony threatens to eclipse genuine connections, as meaningful interactions become increasingly elusive.

Concerns mount over the concentration of power in the hands of a few tech giants, casting shadows over personal freedoms and independence.

The ageing population exerts mounting pressure on health services and the dwindling tax base that funds the nation's superannuation. In rural areas, school rolls dwindle, and closures become commonplace, while in the urban centres, the gradual ascension of Māori and Pacific into positions of authority reflects their relative youth and the nation's evolving identity.

For the affluent white-collar workforce, the four-day working week has become a norm, yet for marginalised communities, the struggle for financial stability persists, with a constant scramble for more hours to make ends meet. This divide in leisure time and volunteer opportunities casts a stark contrast across the societal landscape.

New Zealand's cultural tapestry has matured, with a growing emphasis on understanding after the mid-2020s' political turbulence. This reinforces the nation's allure as a migrant destination, yet it faces fierce competition from comparable nations vying for skilled immigrants.

The exponential growth of technology presents both opportunities and challenges. Augmented, mixed, and virtual realities seamlessly intertwine with the physical world, offering convenient and engaging digital leisure alternatives that captivate many. These online communities, while enabling exciting connections, often come at the expense of local alternatives.

The technological explosion continues to drive resource consumption, with energy and water demands for data-centre cooling growing significantly, ensuring a continued dependence on fossil fuel sources. Intensifying heatwaves, extreme weather events, and sea-level rise pose continual and increasing challenges, while the warming world has brought an expansion of zoonotic diseases, often fuelling periodic panics driven by ill-informed online sources.

In this climate of change, sustainability and circular economy principles have become integral to planning at all levels, a valiant effort to preserve biodiversity and protect natural resources. Yet, poorly enforced carbon markets have done little to constrain the expansion of consumerism, and the 'take, make, dispose of' approach to resources still dominates.

Economic sustainability continues to rely on consumer spending growth, with businesses competing to attract consumers with innovative products. However, income distribution remains uneven, with a small percentage of the global (and local) population controlling a disproportionate share of wealth. The global economy remains volatile, with resource scarcity, economic downturns, and occasional regional social unrest undermining financial systems.

Despite earlier predictions of its demise, the post-war consensus of the last century endures, as geopolitical dynamics remain broadly cooperative. In this brave new world, New Zealand stands at a crossroads, navigating the complexities of progress and tradition, embracing the augmented age while preserving its essence.

Par for the course

Key questions for sport and recreation

Social and demographic trends

- Given the growing divide in leisure time and volunteer hours, how can we effectively engage with and attract participants from marginalised groups?

- How can we foster a sense of community and belonging among our participants despite the prevalence of social media and the decline of meaningful interactions?

- How might we need to adapt our product offering to reflect an ageing and increasingly diverse population?

Economic and environmental challenges

- How can we increase our organisation's resilience in the face of growing resource constraints, economic uncertainty and climate impacts?

- How can we incorporate sustainability principles into our operations and promote circular economy practices among our participants?

Technological advancements

- How can we leverage virtual reality and other emerging technologies to enhance sport and recreation experiences and make them more accessible to a broader range of people?

- How can we balance the convenience and engagement of digital leisure alternatives with the importance of maintaining local sport and recreation communities and traditions?
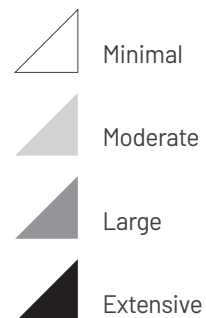
Global competition

- How can we ensure our organisation supports world-leading innovative practice within the sport and recreation sector?

- How can we foster international partnerships and collaborations to address the challenges and opportunities this scenario presents?

Scenario 2:

Eye on the ball

Social	Technological	Political	Economic	Environmental
Use of time What time will be available for future participation?	**Digital leisure** How does sport and recreation respond to new forms of leisure?	**Population health** How will health morbidities and the government's response affect sport and recreation?	**Available funding** How will sport and recreation be funded in the future?	**Climate change** How will climate change impacts and mitigations affect sport and recreation?
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Ageing How will ageing sections of the population affect delivery and support?	**Democratisation of information** How can sport and recreation respond to an influx of data?			
Diversity How can sport and recreation help all identities to thrive?				

Disruption level

◸ Minimal

◸ Moderate

◸ Large

◸ Extensive

Social licence imperative

As the world awakens to the stark realities of climate change, a seismic shift is underway. Stringent environmental, social, and governance regulations are tightening the noose on unbridled energy and resource consumption. Extravagance is no longer a badge of honour; instead, it invites societal scorn and disapproval. Lavish international travel, once a symbol of status, now carries a stigma of excess.

Demographic disruption

The relentless march of time has ushered in a demographic revolution, with an ageing population straining the very fabric of our social safety nets and healthcare systems. This seismic shift has far-reaching consequences, as the dwindling workforce threatens to undermine economic vitality. Rural New Zealand, in particular, faces an existential crisis, as declining populations cast a long shadow over its future.

Funding famine

Constrained economic activity, coupled with an unwavering focus on deficit reduction and balanced budgets, has created an era of austerity. Discretionary spending, once a luxury afforded to both the public and private sectors, has become a scarce commodity, forcing tough choices and prioritisation.

Automation awakening

In the face of dwindling human resources, technology has emerged as a beacon of hope, offering innovative solutions to address labour deficits. Automation, once viewed with scepticism, is now embraced as a vital component of service provision, promising to bridge the gap left by the shrinking workforce.

Eye on the ball: the scenario

As the population ages, the nation finds itself navigating a complex web of technological advances, environmental upheavals, and economic shifts. In the face of a greying demographic, the government has implemented measures to encourage migration, a lifeline to counter the impending strain on resources. Yet, its focus remains steadfast on nurturing the wellbeing of the existing population, a delicate balancing act that echoes through every region.

From the earliest years, sustainability is woven into the fabric of education, fostering a generation imbued with environmental responsibility and ethical awareness. This ethos extends to the digital realm, where social media is carefully regulated, a guardian of societal wellbeing, though not without its critics.

Bi-cultural development, the cornerstone of New Zealand's identity, treads a fine line between fostering understanding and avoiding contentious conversations. The nation navigates this complex terrain with cautious steps, preserving the unique tapestry of its cultural landscape.

The workforce has undergone a profound transformation, with job-sharing, reduced working weeks, and remote working becoming the new norm. Flexibility reigns supreme, yet stagnant income levels cast a shadow over this newfound freedom. The digital divide widens as the cost of technology becomes a barrier, exacerbated by global resource constraints that place cutting-edge innovations out of reach for many Kiwis.

Information certification systems have arisen, guardians against the tide of misinformation, yet perceived by some as a constraint on debate and a further limitation on the services available to those of modest means. The best digital leisure experiences remain a luxury, pushing physical, low-cost, and local activities as the most affordable option for those with limited resources.

Employers, like their global counterparts, have embraced automation to address the scarcity of human labour. Early concerns about job displacement have given way to managing the burnout of the few human employees servicing an ageing economy.

The environment presents its own challenges, with zoonotic diseases and extreme weather events disrupting daily life. Resources to bounce back are limited, and the lack of infrastructure renewal and coastal retreat has seen areas of New Zealand effectively depopulate because of climate challenges.

Yet, amidst these trials, a global shift towards a circular economy has taken root, emphasising waste reduction, recycling, and resource reuse. Product design prioritises longevity and recyclability, producing more durable and repairable goods that align with societal norms of responsible consumption, minimalism, and the sharing economy.

Reliance on global supply chains has diminished as production shifts towards decentralised and localised manufacturing, minimising resource consumption and transportation emissions. This worldwide trend, facilitated by advances in 3D printing, has allowed communities to produce goods closer to the point of consumption. For New Zealand, once reliant on offshore production and exports, the transition has been a challenge, but one necessitated by the rationalisation of the global shipping network.

With economic growth slowing, New Zealand has focused on planning for a resilient future through resource conservation. Financial constraint pervades government thinking and service provision, highlighting the delicate balance between resource allocation and public needs. The introduction of targeted resource caps and enhanced

carbon pricing to regulate resource consumption has proven especially contentious, as has the revision of the tax structure, though the latter has underpinned social stability by reducing the wealth gap of the 2020s.

Significant changes in transport have affected tourism as people cut down on international and domestic travel, further compromising the viability of the air industry and limiting individual freedoms that some were reluctant to relinquish.

Despite local concerns, as a prosperous nation, New Zealand faces scrutiny for its resources and environmental performance. Successive governments have recognised this, ratifying increasingly strict international agreements focused on efficient resource management and environmental protection. These commitments reflect the global recognition of the need for collective action following the devastating climate events of the late 2020s, finally convincing the international community of the need for drastic action and constraint.

In this ever-shifting landscape, New Zealand walks a tightrope, balancing the weight of its challenges against the promise of a sustainable future, a delicate dance that will shape the destiny of generations to come.

Eye on the ball

Key questions for sport and recreation

Demographics and migration

- How can we effectively engage with and attract participants from an ageing population while also supporting the needs of new migrants?
- How can we promote sport and recreation activities to foster social cohesion and integration among diverse communities?

Sustainability and resource management

- How can we incorporate sustainability principles into our operations and promote environmental responsibility among our participants?
- How can we encourage sustainable transportation options and reduce our reliance on carbon-intensive activities?

Technological advances and the digital divide

- How can we leverage emerging technologies to enhance the sport and recreation experience and make it more accessible to a broader range of people, including those facing financial constraints or living in remote areas?
- How can we mitigate the negative impacts of the digital divide and ensure everyone has access to the technology they need to participate in sport and recreation activities?

Economic challenges and workforce transformation

- How can we adapt our organisation to the changing nature of the workforce, with its emphasis on job-sharing, reduced working weeks, and remote working?
- How can we ensure our sport and recreation programmes are affordable and accessible to everyone despite the increasing cost of living and stagnant income levels?
- How can we promote physical activity and sport and recreation participation to combat burnout and stress among working individuals?

Cultural identity and bi-cultural development

- How can we maximise the potential for sport and recreation programmes to promote cultural understanding and respect?
- How can we balance fostering understanding and avoiding contentious conversations about bi-culturalism and cultural sensitivity?
- How can we use sport and recreation as a platform to celebrate New Zealand's unique cultural heritage and diversity?
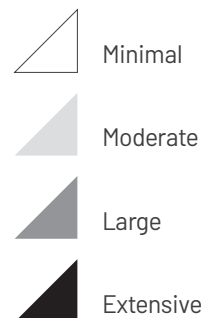
International relations and global trends

- How can we foster international partnerships and collaborations to address the challenges and opportunities this scenario presents?
- How can we ensure New Zealand's sporting achievements and initiatives contribute positively to the country's global reputation and standing?

Scenario 3:

On the ropes

Social	Technological	Political	Economic	Environmental
Use of time What time will be available for future participation?	**Digital leisure** How does sport and recreation respond to new forms of leisure?	**Population health** How will health morbidities and the government's response affect sport and recreation?	**Available funding** How will sport and recreation be funded in the future?	**Climate change** How will climate change impacts and mitigations affect sport and recreation?
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Disruption level

◺ Minimal

◺ Moderate

◺ Large

◺ Extensive

The gathering storm

As the planet's vital signs grow more dire, climate tipping points are breached, unleashing a torrent of cascading crises. Rising seas swallow coastlines, crops wither in the fields, and societal stress fractures the fabric of nations. A great unravelling takes hold as conflict erupts in the face of dwindling resources and mass displacement.

Misinformation maelstrom

In this turbulent age, the democratisation of information has a dark side. AI-generated content floods the digital sphere, a tsunami of half-truths and fictions that sows confusion and erodes trust. Individuals drift in a post-truth wilderness, frustrated and adrift without a shared reality to guide them.

Geopolitical vortex

Multiple dimensions of the political crisis intersect to create regional and global flashpoints. Trade routes fray, supply chains falter, and the foundations of the global order crack under the strain. A perfect storm brews as conflicts erupt, threatening to engulf the world.

Virtual refuge

As the physical world constricts under the weight of environmental, financial, and societal pressures, the online realm beckons with its siren song of escapism.

On the ropes: the scenario

New Zealand society teeters on the brink, a profound unravelling driven by the relentless forces of change. Demographic shifts, resource scarcity, and the evolving role of technology have converged with an unstable environment pushed beyond its tipping points, leaving a nation struggling to maintain itself.

While a privileged few have managed to profit from the turmoil, most New Zealanders find themselves in a daily battle to make ends meet. Wealth inequality has reached unprecedented heights, a chasm separating the haves from the have-nots that grows wider by the day.

With little warning, the age of superannuation entitlement was raised to sixty-eight, a desperate move by the government to respond to the unaffordability of supporting an ageing population. The state's coffers, already depleted, have been further drained by a steady exodus of younger taxpayers fleeing the country in search of an improved standard of living elsewhere.

This demographic shift presents profound challenges for social welfare systems and labour market dynamics, requiring innovative solutions to ensure the wellbeing of all New Zealanders. Yet, even as some depart, others arrive in droves, climate-induced disasters forcing mass migrations that see New Zealand bearing the brunt of a human tide.

This influx of new arrivals has placed immense pressure on a society already questioning its identity, necessitating nuanced social policies to ensure both long-term residents and newcomers can thrive in this rapidly changing landscape.

Once perceived as abundant, resources are now carefully conserved and prioritised for essential needs alone. Allocation decisions have become a politically fraught juggle, weighing the needs of communities, young and old, long-standing, and just arrived, against the immediate needs of New Zealand's present and the imperative to invest in future prosperity.

Against this backdrop of scarcity and hardship, virtual worlds have become a refuge, digital cocoons offering an escape from an increasingly harsh reality. Individuals retreat into these online havens, deepening the societal silos that divide them, as virtual leisure offers a compelling, low-cost, low-risk alternative to the challenges of the real world.

The 'team of five million' is now a dim memory, as centralised government systems fail to meet local needs and communities emerge to develop resilience plans tailored to their areas. The national health system exemplifies the immense pressure government agencies are under, as novel infectious diseases become a regular occurrence and the constant stress and uncertainty take a heavy toll on the physical and mental health of New Zealanders.

Another casualty of this shift to survival mode is the continued loss of cultural heritage, as the cherished traditions underpinning the nation's identity are relinquished under ongoing crisis that demands expedient actions from individuals, communities, and the government alike.

Businesses too have been forced to focus solely on immediate survival, casting aside the pursuit of sustainability strategies that once drove responsible practice. Markets have reasserted their dominance, and a relentless focus on profit has eclipsed environmental and social wellbeing concerns. Unrestrained consumption and environmental degradation continue to deplete critical resources, pushing the planet ever closer to its limits.

Climate disasters, once rare occurrences, have become commonplace, as extreme weather events, rising sea levels, and food shortages wreak havoc across the globe. The tipping points scientists warned of earlier in the century have been reached, and the consequences are proving dire. Food and water security are becoming increasingly precarious for some in New Zealand and in large parts of the global community, ecosystem collapses are an imminent threat.

A reinforcing cycle is now established, with resource scarcity, political polarisation, and the breakdown of institutions fuelling regional and global conflicts. International cooperation is practically non-existent as nations vie for dwindling resources, leading to geopolitical tensions and military confrontations.

This fragmentation is reflected in the dissolution of global trading blocs, which has stifled international trade. Tariffs, trade barriers, and protectionist policies have become commonplace, hindering global economic integration and seriously challenging New Zealand's traditionally export-led economy. Trade supply chains and international air connections have become casualties of this volatile economic environment, with little sign of stabilisation on the horizon.

In this unravelling world, New Zealand finds itself at a crossroads, its very identity and future hanging in the balance as it navigates the turbulent currents of change.

On the ropes

Key questions for sport and recreation

Demographic shifts and societal challenges

- How can we effectively engage with and attract participants from a population with a skewed age distribution, particularly older adults, and those with limited mobility?

- How can we foster community and belonging among our participants despite the increasing societal fragmentation and the rise of virtual worlds?

Resource scarcity and sustainability

- How can we promote responsible resource consumption and encourage sustainable practices among our participants?

- How may we need to adapt and innovate our sport and recreation programmes to rise to the challenges of extreme climate change and resource scarcity?

Technology and virtual worlds

- How can we balance the benefits of virtual worlds and online leisure with the need to maintain physical activity and social interactions in the real world?

- How can we support our participants in engaging with the technology and digital literacy skills likely necessary to participate in sports and active recreation?

Governance and community resilience

- How can we work with government agencies and community organisations to assist in developing local resilience?

- How might our organisation foster collaboration and cooperation among diverse stakeholders to address New Zealand society's complex challenges?

Cultural preservation and identity

- How can we create opportunities for cultural exchange and understanding among diverse Kiwi communities and support inclusivity?

- How can we expand the cultural elements of our sport and recreation programmes to celebrate New Zealand's unique identity?
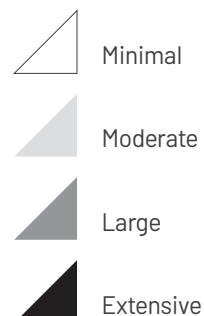
Economic challenges and global tensions

- How can we ensure that our organisation is sustainable and resilient despite economic volatility, trade barriers, and supply chain disruptions?

Scenario 4:

Knocked out of the park

Social	Technological	Political	Economic	Environmental
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Diversity How can sport and recreation help all identities to thrive?				

Disruption level

◸ Minimal

◸ Moderate

◸ Large

◸ Extensive

Unleashing human potential

Universal basic income provides a financial safety net that empowers individuals to explore their potential. With basic needs met, the fear of failure recedes, replaced by the courage to experiment, innovate, and contribute meaningfully to society.

Embracing diversity

Diverse voices are heard, local knowledge is valued, and solutions tailored to specific contexts emerge, leading to vibrant, empowered communities, each thriving on its own unique strengths.

Holistic wellness

Vibrant health transcends privilege, becoming a fundamental right for all. A holistic approach to well-being takes centre stage, nurturing the physical, mental, and emotional dimensions of humanity, and creating a society that radiates vitality.

Transcending boundaries

The lines between the physical and virtual worlds blur, forging deeper connections and richer experiences. A globally interconnected society emerges, where augmented realities expand the horizons of human potential, propelling us towards unprecedented realms of possibility.

Knocked out of the park: the scenario

New Zealand stands as a beacon of hope, a shining example of mature social development and environmental stewardship. In this harmonious land, social cohesion thrives, nurtured by open dialogue and a deep appreciation for diverse perspectives. Education has evolved into a holistic journey, cultivating life skills, creativity, adaptability, and a lifelong love of learning. Age is but a number, as wisdom and experience flow freely between generations, creating a wealth of shared knowledge and understanding.

The vibrant Māori population has taken the lead, guiding the nation with its rich cultural heritage and fostering a profound bi-cultural understanding. Decentralised decision-making empowers communities, fostering a sense of ownership and engagement that resonates throughout the land.

Guided by strong environmental, social, and governance principles, organisations navigate a path of balanced resource consumption, ensuring their success while safeguarding the planet's delicate ecosystems. A comprehensive social safety net provides for the basic needs of all citizens, ensuring that healthcare and education remain fundamental rights.

While migration is relatively limited, the government has embraced it as a catalyst for community development, with support mechanisms in place to foster harmonious integration. The stigma surrounding mental health that plagued previous generations has been eradicated, replaced by widespread access to services that empower individuals to prioritise their holistic well-being.

Technology has seamlessly blended the physical and digital worlds, revolutionising industries and transforming the way Kiwis live and interact. Highly informed in their recreational pursuits, individuals can now experience exhilarating virtual activities, challenging their skills with one-on-one instruction from the comfort of their homes. Holographic technologies have eliminated the need for physical travel, minimising environmental footprints while preserving the joy of occasional journeys.

Because automation and AI have reshaped the workforce, the nature of work has undergone a dramatic transformation. Economic management now focuses on well-being indicators that prioritise happiness, health, and quality of life. Robust social safety nets and public services ensure basic needs are met for all citizens, fostering a society where everyone thrives, creativity and innovation flourish, and poverty and income inequality are alleviated.

The most remarkable transition, however, has occurred in the realm of the environment. Ecological collapse has been averted, and a rapid international phase-out of fossil fuels has led to a boom in renewable energy sources, dramatically reducing greenhouse gas emissions and mitigating the risks of climate change.

For New Zealand, the threat of extreme weather events has diminished, with limited heatwaves and flooding events. The once-looming catastrophe of rising sea levels has been significantly curbed, though not entirely eradicated. Recognition of the need to retain low-carbon approaches underpins efforts to preserve and restore ecosystems, with local communities playing a pivotal role in these projects.

Market-based incentives and regulations, aligned with international efforts, promote sustainable practices, while local production and consumption strengthen regional economies and reduce dependence on global supply chains.

In this new era, collaboration has become the cornerstone of international relations, born from the realisation that regional conflicts threatened to escalate into global catastrophes. This political realism has led nations to join forces, addressing global issues that once seemed insurmountable.

New Zealand has not only navigated the challenges of the past but has emerged as a shining example of what can be achieved when a nation embraces its values, respects its diversity, and works in harmony with the natural world.

Knocked out of the park

Key questions for sport and recreation

Social cohesion and wellbeing

- How can we continue to evolve our sport and recreation programmes to cultivate life skills, creativity, adaptability, and a lifelong love of learning among our participants?
- How can we create opportunities for intergenerational interaction and knowledge exchange through our sport and recreation activities and programmes?

Environmental, social and governance principles and sustainable practices

- How can we further integrate environmental, social and governance principles into our operations and minimise our environmental impact in a society that prioritises sustainability?
- How can we advocate for and support sustainable practices within the broader sport and recreation sector?

Economic management and wellbeing indicators

- How can we adapt our organisation to the changing nature of work and focus on economic management that prioritises people's wellbeing and quality of life?
- How can we use sport and recreation activities and programmes to promote creativity, innovation, and entrepreneurship?

Decentralised decision-making and community engagement

- How can we empower local communities to engage with us on decisions about the sport and recreation activities and programmes that meet their needs?
- How can we foster community and belonging among our participants, particularly in a society with decentralised and autonomous governance?

Mental health and holistic wellbeing

- How can we continue to promote mental health and holistic wellbeing among our participants?
- How can we ensure the continued de-stigmatisation of mental health issues and encourage our participants to seek help when needed?
- How can we integrate mental health support into our sport and recreation activities and programmes?

International collaboration and global challenges

- How can we learn collaboratively with similar organisations in other countries to support sustainable development and social progress?

Bicultural understanding and cultural heritage

- How can we continue to promote bicultural understanding and appreciation of New Zealand's rich cultural heritage through our sport and recreation activities and programmes?
- How can we incorporate cultural elements into our organisation's structure, governance, and decision-making processes?
- How can we partner with other organisations and communities to celebrate and preserve New Zealand's diverse cultural heritage?

Technological advances and leisure activities

- How can we enable a balance between virtual and physical leisure activities, ensuring our participants enjoy both the benefits of technology and the importance of physical activity and social interaction?
- How can we promote responsible and ethical use of technology among our participants?

Education

Elite sport

Disability

Alternative futures through another lens

The scenarios in this report describe the future of sport and recreation in New Zealand as a collective. This results in a narrative that is by necessity general in its description.

We can use the drivers of change to narrate scenarios that are more specific by exploring the future through the lens of parts of the sector.

Using the same methodology of growth, discipline, collapse and transformation, the following sector-specific future scenarios have been created.

We will continue to build our understanding of the future of sport and recreation by focusing on parts of the sector using the growth, discipline, collapse, transformation methodology.

Other methods can be used for narrating alternative futures. See Sport NZ's futures platform for organisation and topic specific examples using other methods.

Te Kāwanatanga o Aotearoa
New Zealand Government