

How Council invests in recreation, sport and play – 2025 reboot

June 2025

Rise In Youth Sports Cost

New Zealand Rugby reports \$19.5m loss for 2024 as chief executive Mark Robinson says model is 'unsustainable'

Sports' survival in NZ may depend on higher fees

Ponsonby Rugby Club faces losing its home at Auckland's Western Springs Stadium if the space becomes the new base for the city's football team Auckland FC.

Former Wellington rugby chair Rhys Barlow says union 'technically insolvent' and must sell Hurricanes shares

Changes to the food and drink policy at Nelson's Trafalgar Centre could end the city's basketball club, its manager has warned.

Threatened golf club fights on against 'wetland' plan

Vital sports fund in for the chop under Northland Regional Council proposal

Tauranga long-term plan: Council bid to hike sports field fees angers clubs

How the cost of living crisis is leading to fewer kids in sports



TIMELINE	
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	Asset Review	Investment in Rec, Sport and Play
What problem are we trying to solve	Budget shortfall, poor condition of stock, assets not optimised	Big 'fixed' investment, no framework for making decisions, questions re best value for money
What would success look like	A set of accessible, affordable, fit for purpose, safe assets that are optimised by community and flexible to meet changing needs.	Focus on enabling mass participation for health and social outcomes; optimise assets, community led; appropriate cost recovery; incentivise affordable opportunities
Analysis, discovery, environmental scan etc	Workshops	Workshops, research reports
Develop strategic response	Principles; changes to policies, fees and charges	Principles; changes to fees and charges
Implement	Some changes from July 1, 2024, others over time	Some changes from July 1, 2027, others over time
Monitor and adjust	Community Assets Oversight Group	Rec, Sport and Play team / Parks and Reserves

Reminder – Summary of first briefing

- Council invests in sport and rec for wellbeing benefits – \$6.8m pa; cost recovery is 12.4%
- Local gov pays 50% of total cost of system
- Codes decide what to charge for access to assets
- Physical activity and sports participation are declining, increase in people wanting to be active in other, less formal ways
- High dep areas have lower levels of PA and participation – barriers include time and cost
- Clubs are struggling due to fewer members/volunteers, less funding, cost of assets
- Cost of taking part is increasing which exacerbates inequity



Reminder second briefing

Developing principles to guide decisions on:

- new investment
- cost-recovery, fees and charges for current services (fields, courts, activities)

Reviewed existing guidance and other relevant policy (inc LTP priorities, 1993 Sports Fields Review, Assets Review, Nuku Ora fields and courts reports) to shape draft principles.



What problem are we trying to solve?

Our current approach developed in 1994.....

- Includes a matrix that determines charges for sports fields that provides choices on levels of service and a higher subsidy for sports that cost more to play
- Doesn't achieve the level of cost recovery required in our Revenue and Finance Policy
- Does not mandate or give guidance on what codes can charge for people to access the assets, and does not incentivise low-cost activities
- Is led by demand from codes (RSOs) to meet their specific needs, often prioritising elite/premier club sport



Our current approach also ..

- Reflects the way the traditional sport system has operated in the past and does not address future challenges including pressure for spaces for new residents and new activities, intensification and climate change
- Does not require codes to make any sort of commitment of carbon reduction
- Does not make any provision for equity

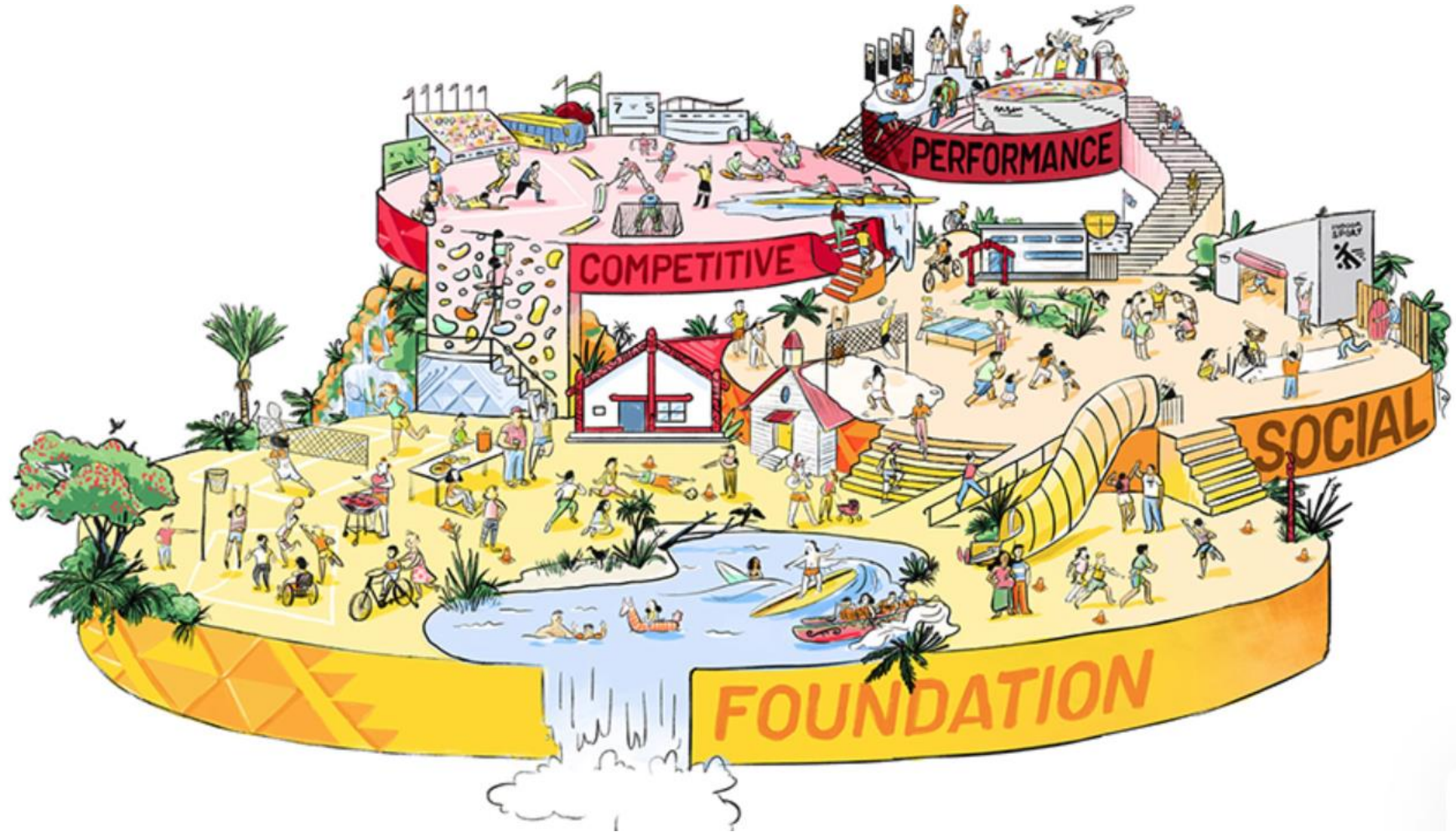


What could future investment look like?

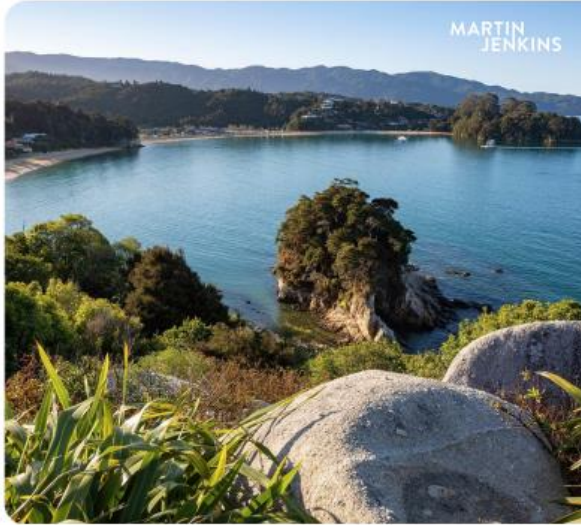
- Focus on enabling community participation for health and social outcomes
- Community, not code, led.
- Consistent cost recovery and alignment with policy (over time)
- Incentivise affordable opportunities for some groups (both to make them accessible and encourage lower-cost models of participation)
- Users would report back on performance (without being overly onerous), and allocation of resources would be regularly reviewed based on optimisation
- Users would make a commitment to carbon reduction



Sport Pathways Framework



Update ... two further reports



Review of fees for sports grounds and facilities in the greater Wellington region

Final Report
05 July 2024
Commercial in Confidence



WCC-led review



An analysis of the funding of the play, active recreation and sport sector in New Zealand

NZIER report to Sport New Zealand
August 2023

Funding our play, active recreation and sport sector



Councils seek to recover different levels of cost for different facilities and types of users

The table below shows the cost-recovery levels targeted by councils in the Wellington region. The table compares the level of cost recovery (and rates funding) for fields, recreation centres, and swimming pools. In general, sports fields are funded by a higher proportion of rates than other recreation facilities provided by councils.

Table 2. Cost-recovery levels targeted by councils

Wellington City Council			
	Recreation Centres	Pools	Sports fields
Rates	75%	70%	85%
Fees and Charges	25%	30%	15%
Porirua City Council			
	Recreation Centres	Pools	Sports fields
Rates	75 – 85%	60 – 70%	90 – 95%
Fees and Charges	15 – 25%	30 – 40%	5 – 10%
Hutt City Council			
	Recreation Centres	Pools	Sports fields
Rates	40 – 60%	40 – 60%	70 – 95%
Fees and Charges	40 – 60%	40 – 60%	5 – 30%
Upper Hutt City Council			
	Recreation Centres	Pools	Sports fields
Rates		55%	80%
Fees and Charges		44%	20%
Kāpiti Coast District Council			
	Recreation Centres	Pools	Sports fields
Rates		70 – 75%	95 – 100%
Fees and Charges		25 – 30%	0 – 5%

Table 5. Costs recovered through fees

	Types of costs recovered		
	Direct costs	Overheads	Depreciation
Wellington City Council	✓	✓	✓
Porirua City Council	✓	✓	✓
Kāpiti Coast District Council	✓	✗	✗
Upper Hutt City Council	✓	✗	✓*
Hutt City Council	✓	✓	✗

Source: ASWG data request (fee policies), plus cost details from interviews and data provided.

Note: Upper Hutt recovers depreciation on artificial turfs for hockey and multi-turf, but not artificial cricket pitches.

Summary of Review findings

- Councils have different fees set on their own policies and historic arrangements (hard to compare/shift)
- More than 300 different fees and charges (complex for users)
- Targeted fees being charged are not achieving cost recovery set out in policies



Summary of Review recommendations

- Continued collaboration through formal working group
- Councils to advise when they are considered fee changes
- Codes to make members more aware of cost of grounds/facilities
- Councils to be more transparent, reduce number of fees
- Councils to review fees every 3–5 years to ensure cost recovery aligns with policy settings

Funding our play, sport and active recreation sector

Figure 3 Estimated funding of the New Zealand play, active recreation and sports sector by source 2022

\$ millions

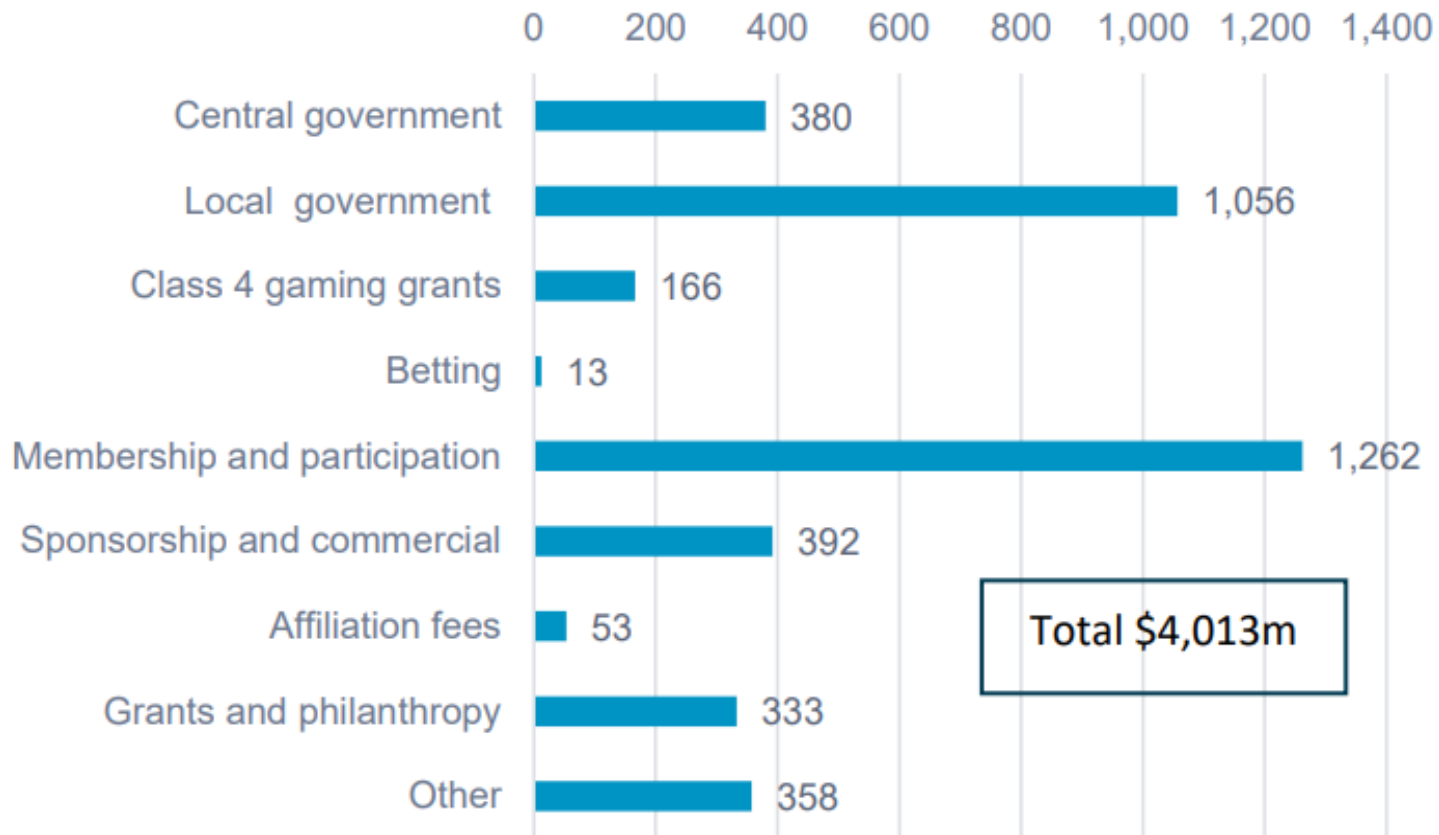
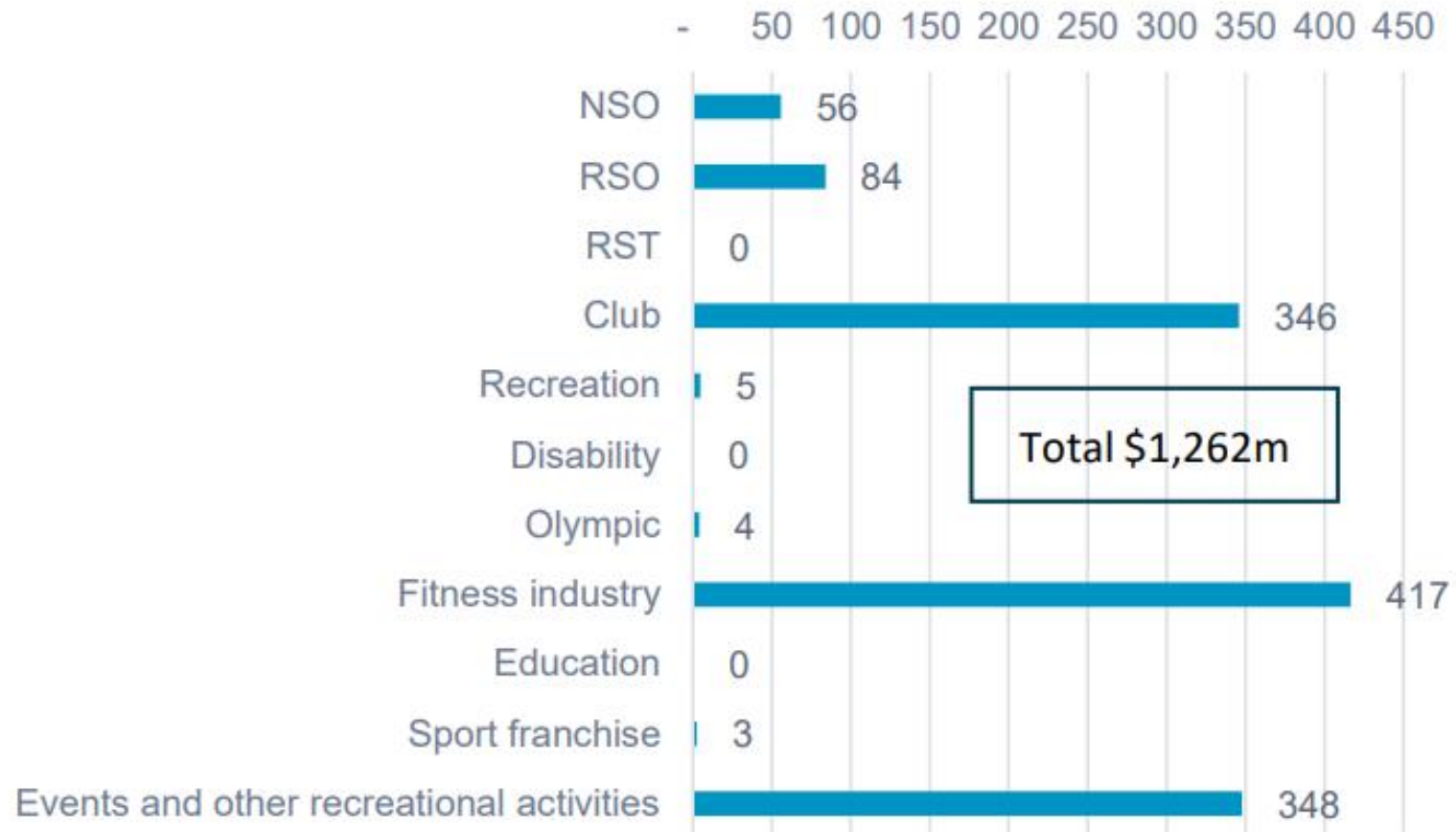


Figure 6 Distribution of membership and participation revenue by recipient organisations 2022

\$ millions



Re-setting how we charge for sports fields

Outcomes we want:

- Optimise existing assets to meet growing and changing community need (shift supply-demand)
- Cost recovery that provides fair return on investment and is in line with policy (rates funded v individual benefit)
- **Charging matrix that incentivises more affordable opportunities (as they are likely to provide most value for money)**

Updated financials

All sports fields and surfaces OPEX – \$3m pa

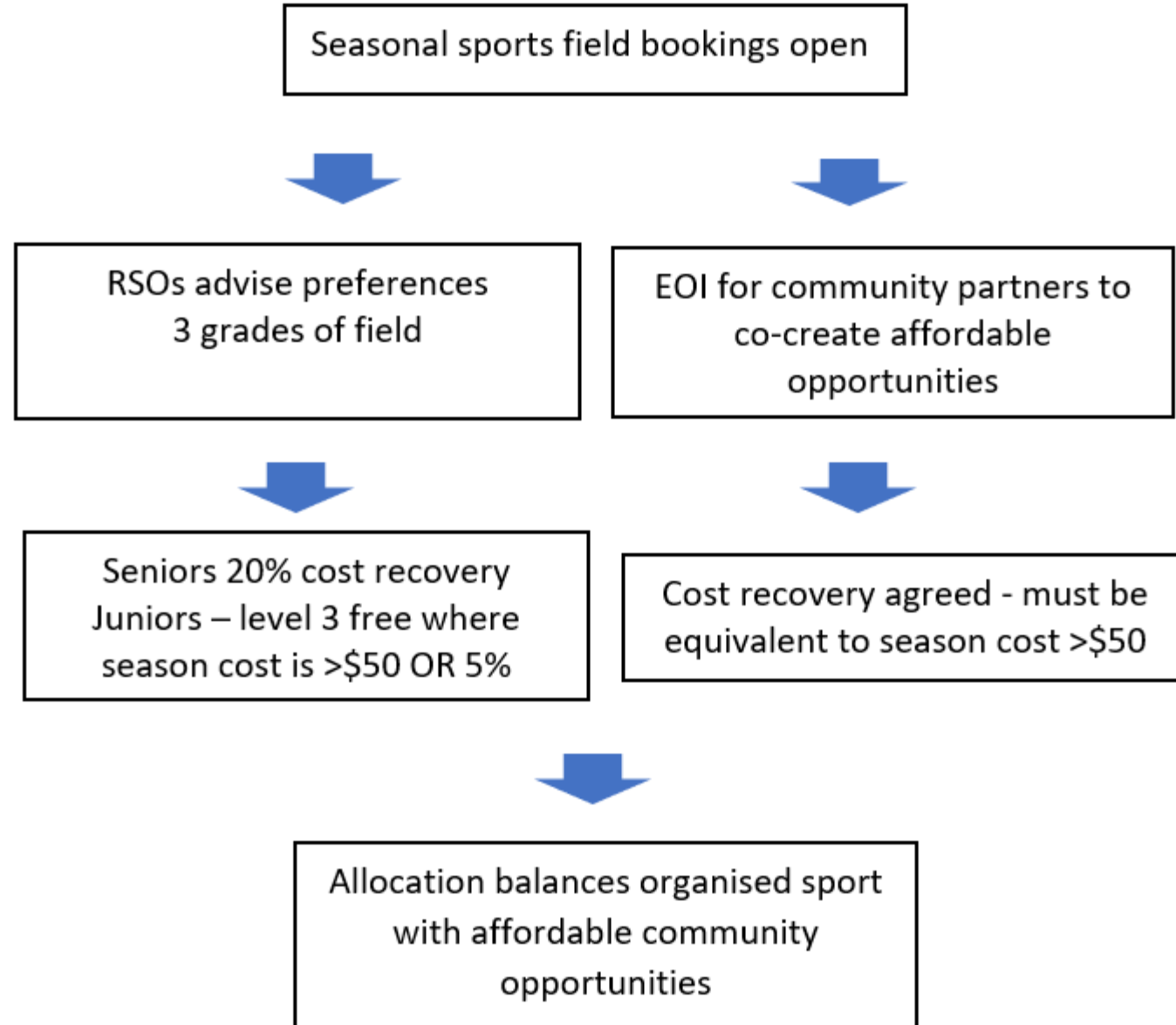
(activity-created maintenance costs, no CAPEX)

Current cost recovery – 11% (R and F Policy – up to 19%)

Junior sport OPEX – \$690k pa

Current cost recovery – \$30k pa

	Current	Proposed	Comment
Juniors (u10)	5%	<p>General - 5%</p> <p>Affordable - Grade 3 fields will be provided free of charge where the activity is not commercial and the cost for participation is considered affordable (eg: not more than \$50 per child for a season – 26 weeks).</p>	<i>This aims to incentivise development of, or transition to, lower-cost models of participation, which officers will support.</i>
Senior, other	5-30% 7 grades of field	<p>General – 20%</p> <p>Three grades of field</p> <p>Affordable - Grade 3 fields will be provided by negotiated discount where the activity is not commercial and the cost for participation is considered affordable.</p>	<p><i>Reduces number of charges and provides consistent approach. Cost recovery will be higher for activities with higher costs and higher levels of service.</i></p> <p><i>Aims to incentivise development of, or transition to, lower-cost models of participation, which officers will support.</i></p>



Questions / Discussion



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