

# How Council invests in recreation, sport and play

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## **Purpose of today - understanding the sport and recreation landscape**

Why we invest

How is our community doing?

How does the organised sport system work?

Who pays?

What does HCC invest?

What are the challenges and opportunities?

What are we already doing?

What else could we do – next steps



".....identifies reserves, recreation facilities and other community infrastructure as core services and requires local authorities to have particular regard for the contribution they make to the community."

Local Government Act 2002



HCC Leisure and wellbeing Strategy 2012:

Delivery of leisure and wellbeing services that are:

- world class and rated as excellent against national and international benchmarks
- Make a real difference for all people of Hutt City – particularly those in high deprivation communities
  - Best core local government services
  - Reviewing and revitalising Hutt City's network of community facilities
  - Focus on high deprived communities



**KPI – Review Council’s approach to investment in sport and recreation and provide options for next LTP**



## From The Future for Local Government Review

- The current system of local government is under pressure
- Over the next 30 years those pressures will increase further as local authorities respond to complex issues
- Although most New Zealanders enjoy good quality of life, existing governance structures are not delivering wellbeing for all
- We require new, more flexible ways of organising, and new ways of relating and acting in common cause.



# Why we invest







# Summary

- Reduced incidence of heart disease, type 2 diabetes, obesity, some forms of cancer, depression and dementia
- Eliminating inactivity could avoid 12.7% of deaths and take \$200M off the national health bill
- Participation in sport at secondary school is linked to higher academic performance and attendance rates, and less lateness and standdowns.
- Builds social/life skills including leadership, teamwork and resilience
- Builds social cohesion, sense of identity and belonging

## **Social Return on Investment**

For every \$1 spent, there was a social return of \$2.12 to New Zealand meaning that the value of the wellbeing outcomes is greater than the costs of providing these opportunities, thus making recreational physical activity a potentially cost-effective investment.

*<https://sportnz.org.nz/resources/social-return-on-investment-sroi-report/>*



# How is our community doing?



# Summary

- Just over half of adults are active enough
- Participation in organised sport and club membership are in decline
- Two thirds took part in only non-competitive sport and rec; a quarter in a combination of both non-competitive and competitive sport or rec and 3% participated in exclusively competitive sport.
- Inequities in the system by age, gender, ethnicity and deprivation.



## 2019 Active NZ survey - national trends

- Negative participation trend for adults (especially 18 – 24), as well as an increase in inactivity between ages 18 – 34 (especially females)
- Upward trend in adults spending less than 30 mins weekly
- Young Māori spend more time in organised and informal participation than 'all young people'; Adult Māori have lower levels of weekly participation and spend less time being physically active
- Emerging trends of decreasing club membership
- Inequities in the system by age, gender, ethnicity and deprivation.



## **Physical Activity levels for Lower Hutt adults:**

- 53.5% of adults in HV are meeting MoH of 2.5 hours of PA per week (national average 51.9%)
- 58.4% of men /48.3% of women
- 10.9% of HV adult residents do less than 30 mins of PA per week.
- 67% of Wellington adults participated in only non-competitive sport and recreation. 26% participated in a combination of both non-competitive and competitive sport or recreation and only 3% participated in exclusively competitive sport.

## **Physical Activity levels for Wellington tamariki and rangatahi:**

- 63% of Wellington young people meet the PA guidelines
- Of the young people participating in physical activity in Wellington, 48% participated in sports through a school sports team, 30% participated through a club and 21% participated in both.
- 15–17 year olds is a key drop off age both nationally and regionally.



## Equity

- People in high deprivation areas have lower levels of participation in all leisure time activities – lack of leisure time, equipment, transport, confidence
- Life expectancy rates for people in high deprivation areas are lower than for the general population
- Adults may be active through work and caregiving – but this doesn't have the health benefits of leisure time activity.





- Young people in high deprivation communities in Wellington were half as likely to play in playgrounds and more likely to not participate in any extracurricular physical activity.



## Covid impact

- participation for adults overall was maintained, but some for groups there was a decline, especially Pacifica
- increased inequities in the system
- Increase in informal activity
- participation in more individualised and flexible activities and self-monitoring using technology.





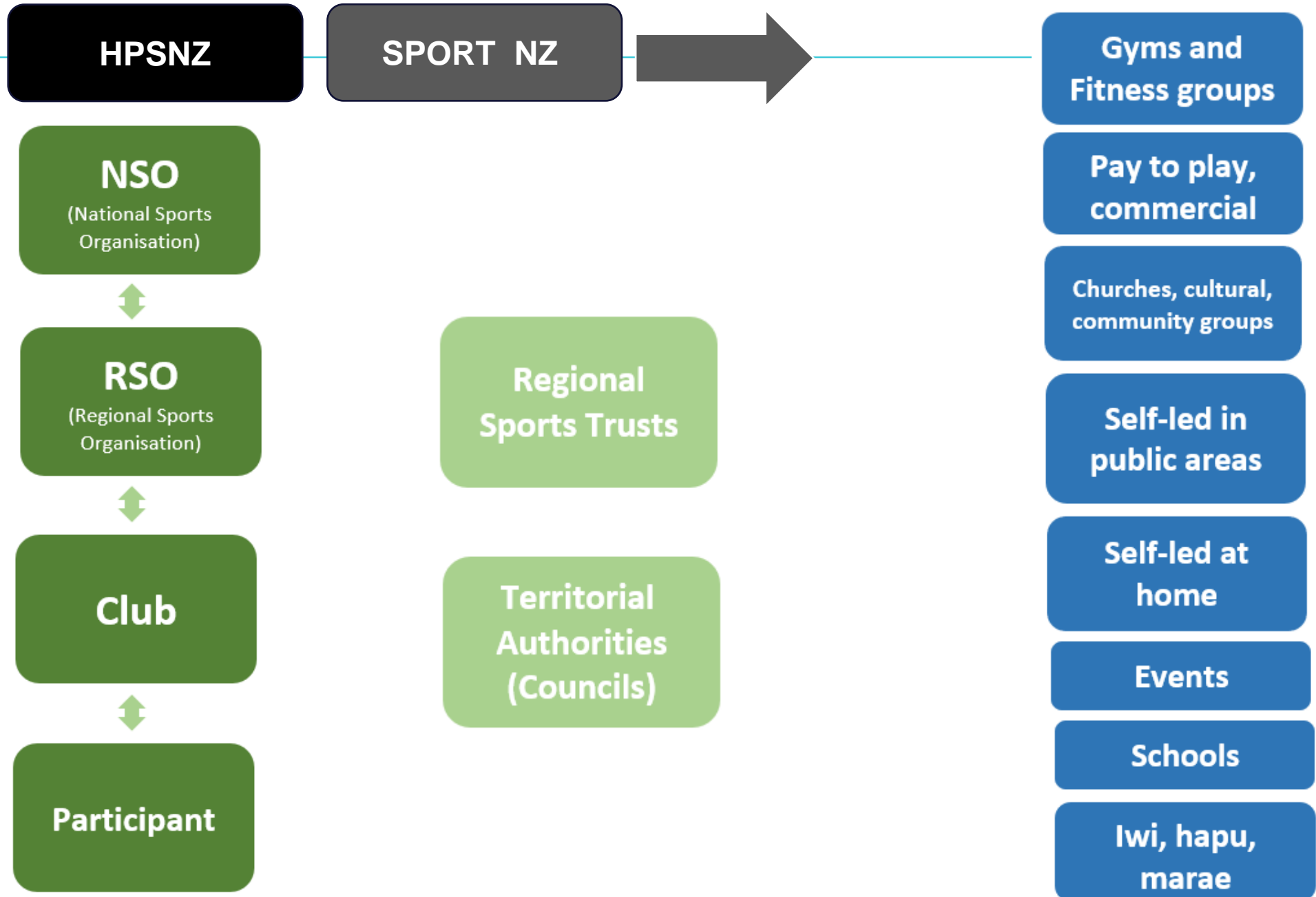
## Most popular sport and rec activities and percentage doing them (Lower Hutt)<sup>3</sup>

Rating	Activity Type	Percentage of adult participants in the past 7 days
1	Walking for sport or leisure	54.10%
2	Jogging/running	27.00%
3	Inactive	24.60%
4	Individual workout	22.50%
5	Playing games	20.60%
6	Gardening	18.70%
7	Cycling/biking	13.30%
8	Swimming	13.00%
9	Group Exercise Class	9.60%
10	Playing	8.40%
11	Dance	7.80%



# **How does the organised sport system work?**





# About NSOs, RSOs and Clubs

## Purpose:

- Promote/develop/foster the sport
- Develop talent and produce winning teams (local, regional, national)
- Give participants high quality experiences
- Be the sport of first choice for New Zealanders/the leading sport
- Encourage participation



## About the organised sport system

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- Organised sport provides a lot of value to our community – health and social benefits
- Sports focus on their own sport – there is competition with and within sports
- Many sports have become more professionalised over the last 20 years – paid staff and coaches
- Sports clubs and leagues decide what to charge people for participation on/in Council assets
- Organised sport is given preferential use of Council assets



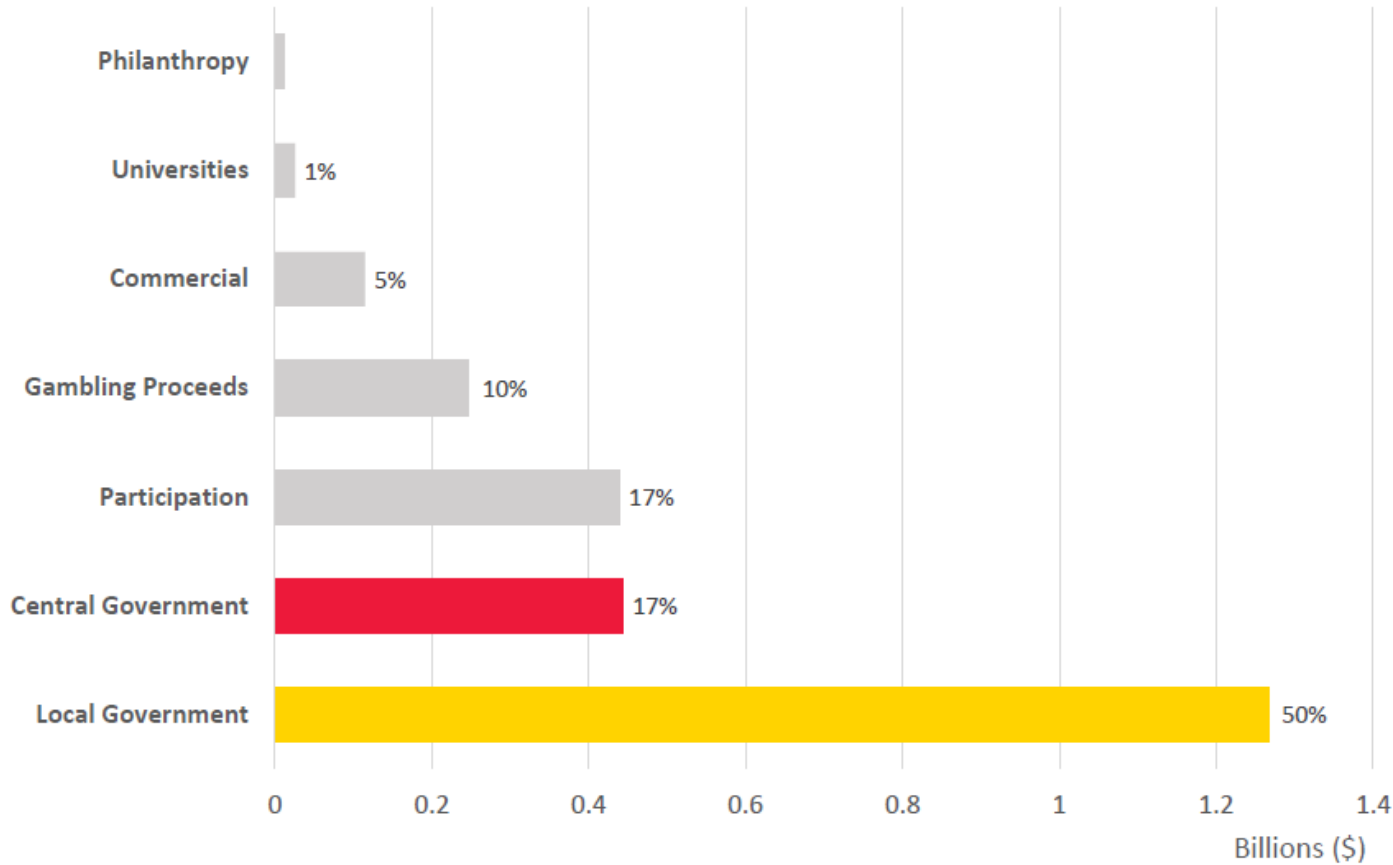
# Who pays?





# Whole of System

How much sport and active recreation funding comes from each sector?



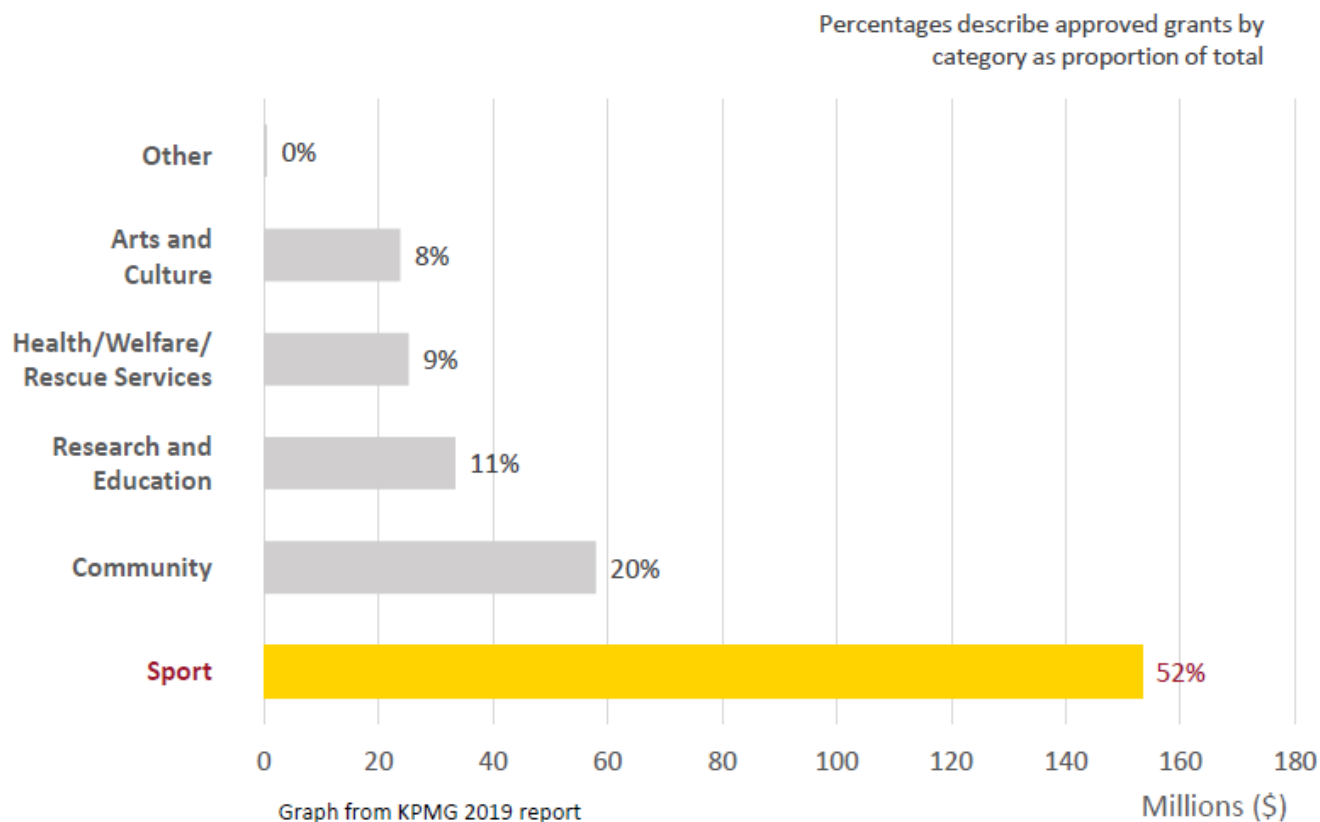
Total Annual Funding  
**\$2.55B**

The Local Government sector has the largest share of total funding within the sport and active recreation system and accounts for half of total funding.

# Gambling Proceeds

How much grant funding from gambling proceeds goes to Sport?  
2019 Approved Grants by Main Category - KPMG

## Approved Grants for Sport \$153M



### Overview

\$153M of approved grants towards sport in 2019. Graph from KPMG report illustrates how this compares to other categories.

### Discussion

Sports grants were categorised into 111 different sporting codes. Codes receiving the largest share of grant funding were:

- \$26M allocated to Rugby
- \$15M allocated to Football
- \$14M allocated to Multi Sports
- \$11M allocated to Cricket
- \$7.1M allocated to Netball

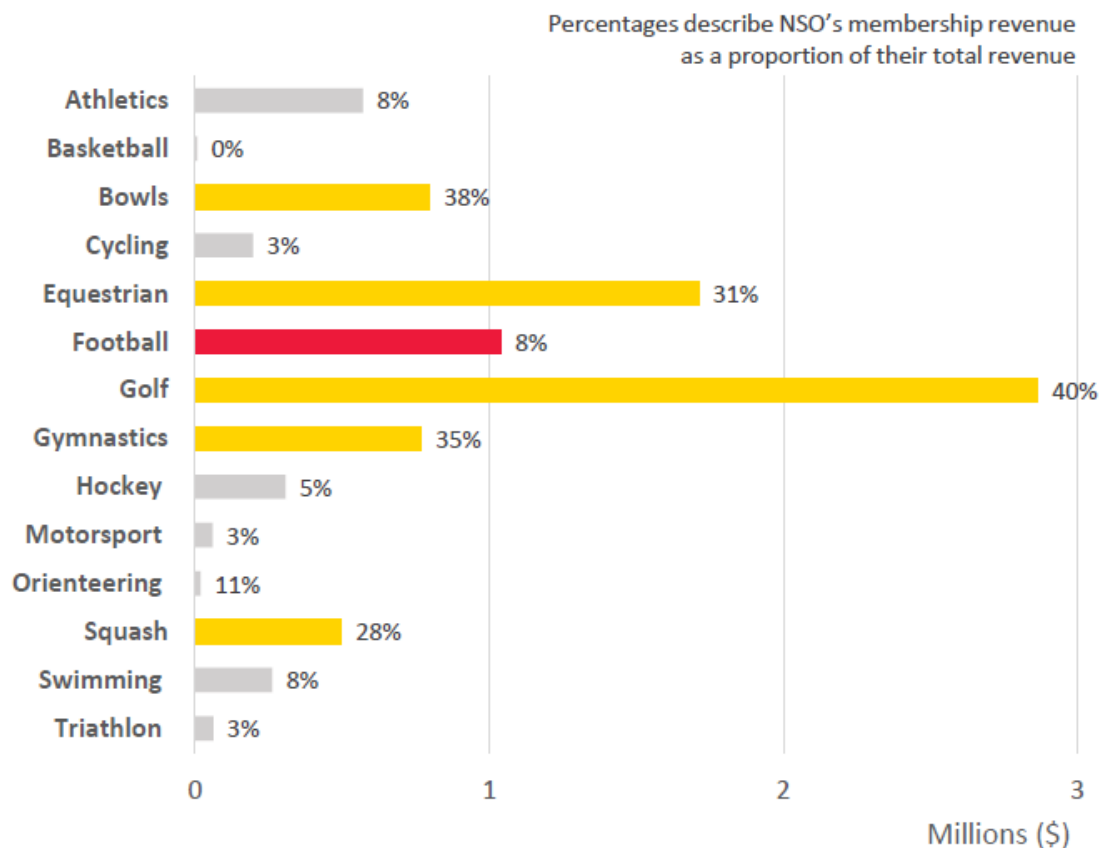
Active Recreation is not included as a category. Some funding from other categories is likely in-scope.

### Note

All data from 2019.

# Participation Funding

How much NSO funding through membership revenue in 2020?



## NSO Membership Revenue \$9.4M

### Overview

14 of 23 NSOs recorded membership revenue totalling \$9.4M in 2020. This was 14% of total revenue generated by the 14 NSOs and 3% of total revenue by all 23 NSO's. Graph illustrates the dollar figure of each NSO's membership revenue, and its proportion of total revenue.

### Discussion

- Five NSOs generated more than 25% of their total revenue from membership revenue. Golf had the highest proportion with 40%.
- Football generated more than \$1M through memberships which accounted for just 8% of their total revenue.

# What does HCC invest?



# HCC Annual Plan 2023/24

## SPORTSFIELDS AND PARKS

### Season Charges

Set to recover the percentage of operating cost identified below plus the full operating cost of ancillary services:

Recovery Rates Percentage	2022/2023					2023/2024				
	level 1	level 2	level 3	children	training/winter	level 1	level 2	level 3	children	training/winter
Sports	30%	20%	10%	5%	5%	30%	20%	10%	5%	5%
Cricket/Cricket	25%	15%	10%	5%	N/A	25%	15%	10%	5%	N/A

<b>HCC Sportsground Investment</b>	<b>LTP 2021-31 (10 years)</b>
<b>Operational Costs</b>	\$ 40,862,000
<b>Capital Investment</b>	\$ 27,363,000
<b>Total</b>	\$ 68,225,000

Users pay 12.4% of costs - 87.6% rate funded

# Summary

- Council invests in sport and rec for wellbeing benefits – 50% of total cost, user pays 12.4%
- Physical activity and sports participation are declining, increase in people wanting to be active in other, less formal ways
- High deprivation 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

# What problem are we trying to solve?

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Councils face significant funding and capacity issues – we need to ensure all investment is strategically aligned and providing good return on investment

Affordability of built  
and green assets

Population growth and  
increased residential  
density

Equity and carbon  
reduction

In spite of a significant subsidy, many local clubs are struggling and some organised sport is too expensive for many people to play. Our approach to investing in organised sport has been in place for a long time – we need to consider what is a fair and good value investment for rate payers in the future.





# What are we doing about it?

- Regional spaces and places plan
- Regional review of sports fields /indoor courts
- Shared or 'hubbed' facilities – Fraser Park Sportsville, Naenae Bowls Centre
- Review of built and green assets
- Sport NZ Working Group on local government investment
- Working with partners to explore ways to reduce the cost of being active through sport and recreation



# Questions / Discussion

