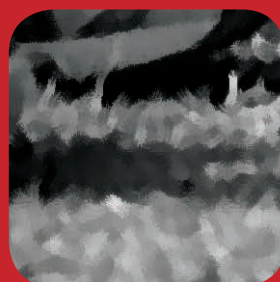
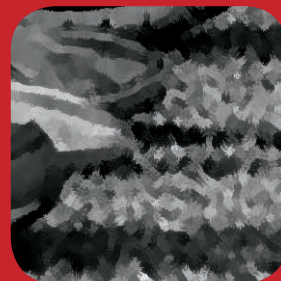


The Canterbury Community Trust Sport and Recreation Sector

Research Report

29 July 2014





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1 Research Background



The Trust is interested in undertaking some evidence-based research about each funding sector

The Canterbury Community Trust was established in 1988 to distribute funds for charitable, cultural, philanthropic and recreational benefits in Canterbury, Tasman, Marlborough and the Chatham Islands.

Each year the Trust provides money to numerous organisations who meet their funding requirements across a number of funding pools. To help them make better decisions, the Canterbury Community Trust is interested in understanding issues and priorities for each of their funding sectors.

To help the Board set priorities for funding allocation, the Trust is interested in undertaking some evidence-based research about each funding sector. Once set by the Board, priorities will be taken to the community for consultation before being used to make funding decisions. The Trust commissioned Research First to investigate the sport and recreation sector in July 2014.

This research involved undertaking an environmental scan, which focused on identification of emerging issues, situations and potential pitfalls that may affect the future of a sector. Researchers undertook to review extensive international literature on sport and recreation. The research also involved discussion of sector issues with representatives from organisations including (but not limited to): the Christchurch City Council; the Canterbury Earthquake Recovery Authority; Sport New Zealand; Sport Canterbury; Sport Tasman; and the Funding Information Service.

2 Defining Sport and Recreation

Currently, the Trust considers the sport and recreation sector to be “organisations that support participation and engagement in sport, recreation activities or hobbies”. Other philanthropic organisations do not generally have a formal definition of sport and recreation. However, some idea of how the sector is defined can be gathered through conversations with other trusts, and analysis of their funding decisions.

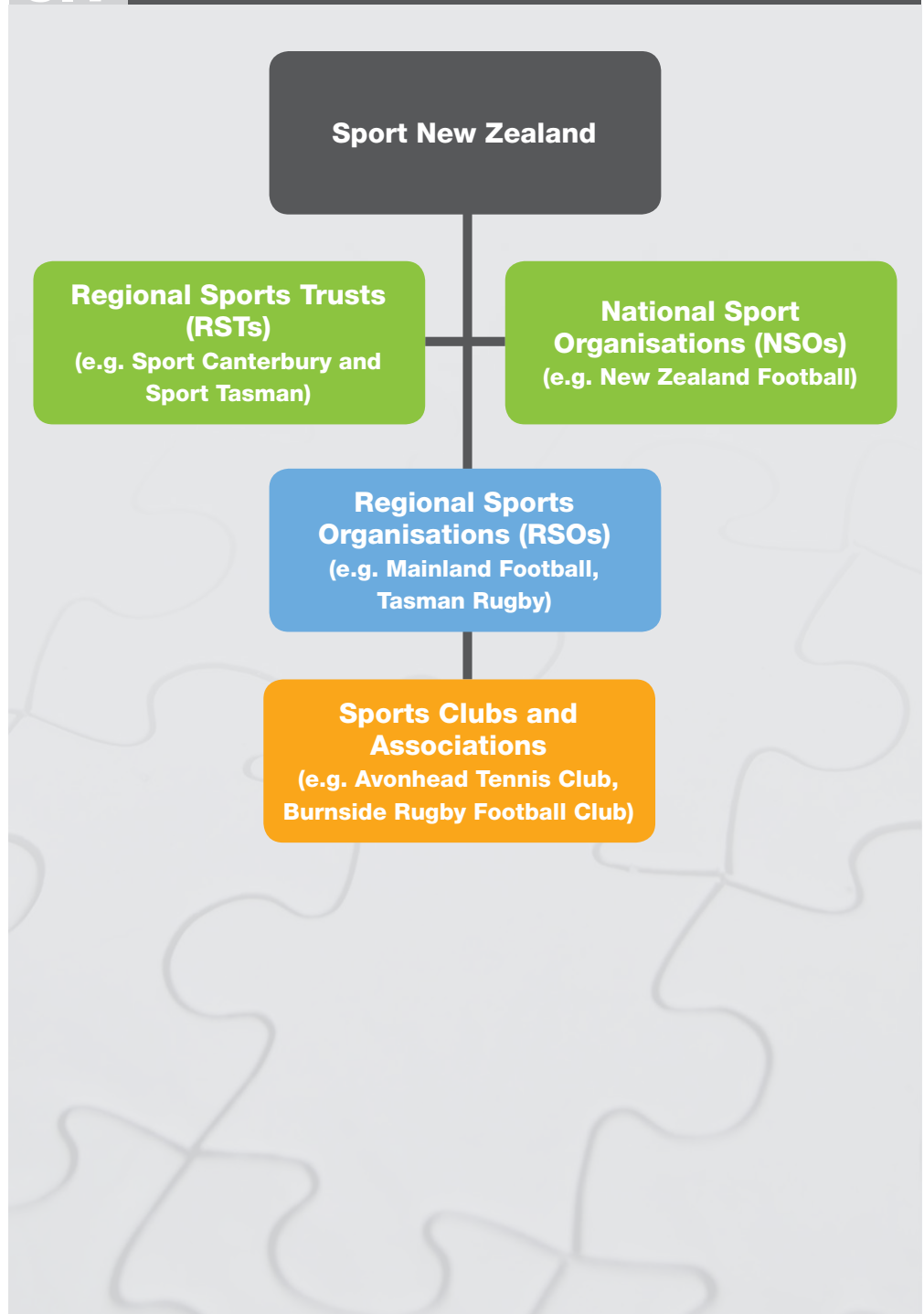
Physical recreation with a competitive element is usually considered ‘sport’. ‘Recreation’ is more difficult to define. Most organisations generally focus on funding ‘active’ recreation in the sport and recreation sector – that is, leisure which involves physical activity. Other leisure activities, such as hobby groups, are usually considered as part of different sectors.



3 Structure of Sporting Organisations

To give some context around the organisational structure of sports and recreation in New Zealand, Figure 1 has been compiled. This figure explains the structure of different sporting organisations, and gives a sense of how they fit together.

3.1 Sporting Organisations Structure in New Zealand



4 Community Trust Funding Models

Other community trusts were consulted with, to provide an overview of funding models in the sport and recreation sector. Smaller trusts appear to still focus on a sector-based application model, while also providing standard annual funding to Regional Sporting Organisations (RSOs). Other trusts have, or are considering, moving towards an outcome-based model, where applicants are considered under the Trust's strategic goals. Examples of funding models include:

The Community Trust of Southland (CTOS) provides funding to between 35 and 40 RSOs twice a year, involving a flat rate and additional funding to use as they please, based on membership (\$10 per member). CTOS believes this encourages RSOs and sports clubs to focus on participation. Other stakeholders have concerns that this funding model merely encourages high membership, not high participation. CTOS also provides funding on an application basis, which is organised by sectors for administrative purposes.

The Otago Community Trust (OCT) also provides funding to 35 RSOs. This is standardised annual funding aimed at development and participation. Additionally, sports clubs and recreation organisations can apply to OCT for project-based or capital funding.

The West Coast Community Trust (WCCT) provides funding for projects on an application basis. Some funding for sporting organisations is provided annually for operating costs. WCCT has considered an impact-based funding model, but decided against it due to their limited overall funding capacity, and the need to continue funding smaller organisations which rely on their support.

The East & Central Community Trust (ECCT) currently provides annual funding to Regional Sports Trusts (RSTs) for projects. ECCT also operate on a reactive basis, whereby they award funds to clubs on an application basis, prioritising participation initiatives. ECCT prefers not to fund RSOs, instead funding at a grassroots club level (although RSOs may receive funding for one-off projects). ECCT is in the early stages of moving toward an outcome-based funding model.

The Wellington Community Trust (WCT) distributes funding on an outcome-based model. Applications must align with the one of WTC's strategic objectives (which are currently being reconsidered). WTC no longer funds individual sporting clubs. Instead, funding is allocated on a project basis where impacts have benefits to multiple sports or communities.

The ASB Community Trust (ASBCT) moved towards an outcome-based model in 2013. This categorises funding under three areas: People, Places, and Participation. Each area has strategic objectives which outline ASBCT's funding priorities. ASBCT went through a significant process to redevelop their funding framework, and the ASB Community Trust Strategic Plan 2013-2018 would be valuable further reading.

After the Canterbury earthquake series of 2010-2011, the Christchurch Earthquake Appeal Trust (CEAT) was set up to allocate funds raised by the Christchurch Earthquake Appeal. The Trust has allocated all available funding as of April 2014. One core area where funding was allocated was sport and recreation. Funding in this area was predominantly focused on restoring participation levels, by helping repair or rebuild equipment and facilities of sporting organisations.

Note that representatives of gaming machine trusts distributing funds in Canterbury/Tasman/Marlborough were not available to be contacted for the research within the required timeframe. An analysis of available resources on funding models does indicate that generally, gaming machines trusts focus on funding amateur sporting organisations affiliated to a national sporting body. Other restrictions apply, such as:

- The Lion Foundation, which distributes 40% of its funding allocation to sports, does not grant funds for capital projects or salaries;
- The New Zealand Community Trust, which distributes approximately 80% of its funding to amateur sports, will only fund affiliated sporting organisations.

4.1 Potential Changes to Funding Models

RSTs acknowledge that they are seeing trends toward outcome-based funding from a range of different funding organisations. Sport New Zealand, for instance, currently provide funding based on outcomes. Additionally, where projects cover multiple sectors, an outcome-based approach could be more efficient for applicants.

However, there is difficulty with measurement of outcomes. While organisations which currently do this are less likely to have issues, some organisations with less capability may find it difficult to transition between models if outcomes need to be measured on a standardised scheme. Stakeholders acknowledge that measurement of outcomes can be more difficult, but still feel this model should be explored in the future.

One risk of an outcome-based model is to smaller organisations which are more dependent on Trust funding. Ongoing small-scale funding, referred to by one Trust as 'social glue,' meets important shortfalls for smaller organisations. These organisations may not demonstrate the sustainability of larger applicants, but this ongoing small-scale funding does provide important social benefits in some instances. It would be important for these groups not to be disenfranchised by any change to funding models.



Traditionally, larger sporting organisations may have more success with funding applications because of their increased capability. The potential for this bias was noted by representatives of multiple sporting entities. For example, RSOs tend to be more organised than informal recreation groups, and therefore have a 'bigger voice' when it comes to funding. Larger organisations with greater resources, and better relationships with funders, may attract more funding than smaller organisations with greater needs. Although Sport Canterbury runs funding seminars, some stakeholders felt these have limited effect.

Organisations who are more connected and can fund application managers garner more investment.

Some stakeholders felt investment should specifically be targeted toward high need communities. ASBCT is already taking this approach, prioritising funding for communities with 'demonstrable levels of need'. This model could easily overlay existing funding models, to further target community investment.

There could also be a space for the Trust to develop an advisory group for each sector. This could be modelled on the interaction between the Canterbury Earthquake Appeal Trust (CEAT) and the Sport and Recreation Earthquake Leadership Group, to further inform the Trust's priorities. RSTs are also independent bodies and could offer funding advice to the Trust.

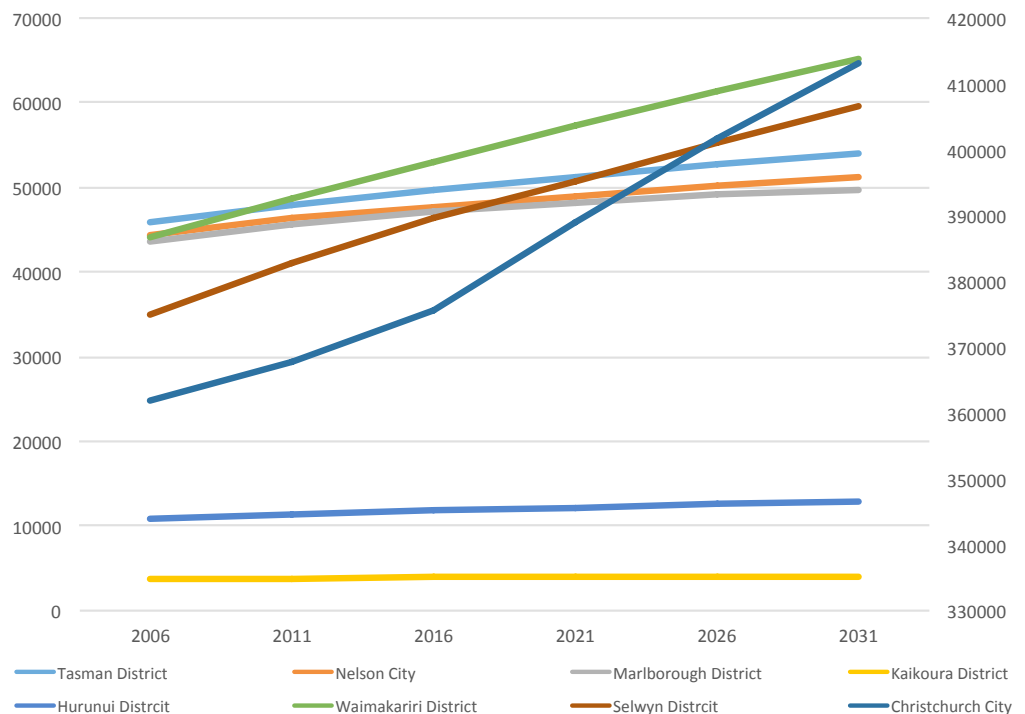


5 Upcoming Issues, Needs and Priorities

5.1 Changing Population

Population projections for the Canterbury/Tasman area indicate that the make-up of the population is changing¹. While population in the region overall is predicted to grow, growth is concentrated in certain areas. The most growth is expected around Christchurch City, Waimakariri, and Selwyn.

5.1 Overall Population Growth, by Territorial Authority



The most growth is predicted in the 65+ age group (growing by nearly half in 20 years, from 91,360 in 2011 to 176,340 in 2031). This group could be a priority for the Trust in the future, as they are likely to have more specialized needs and may need different initiatives to encourage participation.

Growth is also predicted among young Māori and Pasifika, due to a higher birth rate and younger population than European peoples. Unfortunately, consistent projections are not available for these groups in some of the areas covered by the Trust, therefore comprehensive breakdowns are not available.

Among Asian peoples, further growth is likely (particularly in Christchurch). This could be a focus for the Trust, as the latest Active NZ Survey from Sport New Zealand (2007/08)² indicates that Asian peoples may have different participation preferences than European peoples.

1. Population Projections, Statistics New Zealand: http://stats.govt.nz/browse_for_stats/population/estimates_and_projections.aspx#projections

2. <http://www.activenzsurvey.org.nz/documents/active-nz-survey-2007-08.pdf>

5.2 Participation

For most sports and recreation organisations, participation in activities is a priority. The benefits of sport and recreation participation are well-recognised, and contribute to social, environmental, health and wellbeing outcomes for individuals and communities. Because of these benefits, funding organisations generally have a focus on increasing participation – especially because funding aimed at sustaining or increasing participation may have the widest community benefits.

In Christchurch, the sport and recreation sector responded to the challenges of the earthquakes by focusing on enabling participation through facilities. Given the earthquakes' effects on sports facilities, the immediate issue was how to provide facilities so that participation levels could be restored. As noted, this was a particular focus of CEAT. Sport Canterbury indicates that pre-quake club membership levels have largely been restored, and some codes even have increased their participation rates.

There appear to be trends towards physical activity participation becoming more varied, and moving away from traditional sports. The range of sports and recreational activities requiring funding is becoming more diverse, and funding organisations should recognise this.

Informal participation generally means sport or physical activity that is not facilitated by (or does not require involvement by) a formal organisation, club or association. Regional stakeholders and other funding organisations agree that there is a rising trend towards informal participation in physical activity. The latest data from Sport New Zealand (Active NZ Survey 2007/08) indicates that while 80% of adults in Canterbury/West Coast were active at least once per week, 35% belonged to a club or centre in order to take part in sport and recreation activities³.

As working hours change, and 'working life' is different for different people (especially in post-earthquake Canterbury), people are more attracted to unstructured sport and recreation. Note that Sport New Zealand will address informal participation trends in their next strategic plan, which could be a valuable resource for the Trust.

There's less willingness from the public to join clubs – they want to do something by themselves.

Traditional sports are really having to start thinking of ways they can cater instead of just playing on a Saturday afternoon... they've got to start thinking about different ways to engage.

3. <http://www.activenzsurvey.org.nz/Results/2007-08-Active-NZ-Survey/Regional-Profiles/Canterbury/Executive-Summary/>



Initiatives to support informal participation have been identified during this research. Additionally, Sport Canterbury believe that RSOs have a key role to play in developing sport products to meet community needs. It is important to note that this is an emerging field, and further development of initiatives could be a focus for the Trust in the future. Currently, schemes include:

- Provision of pathways for informal participants to engage with a club environment;
- Provision of open-access facilities, which are always available to the community at no or little charge;
- Provision of after-hours facilities, to enable activities for all kinds of workers;
- Facilities which can adapt to cater to trends in popular sports activities;
- Extended social media capability, to attract and organise informal participants;
- Modified game formats, to cater to smaller groups and smaller time periods;
- ‘Taster’ sports events, for the community to try a range of sporting and recreational activities;
- Developing portable facilities, so facilities can have impact at a range of geographical locations (for example the Cheapskates Skate Skool);
- Support for, and facilitation of, no-commitment social sporting leagues;
- Support for, and facilitation of, workplace sporting leagues;
- Pay-to-play schemes, where non-members can use club facilities for a small fee; and
- One-off or annual events, particularly for individual sports and recreation.

Young Peoples’ Participation: Other Community Trusts (and sporting entities) acknowledged that engaging young people in sport or recreational participation was a priority. Current projects focus on increasing participation of primary-school aged children, which are largely successful. These projects aim to instil children with sporting skills, and a desire to be active. Participation then tends to decrease in the teen years, and drop off at the point when participants leave high school.

One stakeholder identified a lack of coaches at the ‘development’ level as an effect on teen participation. Others felt that stronger linkages are needed between schools and clubs, to encourage participants to transition between the two as they leave secondary education. There are a number of barriers to these linkages, as schools and clubs may compete for elite players, making them less willing to engage over participatory players.

5.3 Club Landscape

There was agreement that there are too many clubs in Christchurch and wider Canterbury, a problem highlighted by the earthquakes. The degree of over-supply differs across sporting codes, but was identified by some stakeholders in bowls, tennis, football, and cricket.

While rationalisation and amalgamation are under consideration in some areas, there are a number of barriers to this. Not only are clubs reluctant to give up their club identity and history, geographic spread of clubs mean that consolidation may disengage those who must travel further to keep up participation. One stakeholder noted that clubs may be under the administration of older people, who are less open to new or innovative delivery approaches, and more reluctant to consider partnership models.

RSOs could have a role in driving this amalgamation, but other models need to be considered. Please see the section on collaboration for more detail.

5.4 Management and Governance Capability

Stakeholders agree that sports and recreation organisations have issues with their governance capability. Sport Canterbury has invested in this, but other stakeholders believe there is a need for a more targeted approach. Sport New Zealand has focused on management and governance capability over the past ten years, and feels that collaboration between organisations is a way to extend capability.

There has been a focus on extending capability of management at a CEO level, especially to consider new challenges post-earthquake. Now, there is a focus on increasing capability at a second-tier management level, where there is a need in Christchurch.

Some stakeholders feel that there is space for targeted funding to help develop management roles, as operational funding may have previously focused on delivery roles. Capability needs to be extended at an RSO level, and at a club or association level, particularly for smaller organisations which may rely on volunteers to fill management and governance roles. Financial reporting is also an area of need. Other Community Trusts noted that they will be pushing funding for management and governance in the future.

5.5 Volunteer Capability

Volunteer capability was acknowledged to be an ongoing issue. The sport and recreation sector traditionally relies heavily on volunteers. In some areas, there is increasing competition for volunteer time among needy organisations – recruitment of volunteers may be an ongoing focus.

Programs to recognise volunteer contributions are in place, but some stakeholders feel these need to be improved, to be more effective. There are also issues around effective use of volunteers. Where volunteers have especial skill sets, organisations are not always using them in the most effective way. Some stakeholders feel technology and social media have an important role to play, to enable best use of volunteers' skills.

5.6 Coaching Capability

Stakeholders agree that development of coaching capability has been a focus for funding organisations. Programs are in place to 'train the trainers', and mentor developing coaches. There has been considerable effort to establish support for volunteer coaches, and to fund professional coaches.

Some funders provide contributions to salaries for professional coaches to work with sporting codes for limited periods of time. Other funding is focused on supporting costs for volunteer coaches, where they may need to undertake training or travel with their teams.

Now, funders may need to refocus their attention on recruitment of coaches, as quantity is becoming a more prevalent issue. This is potentially an area which could dovetail with volunteer recruitment.

5.7 Collaboration

Most stakeholders, and other funders, are prioritising sports hub partnerships, also known as Sportville models. These support the establishment of multisport facilities, which cater to different, complementary codes and allow clubs to share maintenance and administrative costs. Consolidation of costs associated with administration and facilities management allows limited funding to have a greater impact on the community. Sports hub partnerships may also be a more sustainable model in the future, given increasing costs associated with facilities maintenance. This area is a real focus for RSTs and Sports New Zealand, particularly with the opportunities presented by the Canterbury earthquakes.

Successful examples of sports hub partnerships include the Elmwood Club, and the Moutere Hills Community Centre. Effectiveness around the country does range, and there is evidence of less successful models.

Both community trusts and sporting organisations indicated that there are some risks with the collaborative sports hub partnership model. Sports hub partnership proposals should clearly demonstrate that the model would add value to each club involved. There is also a high level of buy-in needed from local and central government agencies. Sports hubs should be developed within a wider network of sports facilities, and consider the impacts of centralisation. Centralised hubs can impact the level of community engagement, as people may be less willing to travel further to participate.



5.8 Venues

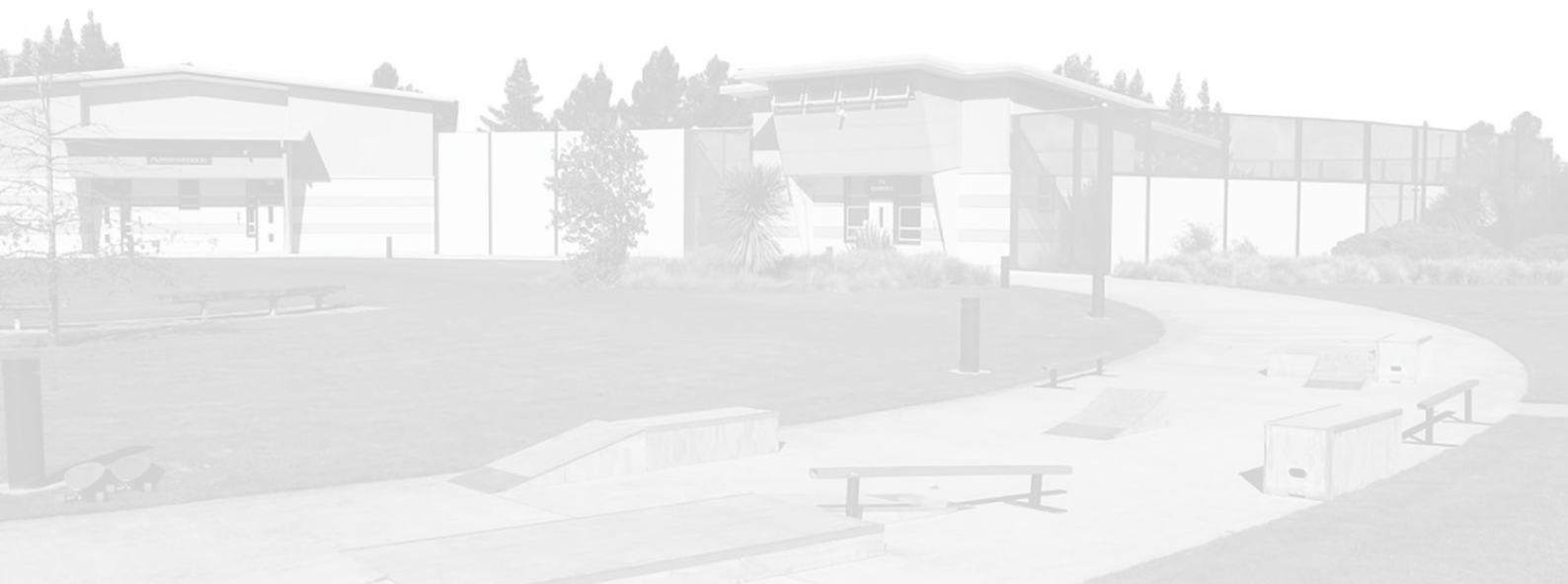
Post-earthquake, there has been a strong emphasis on funding for repaired facilities, and planning new facilities, for sports and recreation. This is ongoing, as codes have not yet replaced their pre-earthquake facilities, and should be part of long term planning for the sector.

Given the financial position of the Christchurch City Council, there will be difficulty in planning and funding new sports facilities. Stakeholders felt that the potential for financial shortfalls could be somewhat alleviated by partnerships between community organisations. These would need buy-in from central and local government, and funding from philanthropic organisations. There is also a risk that as large capital projects begin, this could tie up community funding.

There has been demonstrated value in community schemes post-earthquake. Participation has been increased in areas where portable facilities (for example the Cheapskates Skate Skool) could impact a wide range of communities. Basketball is another example – participation has increased in some areas, as loss of facilities pushed basketball teams to play in community halls and school facilities. Funding in the future could recognise the value of community-based delivery models, particularly alongside centralized multisport models.

One of the challenges in the rebuild of sports and recreation facilities is reconciling the needs and wants of sports clubs and RSOs. Organisations naturally want the best possible facilities, but rationalisation needs to occur to ensure wants are realistic. New facilities need to be cost effective, and placed in a wider context of facilities development in the region.

We need to work much better as funders to make sure we're investing in the right projects... we need to be big enough in NZ to know that we're little.





Role of the Canterbury Community Trust

Given the sports and recreation environment in Canterbury, Nelson and Marlborough, participants identified a need for partnership between funding organisations. This could involve simply a measure of understanding between different organisations offering funding, or could progress to a more formalised partnership between separate funding organisations (whether on a project basis, or for working toward shared outcomes). Stakeholders noted that no funder operates in isolation, and felt that funding organisations could move to be more aware of what other funders are doing. Respondents were clear that partnership between funding organisations would ensure the most effective funding decisions can be made, to maximize community benefit. There was some suggestion that the Trust could focus on co-ordinating funding allocations with those of other funders.

Respondents noted that any future partnership (between either funding organisations or sporting entities) would need to be defined within clear parameters. A detailed framework outlining the role of organisations within any funding partnership would ensure easy implementation of projects, particularly those with a capital focus.

Stakeholders in Canterbury are pushing for alignment across funders about where they will fund. This is particularly important, to enable funding alignment to cater to the sector's priorities. Funding could also move to become more proactive, rather than reactive.





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