

Proactive release of Official Information

Sport New Zealand is proactively releasing the attached information in line with its commitment to Open Government.

Background

A request was made to the Minister for Sport and Recreation for copies of a number of documents under the Official Information Act 1982.

Sport NZ has assessed the request and has decided to release the following documents proactively.:

- Aide memoire: Commercial Impact of Covid-19 on Sport
- Aide memoire: Sustaining Class 4 Gaming Community Funding
- Briefing: Covid-19: Recovery support for New Zealand's Professional Sports Clubs
- Background Information: Online Gaming
- Briefing: Support for Professional Sports Franchises
- Professional Clubs Relief Funding Update
- Briefing: Implementation of Recovery Package
- Briefing: Update on implementation of Recovery Package.

Information was withheld from these documents under the following sections of the OIA:

- Section 9(2)(a) – to protect the privacy of individuals.
- Section 9(2)(b)(ii) – where making available the information would be likely to unreasonably prejudice the commercial position of the person who supplied it or is the subject of the information.
- Section 9(2)(ba)(i) – to protect information which is subject to an obligation of confidence and would likely prejudice the supply of similar information or information from the same source and it is in the public interest that such information be continued to be supplied.
- Section 9(2)(f)(iv) – maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and Officials.
- Section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinion by employees in the course of their duty.
- 9(2)(g)(ii) – to maintain the effective conduct of public affairs through the protection of such Ministers, members of organisations, officers, and employees from improper pressure or harassment.



Aide memoire: Immediate impact on Sport and Recreation Sector

Provided to Minister's office on 27 March 2020

Purpose

1. This aide memoire provides you with advice on two areas relating to the impact of Covid-19 on sport:
 - A current snapshot of the known impact of Covid-19 on sport, including two case studies detailing the specific impact on New Zealand Rugby and Hockey New Zealand to give you a sense of some of the issues sporting organisations are dealing with.
 - The ability of sporting organisations to access the Government's recently announced support package for New Zealand businesses.
2. Sport NZ are working with our funding partners to develop a picture of the financial impact on the sport, active recreation and play sector. This will be progressively developed so that we can present an informed Sector Recovery Proposal to you for consideration.
3. We are working closely with the Ministry for Culture and Heritage on their work to support the cultural sector to ensure that our advice is consistent given the similarities in both sectors.

Background

4. As you are aware, the global spread of Covid-19 has had an immediate and significant impact on the sport, active recreation and play system in New Zealand.
5. This has meant the cancellation or postponement of all sport from international, professional to grass roots competitions. As a result, National Sports Organisations (NSOs) have lost significant revenue streams, including broadcasting, sponsorships, sport betting, class 4 gambling and membership fees.
6. Attempts by both Netball NZ and NZ Rugby to re-construct their ANZ Premiership and Super Rugby leagues respectively have now been put on hold. That has resulted in a total loss of broadcasting revenue for the remaining games.
7. At the time of the outbreak many NZ athletes were overseas training and competing, with a number involved in Olympic and Paralympic training and qualifying events. Following the cancellation of most of these competitions and events, most of these athletes have now returned to New Zealand and are self-isolating.
8. Sport NZ has rapidly reprioritised staff and resources to stand up a Covid-19 response plan. We aim to provide more details on this and how it aligns to the Treasury's Budget processes next week.

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9. We are in regular contact with our sector partners and can advise that they are actively managing their organisations to reprioritise activities and accessing the government support package. In general, most are able to do this to a greater or lesser extent over the next 3 months but will need to seek further support beyond this period of time. Loss of revenue from Class 4 gaming is a significant concern and an immediate priority for Government attention. More information is provided later in this briefing.

Early Assessment of Financial Implications

Sport NZ

10. Sport NZ has commissioned KPMG to undertake some financial analysis to determine the financial impact on our sector. In the first instance, they will focus on the NSOs that have been identified as most affected by the cancelling of international, national and pro-league events. Particularly in relation to loss of broadcasting and ticket sales, sponsorships and sport betting revenues. The second phase will be to look more broadly at the wider sector. This work will support Sport NZ to develop a recovery package for the play, active recreation and sport sector.
11. We are starting to build a high-level picture of the likely implications to the sector as discussed below.

Impact on revenue for sports organisations

12. Our previous advice to you (*Aide memoire: Commercial Impact of Covid-19 on Sport, provided on 20 March 2020*) outlined the commercial impact on sports from the loss of SKY television and broadcast revenue, sports betting at the TAB (\$12m), and Class 4 gaming funds (\$170m).
13. While available funding has declined and will continue to do so, the demand for funding will also reduce. However, much of this will be unable to be recovered due to the mass cancellation of events and likely continued postponement of community sport and recreation and other community activity. The lost revenue will far outweigh any potential savings.

Sponsorship

14. Sport NZ's research estimates that the value of sponsorship to sport in NZ is \$182 million. If there is no sport being played there is no exposure for sponsors or advertisers. Some sports are reporting that sponsors are considering invoking force majeure clauses to terminate existing contracts.
15. The impact of the pandemic on the economy means that many businesses are unlikely to be able to continue their sponsorship as they focus on their own recovery. As such, this could impact sports and venues significantly in the long term.
16. We are working with sports, stadia and other venues to attempt to quantify the impact.

Class 4 gaming

17. We have received further information since our last briefing to you on Class 4 gaming on the situation for Class 4 gaming trusts. Their financial position is dire because they have

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no ability to hold reserves and are likely to only be able to operate for another four to five weeks without assistance.

18. Funding to sports organisations from gaming trusts will be critical for the recovery of the system and helping to get New Zealanders back into sport. This funding provides significant support (through grants for salaries) to a large number of jobs, such as coaches and administrators, particularly in club sport.
19. If Class 4 gaming funds do not return to pre-Covid-19 levels (which is a genuine risk given local council sinking lid policies) participation costs such as membership fees will likely increase markedly.
20. Through our work with class 4 gaming trusts, they have advised that without some flexibility and assistance from the Department of Internal Affairs (DIA) they will not be able to survive. We will work with DIA officials to assist in providing support for gaming trusts so they, in turn, will be able to assist in the recovery of sports organisations. We **recommend that you raise this issue with Minister Martin**

Lotto

21. Lotto have been working closely with the DIA and have been given approval to operate online during the lockdown. However, the impact on profits through online only sales is currently unknown. Under Alert level 4, Lotto NZ funding is also more vulnerable with the forced closure of their counter sales, currently only 30% of sales are typically through their online offering.
22. Lotto are cutting back their operating costs but have enough cash and reserves to get through to the end of the year. In addition, they have some funds in "prize reserves" that they are considering the best use for. Thanks to higher than expected profits during the year, Lotto are hoping to pay out near the forecast amount to the Lottery Grants Board for the 2019/20 financial year.

Memberships and Participation Fees

23. Virtually all school and club sport events have been cancelled or postponed. Including the start of the season for all major winter codes. Anecdotally, we know some Regional Sport Organisations have already let staff go, or reducing their hours, in response to the impact of cancelling or postponing sports events.
24. While it is too early to tell the full impact on community sport organisations, it is likely to already be in the millions of dollars. Sport NZ is working on supporting our partners and determining how our funding can best be used in the sector. In addition, we are seeking Ministry of Health guidance on how sports can manage risks and can get community sport going when and where appropriate.
25. School sport participants pay approximately \$5 million per annum to various College Sports organisations to run their competitions. In addition, College Sport organisations receive around \$4.4 million per annum from Class 4 gaming grants.
26. For adult leagues, cancellations and postponements have impacted approximately 160,000 New Zealanders who would ordinarily be starting the six major winter codes

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(rugby, rugby league, netball, football, basketball and hockey). Based on membership data from these codes' winter 2019 seasons, this is approximately \$37 million in subscriptions that will not flow into clubs. These funds go towards paying for coaches, uniforms and expenses relating to clubrooms and facilities. With competitions postponed or cancelled, clubs will not incur some expenses, but many costs will still need to be paid whether the season commences or not.

27. The table below outline the number of adult club members of major winter codes.

Sport	Adult members	Youth members
Rugby	34,219	122,999
Netball	37,874	103,051
Football	31,008	114,893
Rugby League	6,796	15,080
Basketball	35,729	61,010
Hockey	14,265	45,293

28. The estimated total loss of income over the winter period into club sport is approximately \$46 million.

Sport and Recreation Workforce

29. Previous research by Sport NZ has calculated sport and outdoor recreation contributes approximately \$4.3 billion¹ a year to New Zealand's economy (or 2.2% of GDP). Further, there are over 60,000 people employed in various parts of the play, active recreation and sport sector. This is in addition to approximately 1 million people who volunteer their time to support sport, active recreation and play. As such, delays and cancellations of competitions and events are having a significant financial impact on many New Zealanders.

30. All businesses in the sector will be able to access the Covid-19 wage subsidy and leave support payments. This is outlined in more detail below.

31. While this will not prevent all job losses entirely, it will allow the sector to retain much of its talent and expertise over the short term. Many NSOs are also likely to face financial pressures but these may be more likely to be felt in the medium-term as their traditional sources of funding (membership subscriptions and gaming grants) reduce. Support for these organisations will be considered as part of the recovery package that Sport NZ is working on.

¹ *The Economic Value of Sport and Outdoor Recreation to New Zealand* (2015), Sport NZ
<https://sportnz.org.nz/managing-sport/search-for-a-resource/research/economic-value-of-sport-and-outdoor-recreation-to-new-zealand-report>



High Performance Sport NZ

32. High Performance Sport NZ (HPSNZ) has been focusing on the impact on athletes in their preparation and planning for the Tokyo Olympic Games. HPSNZ is also considering what their investment looks like over the next 12-18 months and planning for different scenarios.
33. Following the International Olympic Committee's postponing the Tokyo Olympics and Paralympics, HPSNZ is working closely with the NZ Olympic Committee and Paralympics NZ, and targeted sports to manage the implications on athletes and coaches.
34. Overall targeted sports and athletes are still tracking well for Tokyo despite the disruptions to preparations and travel. Most sports are proactively managing the changing environment for training and preparation through their High Performance Director (HPD), with the support of HPSNZ. HPSNZ continues to work closely with the sports and HPD to ensure that the Tokyo 2020 focus support previously identified is repurposed to support the revised training and preparation activities.
35. One of the key challenges has been the lack of ability to simulate Olympic competition pressure and strategies, given the travel restrictions and cancellation of international competitions. While this has been disruptive for the athletes there has been some positive outcomes with our Olympic athletes being based at home in New Zealand in familiar surroundings and in an environment where competition is strong in their individual sports.
36. HPSNZ's priority is the wellbeing of the athletes as they cope with changes to training and preparation. We continue to work closely with the sports, coaches and athletes on well-being strategies. This will become increasingly important if there is any change to the qualifying processes now that the Tokyo Olympics and Paralympics have been postponed.

Drug Free Sport NZ

37. Drug Free Sport New Zealand's (DFSNZ) has now ceased all testing. In addition, demand for DFSNZ's education offering has reduced significantly. DFSNZ has developed a new e-learning education module, however they are assessing the appropriateness of making it available at this time.
38. Most National Anti-Doping Organisations in Europe and North America have stopped all testing.
39. DFSNZ has around 80 contractors, including educators, testers, and chaperones. Many of them have other employment, and some of those available to work are being put to work elsewhere within DFSNZ.

Sport NZ and HPSNZ phase 1 support package

Reprioritising current funding

40. The Sport NZ and HPSNZ Boards are currently considering how to reprioritise current funding to support partners.

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41. For our investment in NSOs and Regional Sports Trusts we consider that the continuity of Sport NZ and HPSNZ funding will contribute towards funding their staffing costs (excluding professional player salaries) and other fixed operating costs. For this period our partners will receive funding regardless of whether they are able to meet the contracted KPIs or benchmarks.
42. HPSNZ approved funding of 70% of their core investment for 2020-2021 to sports to enable them to retain their high performance staff and transition core high performance functions into the new Paris 2024 Olympic cycle. This will provide certainty following the Olympic and Paralympic period. HPSNZ will consider any additional core investment to align with the HPSNZ 2024 strategy by 31 December 2020.
43. Sport NZ will maintain the current investment levels in all of our partners for 2020/2021. In addition, Sport NZ is bringing forward NSO payment periods to provide some immediate cashflow relief (approximately \$1.5m).
44. Sport NZ and HPSNZ are looking at options for freeing up operating resources for a rescue fund to assist organisations that are in peril right now. This includes reviewing funding streams (eg, Kiwisport) that might be re-purposed in the short-term to provide added support. We estimate that this could equate to \$2m over the next 3 months.
45. Sport NZ are forecasting \$38.5 million in reserves by 30 June 2020. These reserves are currently forecast into out-year spending against sector investment commitments and strategic priorities, equating to approximately \$7.3 million per annum for the next 4 years. We are currently investigating how best this can be used to support the sector.
46. We will continue to work through what we can do to provide immediate financial support to the sector and the impacts on our longer-term investment and financial position.

Other actions to support the sector

47. We have a number of actions underway to support the sector. We are convening regular chief executive meetings, providing regular updates and distributing guidance to assist organisations in accessing the business support package.
48. This capability has included:
 - Helpdesk support for accessing the Government's support package
 - Webinar training including business continuity planning
 - Pandemic plan & Business Continuity Plan templates
49. In the long term, we are looking at temporarily redeploying our staff into the sector and also how we could use our reserves to support key parts of the sector.

Next Steps:

50. We will continue to develop a complete picture of the financial impact to sector and prepare:
 - Sport NZ's targeted support package; and



- Our input into the Government recovery package

51. We would like to discuss with you further the necessary timeframe for providing this information both to you and to other Government officials for it to be considered as part of the wider Government recovery package.

Released under the Official Information Act 1982



[Commercial and in-confidence]

APPENDIX ONE: Case Studies – NZ Rugby and Hockey NZ

Case study: New Zealand Rugby

This case study provides an overview of the immediate impact Covid-19 has had on New Zealand Rugby (NZR) and the organisation’s response to date. It also outlines the impact NZR expects to experience over the coming months and its planned response.

Covid-19 has had an immediate and significant impact on NZR. With the cancellation of all rugby (both professional and amateur), the majority of NZR’s revenue has dried up almost overnight, and only a few weeks into their season.

NZR currently has three priorities:

- 1. The safety of its people and players;
- 2. Preserving cash; and
- 3. Creating content to enable some revenue to flow in.

s9(2)(ba)(i), s9(2)(b)(ii)

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s9(2)(b)(ii), s9(2)(ba)(i)

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Case study: Hockey New Zealand

Like NZR, the impact of coronavirus on Hockey NZ has already been significant and Hockey NZ have taken immediate steps in response to the situation and are well underway planning what their longer-term response will be.

Hockey NZ's immediate focus is to keep its people together until the end of 2020 and to get community hockey up and running again as soon as possible. Without hockey, Hockey NZ is intending to retain all its staff but will suffer significant losses in doing so and has applied for the government wage subsidy to assist in this regard. However, it is also considering what salary reductions can be made (including high performance player salaries). Hockey NZ has small reserves which should support the organisation for 12 months, but not much more after that.

Hockey NZ has shut down its high performance programme with both the men's and women's national teams not training and a planned European tour cancelled two weeks ago. Hockey NZ has already begun planning in preparation for the Tokyo Olympics to be held in 2021.

[REDACTED] s9(2)(ba)(i)

Aside from its commercial partners, Hockey NZ's main sources of revenue are its Olympic campaign funding from High Performance Sport New Zealand, Sport NZ funding and an annual contribution of \$1 million from Sir Owen Glenn.

Hockey NZ does not receive significant broadcast or TAB revenue.

At the community level, Hockey NZ has been in regular contact with all 32 of its associations and all domestic and club hockey has been postponed until 2 May 2020 at the earliest although Hockey NZ recognises this is a very optimistic date. All hockey facilities have also been shut down. The drying up of Class 4 gaming funding is expected to have the biggest financial impact on the sport and will likely drive a significant increase in costs once hockey returns, with limited ability to pass these costs on to players for fear of driving them away from the sport.

Salvaging the club season is a priority for Hockey NZ's associations, with planning underway for a season which could continue into November or December (assuming it can be started in 2020). All representative tournaments for 2020 have been cancelled in order to keep associations afloat. Hockey NZ has also deferred affiliation



Aide memoire: Sustaining Class 4 Gaming Community Funding

Provided to Minister's office on 30 March 2020

Background

1. You are meeting with the Minister of Internal Affairs, Hon Tracey Martin, via teleconference at 2.30pm on 31 March 2020 to discuss measures to sustain the non-casino gaming machine sector in order to preserve the funding that flows to the community.

Class 4 Community Funding and Sustainability

- The impact of Covid-19 will be significant for the non-casino gaming machine sector.
- Gaming societies that mainly distribute funds to the community only have one source of income: gaming machine revenue, which can only be generated at hospitality venues. This revenue has now ceased entirely due to the closure of all hospitality businesses (not allowed to open under Alert Levels 3 and 4).
- The Gambling Act provides that if a gaming society does not conduct gambling at a venue for four weeks it must surrender its licence.
- The sector has been prohibited since 2004 from holding capital reserves, so is particularly vulnerable.
- The non-casino gaming machine sector distributed \$276 million to 10,850 organisations in 2018. A further \$20 million was applied to specific community purposes and another \$30 million was collected by clubs that operate their own machines.
- Community sport and recreation benefits from about 50% of total distributions from the non-casino gaming machine sector. This equated to \$170 million in 2018.
- The sport and recreation sector loses \$13 million of funds every month gaming activity does not occur. The longer gaming activity does not occur the greater the ongoing sustainability of the gaming sector is threatened.
- The Gaming Machine Association of NZ (GMANZ)¹ has requested that, as part of the all-of-Government response to Covid-19, Cabinet considers urgent amendments to

¹ GMANZ is the industry body that represent over 95 percent of all Corporate Societies (32) operating in Class 4. Our members also include Hospitality NZ, some Clubs, all machine manufactures, the Australian Industry Association member organisation GTA, and Service and management companies, along with other interested party related organisations

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the Gambling Act 2003 and associated regulations to preserve this important source of community funding.

- To assist solvency during Alert Level 3 and level 4, the following assistance is sought:
 - 1) That the Gambling (Fees) Regulations be amended to provide that no non-casino gaming machine fees are payable for any period affected by the restrictions.
 - 2) The following sections and provisions of legislation and regulation be suspended (or relief be given):
 - s 52(1)(c) of the Gambling Act 2003 – loss of Licence on financial viability grounds
 - s 52(1)(f) – loss of licence due to an inability to comply with regulatory requirements
 - s 53A(a) – obligation on societies to ensure the purpose of conducting gambling is to raise money for authorised purposes. Not appropriate when no primary revenue is being generated.
 - s 71(1)(g) – non-operating period surrender of Licence
 - s 79(1)(a) – surrender of Licence
 - Regs 10 & 11 of the Gambling (Class 4 Net Proceeds) Regulations – minimum amounts timing and distributions.
- This assistance is sought for a period of up to 20 days post a return to Alert Level 2 or lower. This will be required to prevent the pending collapse and preservation of the infrastructure and sustainability of the funding non-casino gaming machines generate for the community and the New Zealand economy.
- DIA stated on 27 March it will be implementing measures in the short term, to provide the Class 4 sector with some relief from financial and regulatory pressures. These are non-regulatory issues, and while a useful step, will not assist greatly.

What the sector provides

- Both the direct and indirect sector contribution to the well-being and economic benefit of millions of New Zealanders can be summed up by the circa baseline \$900 million per annum distributions of:
 - \$300 million for community funding annually
 - Benefits around 11,000 community organisations annually
 - Pays Duty and Taxes to the general pool of circa \$252 - \$280 million per annum
 - Provides around \$144 million to support the hospitality industry through venue payments.
- Tens of millions of annual funds contribute significantly to support employment for thousands of people engaged in the delivery of amateur sport alone.

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- Hundreds of millions of contributions to rebuilding and creating modern sporting infrastructure (as evident during the force majeure events over the past decade that New Zealand has suffered).
- Tens of millions annually provides uniforms, travel and accommodation to support participation on an equal basis throughout the country.

There are also material contributions to

- Health and Emergency Services spread throughout the country.
- Culture, Arts and Heritage along with other community agencies like Food Banks, Hospices and Starship Hospital.
- The hospitality industry through venue payments which contribute to the sustainability of some 900 venues, employing thousands of workers throughout New Zealand.

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TO: Minister for Sport and Recreation
DATE: 17 April 2020
SUBJECT: Covid-19: Recovery support for New Zealand's Professional Sports Clubs
FROM: Peter Miskimmin, Chief Executive
SENSITIVITY: In confidence

Covid-19: Recovery support for New Zealand's Professional Sports Clubs

Purpose

1. This paper seeks your approval to include New Zealand's Professional Sports Clubs in the Play, Active Recreation and Sport System Recovery Package Budget Bid to be submitted to Treasury next week.
2. A report detailing the impact Covid-19 is having on these Clubs, the associated implications and proposed support to be delivered to them is attached.

Some information contained in the report contains information that is subject to an obligation of confidence under section 2(ba) of the Official Information Act 1982.

Background

3. New Zealand's Professional Sports Clubs have been hit hard by the Covid-19 pandemic. Globally, there has been widespread cancellation or postponement of sporting events, including all leagues and competitions the New Zealand Professional Clubs participate in.
4. The Clubs approached you seeking Government support to ensure they remain viable until their respective competitions can restart and they are able to resume participating in them. In response, you requested specific advice from Sport NZ as to the position of these Clubs and recommendations as to whether the Government should provide any assistance to them.
5. Sport NZ has commissioned former New Zealand Rugby Chief Executive, Steve Tew, to assist in assessing the specific impact this situation is having on these Clubs and the associated implications. Sport NZ has worked closely with the Professional Clubs in undertaking this assessment.
6. We have also developed recommendations as to the support that could be provided to these Clubs to ensure they remain viable in the short-term and can continue to take part in their respective competitions when they return. A report detailing this assessment is attached.

7. The Clubs deemed to be within the scope of this work were:¹
- a. New Zealand Super Rugby Clubs (Blues, Chiefs, Hurricanes, Crusaders and Highlanders);
 - b. ANZ Premiership Netball Clubs (Mystics, Stars, Magic, Pulse, Tactix and Steel);
 - c. Wellington Phoenix (A-League);
 - d. New Zealand Breakers (Australian National Basketball League);
 - e. New Zealand Warriors (Australian National Rugby League); and
 - f. Auckland Tuatara (Australian Baseball League).

Covid-19 and New Zealand's Professional Sports Clubs

Impact to date

8. The Covid-19 pandemic and the global response to it has had a profound impact on New Zealand's Professional Sports Clubs and will continue to do so for months and possibly years to come.
9. The business of sport has essentially shut down both here and in Australia which has had an immediate impact on the Professional Clubs' balance sheets, with significant proportions of their revenue drying up almost overnight.
10. All Professional Clubs we spoke to have already taken immediate, significant and responsible action to mitigate Covid-19's impact. Those Clubs that were in season when restrictions were put in place (Super Rugby, ANZ Premiership Netball, the Wellington Phoenix and the New Zealand Warriors) have been impacted significantly harder than those who are out of season (the New Zealand Breakers and the Auckland Tuatara). All Professional Clubs we spoke to have taken up the Government wage subsidy.

Implications

11. The most significant direct implication for the Clubs is not generating any content for their broadcasters, which is putting their broadcast revenue at serious risk. All Professional Clubs generate a significant proportion of their revenue through the broadcasting of their content. In New Zealand, most of these deals are with Sky Television. Loss of sponsorship and match-day revenue will also have significant impact on their balance sheets.
12. This has left the Professional Clubs facing significant short-term cash flow issues, which puts some of them at serious risk of insolvency if at least some of this revenue does not return in the coming months.

¹ New Zealand domestic men's and women's cricket teams were originally included in the scope, however New Zealand Cricket has agreed these teams fall outside the immediate scope of this work given the structure of their competitions and the timing of their season meaning they have not yet been significantly impacted.

13. While all Clubs have put mitigations in place in response to this loss of revenue, and have generated some savings as a result, most Clubs are still forecasting significant financial losses as a direct result of Covid-19.
14. There is also the very real threat that many of the investments planned for the development of a women's component of these Professional Clubs will be at the least suspended for a significant period. There is also a general risk that if New Zealand teams drop out of Australian leagues because of the Covid-19 crisis, then reinstating them in those leagues will be very challenging, if not impossible in the short to medium term future.
15. All Professional Sports Clubs deliver direct benefits for their sport in terms of profile, visibility, community engagement, talent development. In addition, they deliver wider economic benefits to New Zealand in the form of job creation and significant business for the hospitality sector in particular. Sport NZ research also suggests the consumption of live sport provides direct well-being benefits to New Zealand.

Proposed support

16. New Zealand's Professional Sports Clubs play a critical role in New Zealand's wider sporting landscape and drive significant amounts of revenue that benefit the system at all levels.
17. For these reasons we are seeking your approval to include support for New Zealand's Professional Sports Clubs to be included in the Play, Active Recreation and Sport System Recovery Budget Bid to be submitted to Treasury next week. The extent of the support required will become clearer in the coming weeks once more is known about how sport can restart at the various alert levels.

Immediate financial relief sought by NZ Rugby, Netball NZ and Wellington Phoenix

18. NZ Rugby, Netball NZ and the Wellington Phoenix have indicated to us that they will likely require immediate financial relief in the current financial year to ensure their Professional Clubs remain viable until 1 July 2020 when any recovery package support would become available.
19. An initial assessment indicates up to \$4.6 million of immediate financial relief could be required to ensure these Clubs remain viable until 1 July 2020, on the assumption professional sport cannot return prior to 1 July 2020. This includes s9(2)(b)(ii) to Super Rugby Clubs, s9(2)(b)(ii) to Netball NZ and s9(2)(b)(ii) to the Wellington Phoenix.
20. Current forecasts suggest that without this relief funding, there is a very real risk the Clubs will be unable to remain viable until 1 July, putting their on-going participation in their respective competitions at risk.
21. If you agree, we will include this figure in the 2019/2020 financial year in our submission to Treasury, however once more is known about what activity can take place at Alert Levels One and Two and when New Zealand may enter these levels, we will re-assess the exact amount of immediate relief funding required by these Clubs.

22. If professional sport is able to return prior to 1 July 2020 and some revenue begins to flow back to the Clubs (or there is at least more certainty as to when this revenue will return), they may require less than the full \$4.6 million.

Other Professional Clubs

23. The New Zealand Warriors do not require immediate relief as they are confident they can remain viable until 1 July 2020, however they have indicated they will require government support via the recovery package to remain viable for the remainder of 2020 and beyond. Before 1 July 2020, the outcome of the Budget Bid process will be known and any support, should the Warriors require it, would come via the recovery package.

24. The New Zealand Breakers and Auckland Tuatara do not require immediate relief funding as they are able to remain viable while they are out of season. However, these Clubs may require support if their competitions are not able to commence in late 2020. If this is the case, this support will be delivered via the recovery package.

Longer-term recovery support

25. The attached report outlines longer-term recovery measures that should be considered and deployed where necessary via the wider Budget Bid recovery package from 1 July (subject to you approving the inclusion of the Professional Clubs in our recovery Budget bid). The required scale of these measures will depend on how and when the Professional Clubs are able to begin participating in their respective competitions again and whether the Clubs are able to remain viable until 1 July 2020 when any support would become available.

26. [Redacted text block containing multiple paragraphs of blacked-out content]

s9(f)(iv), s9(g)(ii)

Released under the Official Information Act 1982

s9(g)(i), s9(f)(iv)

Recommendations

27. It is recommended that you:

- a. **Agree** to include support for New Zealand's Professional Sports Clubs in the Play, Active Recreation and Sport System Recovery Budget Bid **Agree / Disagree**

AND

- b. **Agree** to the Bid including \$4.6 million in FY 2019/20 to provide immediate financial support to those Clubs, if required, with an assessment of the exact level of funding required (if any) to be made in early May once more is known about how and when professional sport may be able to return. **Agree / Disagree**

Peter Miskimmin
Chief Executive

Hon Grant Robertson
Minister for Sport and Recreation

CONTACT NAMES (for further discussion)

Name	Role	Telephone	1 st Contact
Peter Miskimmin	Chief Executive, Sport NZ	section 9(2)(a)	✓
section 9(2)(a)	Senior Policy Advisor, Sport NZ	section 9(2)(a)	



Background information: Online gambling

Provided to Minister's office on 1 May 2020

Purpose

1. This paper responds to Minister Martin's proposal to bring the timeline for the introduction of online gambling legislation forward from 2022 to 2020 given the trend toward increased online gambling driven by the application of Covid 19 Alert level restrictions.

Sport NZ's supports the government focus on online gambling and the need for this to be addressed with urgency

2. Sport NZ acknowledges the threat of increasing numbers of New Zealanders gambling with offshore agencies, and the resulting negative impact this will have on funds available for community initiatives (in addition to increasing the difficulties managing harm).
3. Health Promotion Agency research shows that 22% of those that have gambled online during the lockdown period have visited offshore gambling sites.. Sport NZ agrees that gambling with offshore providers may become habitual for New Zealand gamblers as they discover the breadth of product available, and the ease of use.
4. Sport NZ supports any measure to deter New Zealanders from gambling with offshore providers. In particular, we support limiting exposure to gambling advertising from offshore operators.
5. General harm messaging, as proposed, needs to be mindful of possible negative impacts on regulated gambling options in New Zealand.
6. Other options might include geo-blocking and restricting credit card and free public wifi use on offshore gambling sites.
7. Sport NZ also supports measures taken to ensure the regulated gambling product available to New Zealanders is sufficiently attractive.
8. While a balance needs to be struck between new forms of gambling and minimising gambling harm, the worst case scenario (and the issue at stake) is that New Zealanders increase their gambling with offshore agencies – resulting in gambling harm and no benefit to New Zealand communities (including funding for harm minimisation initiatives).

The need for a comprehensive review of online gambling remains

9. The online gambling review was exploring options to extend the gambling product offering within New Zealand. Sport NZ supports this work continuing, and while agreeing with urgency, questions whether a shortened process will impact this work.
10. Online gambling is becoming more accessible and attractive with advances in mobile technologies such as wireless Internet and cellular communications improvements. 5G

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wireless will soon become prevalent, which will enhance streaming speeds and the delivery of high definition visuals. It is also anticipated more online casino platforms will emerge, further driving improved player experience as a consequence of growing competition.

11. This suggests increasing numbers of people will gamble online. Indeed, the global online gambling market is expected to double in size over the next five years from the 2017 market capitalisation of \$73 billion to the 2024 market capitalization of \$150 billion¹.

Sport and recreation in New Zealand is highly reliant on the proceeds from gambling

12. The proceeds from gambling represents the most critical source of funds for community play, active recreation and sport, comprising approximately \$255m per annum. The proceeds from gambling comprises:

- Class 4 - \$170m (via \$150m from pubs, \$20m from clubs)
- Lotto - \$75m (via \$55m from LGB profits and \$20m through LGB committees)
- Sports betting - \$10m² (via commission payments to national sports organisations)
- Casinos - \$0.5m (via sponsorships).

13. Returning funds to play, active recreation and sport is an effective way for gambling agencies to demonstrate they are positively impacting New Zealand communities, (as is required under New Zealand's gambling regulatory regime). This includes improvements in the wellbeing of all New Zealanders.

Future distribution is a lens through which the sport and recreation sector will view options

14. Play, active recreation and sport benefits through the distribution of proceeds from the different forms of gambling in New Zealand. As a percentage of player losses in 2018, the returns to sport and recreation are:

- Class 4 – 19% (\$171m return/\$895m player losses)
- Sports betting - 16% (\$10m/\$62m)
- Lotto – 12% (\$65m/\$561m)
- Casinos – less than 1% (\$0.5m/\$578m)

15. Based on these calculations play, active recreation and sport benefits the most when Class 4 gambling increases, while there are negligible benefits from casino growth. Lotto is also a very important source of funding to sport and recreation, while the importance of sports betting is growing.

¹ Statista (2019)

² Anticipated to grow under current racing reforms



16. Given the importance of the proceeds from gambling to community play, active recreation and sport, future distribution is a critical lens through which our sector might consider options for change. This line of logic is heightened if you assume increases in one form of gambling come at the expense of other forms.
17. Increases to casino gambling or the introduction of new forms of gambling with comparatively inferior returns to 'community good' (including play, active recreation and sport) will not be supported by Sport NZ.

Uncertainty about future distributions makes definitive judgement on online options difficult

18. Using the above logic, Sport NZ would be interested in better understanding the impact of any proposed options on the Class 4 sector, lotto and sports betting. Will a shortened process allow for this?
19. In addition, distribution formulae from sports betting are still to be finalised as part of legislative changes to the racing industry, and distribution details from any new gambling products is unknown. Collectively, this uncertainty about future distributions makes definitive judgements on the proposals difficult.
20. The following table provide a summary of Sport NZ's view of each of the options using the future return to sport and recreation as the critical lens:

Options	Pros	Cons
1. Status quo Opposed	<ul style="list-style-type: none"> • Low compliance costs 	<ul style="list-style-type: none"> • Loss of NZ gamblers offshore • Decreased funds to community good
2. Extending products for Lotto and TAB Preferred option if Class 4 restrictions lifted	<ul style="list-style-type: none"> • More attractive to NZers • Known and trusted providers (modest compliance costs) • Reliable returns to sport/rec 	<ul style="list-style-type: none"> • Likely loss of Class 4 market share (and therefore funds to sport/rec)
3. Extending licenses to domestic operators Supported if no licence to casinos	<ul style="list-style-type: none"> • More attractive to NZers • Opportunity for reputable Class 4 operators to obtain licence • Possible increased funds to sport/rec 	<ul style="list-style-type: none"> • Higher compliance costs • Likelihood of Casinos obtaining licence
4. Extending licenses to domestic and offshore operators Opposed	<ul style="list-style-type: none"> • Possible increased funds to sport/rec 	<ul style="list-style-type: none"> • Loss of market share to operators that already distribute to sport/rec • Difficult to restrict options once licence has been granted • Higher compliance costs

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TO: Minister for Sport and Recreation
DATE: 5 May 2020
SUBJECT: Support for professional sports franchises
FROM: Peter Miskimmin
SENSITIVITY: In confidence

Support for professional sports franchises

Purpose

1. This briefing provides you with information about the support requested by professional sports franchises to help them recover from the impact of Covid-19. We have consulted with Treasury in the preparation of this briefing.

Some information contained in the report contains information that is subject to an obligation of confidence under section 2 (ba) of the Official Information Act 1982. The report also contains BUDGET SENSITIVE information.

Covid-19's impact on New Zealand's Professional Sports Franchises

2. For the purposes of this briefing, the professional franchises are: NZ Super Rugby Franchises, ANZ Netball Premiership Franchises, the New Zealand Warriors (Australian National Rugby League), the Wellington Phoenix (A-League Football), the Auckland Tuatara (Australian Baseball League) and the New Zealand Breakers (Australian National Basketball League).
3. The Covid-19 pandemic and the global response to it has had a significant impact on New Zealand's professional sports franchises and will continue to do so for months and possibly years to come.
4. The business of sport has essentially shut down both here and in Australia which has had an immediate impact on the professional franchises' balance sheets, with significant proportions of their revenue drying up almost overnight.
5. All professional franchises have already taken immediate, significant and responsible action to mitigate Covid-19's impact. Those franchises that were in season when restrictions were put in place (Super Rugby, ANZ Premiership Netball, the Wellington Phoenix and the New Zealand Warriors) have been impacted significantly harder than those who are out of season (the New Zealand Breakers and the Auckland Tuatara). All professional franchises have taken up the government wage subsidy.
6. The franchises approached you in March 2020 seeking government support to ensure they can remain viable until their respective competitions can restart. In response, you requested specific advice from Sport NZ as to the position of these franchises and

recommendations as to whether the Government should provide any assistance to them.

7. Sport NZ commissioned former New Zealand Rugby Chief Executive, Steve Tew, to assist in assessing the specific impact this situation is having on these franchises and the associated implications.
8. Sport NZ developed recommendations as to the support that could be provided to these franchises to ensure they remain viable in the short-term and can continue to take part in their respective competitions when they return. A report detailing this work and these recommendations was provided to you on 17 April 2020.

Implications

9. The most significant direct implication for the franchises is not generating any content for their broadcasters, which is putting their broadcast revenue at serious risk. All professional franchises generate a significant proportion of their revenue through the broadcasting of their content. In New Zealand, most of these deals are with Sky Television. Loss of sponsorship and match-day revenue will also have significant impacts on their balance sheets.
10. This has left the professional franchises facing significant short-term cash flow issues, which puts some of them at serious risk of insolvency if at least some of this revenue does not return in the coming months.
11. While all franchises have put mitigations in place in response to this loss of revenue, and have generated some savings as a result, most franchises are still forecasting significant financial losses as a direct result of Covid-19.
12. There is also the very real threat that many of the investments planned for the development of a women's component of these professional franchises will be at the least suspended for a significant period. There is also a general risk that if New Zealand teams drop out of Australian leagues because of the Covid-19 crisis, then reinstating them in those leagues will be very challenging, if not impossible, in the short- to medium-term future.
13. All professional sports franchises deliver direct benefits for their sport in terms of profile, visibility, community engagement and talent development. These franchises have an important role to play in the end to end pathway for many sports in New Zealand. If professional franchises do not survive then there will be an increased risk of players leaving for other countries with a resulting decline in the standard of New Zealand national teams. In addition, these professional franchises also deliver wider economic benefits to New Zealand in the form of job creation and significant business for the hospitality sector in particular. Sport NZ research also suggests that the consumption of live sport provides direct well-being benefits to New Zealanders (e.g. from the community pride and the inspiration that comes from supporting your local team and attending games with other fans).

Sport NZ is seeking funding in Budget 2020 to support professional sports franchises as part of a broader Recovery Package

14. Sport NZ has developed a Recovery Package to support the play, active recreation and sport system to recover from the impact of Covid-19. The Recovery Package is seeking \$264.6 million across five years for three Investment Outcomes that will provide an overarching framework to guide the assistance provided. The three Investment Outcomes that the Recovery Package is intended to achieve are:

- *Reset and Rebuild* - Providing relief, advice and support to help the sector get back on its feet - \$82.6 million
- *Strengthen and Adapt* - Building the capacity, capability and resilience of our sector - \$104 million
- *Different and Better* - Re-imagining the future through new approaches, ideas, technologies for improved well-being through play, active recreation and sport - \$78 million

15. While the Recovery Package is mainly focused on supporting community sport and recreation organisations to rebuild and recover from Covid-19, the Reset and Rebuild Investment Outcome also includes the following provision for supporting professional franchises:

- Phase One - 2019/20 financial year - \$4.6 million to support NZ Rugby, Netball NZ and Wellington Phoenix professional franchises to deal with the immediate financial impact of Covid-19 and remain financially viable until 1 July 2020
- Phase Two - 2020/21 financial year - up to s9(2)(b)(ii) (indicative figure only) for the proposed Performance Resilience Fund for bespoke assistance for professional franchises on a needs basis.

Phase One - 2019/20 financial year - Immediate financial relief of \$4.6 million sought by NZ Rugby, Netball NZ and Wellington Phoenix

16. Through the work undertaken by Steve Tew on behalf of Sport NZ, NZ Rugby, Netball NZ and the Wellington Phoenix have indicated that they will likely require immediate financial relief in the current financial year to ensure their professional franchises remain viable until 1 July 2020 when the bulk of the Recovery Package support will become available.

17. An initial assessment indicates up to \$4.6 million of immediate financial relief could be required to ensure these franchises remain viable until 1 July 2020 (assuming professional sport cannot return prior to 1 July 2020). This includes s9(2)(b)(ii) to Super Rugby Franchises, s9(2)(b)(ii) to Netball NZ and s9(2)(b)(ii) to the Wellington Phoenix.

18. Current forecasts suggest that without this relief funding, there is a very real risk the franchises will be unable to remain viable until 1 July 2020, putting their on-going participation in their respective competitions at risk.

19. Once more is known about what activity can take place at Alert Levels One and Two and when New Zealand may enter these levels, we will re-assess the exact amount of immediate relief funding required by these franchises.

20. If professional sport is able to return prior to 1 July 2020 and some revenue begins to flow back to the franchises (or there is at least more certainty as to when this revenue will return), they may require less than the full \$4.6 million.

Phase Two - 2020/21 financial year – Up to s9(2)(ba)(i) for a Performance Resilience Fund as part of the Reset and Rebuild Investment Outcome in the Recovery Package

21. Sport NZ is proposing to establish a Performance Resilience Fund as part of the Reset and Rebuild Investment Outcome in its Recovery Package. There would be two components to this fund:

- support for Olympic and Paralympic high-performance athletes for any additional costs from HPSNZ relating to preparations for the rescheduled Olympics and Paralympics s9(2)(ba)(i) in the 2020/21 financial year
- bespoke assistance based on need for professional franchises to assist them to reboot their competitions and reshape future formats - up to s9(2)(ba)(i) in the 2020/21 financial year

22. Sport NZ has provisionally allocated s9(2)(ba)(i) for bespoke assistance for professional franchises out of the \$78 million from the Reset and Rebuild Investment Outcome in the 2020/21 financial year. This allocation of funding is indicative only at this stage. Any assistance provided from this fund would be based on working individually with each of the franchises to develop bespoke solutions that provide certainty about their operational sustainability going forward. Because of the bespoke nature of this assistance we cannot be certain about the overall assistance that may be required at this stage.

Professional franchises will be expected to have sought assistance from existing government schemes before any bespoke assistance is provided

23. As noted earlier, all professional franchises have already taken up the government's wage subsidy scheme. Professional franchises will also be expected to demonstrate that they have explored other government Covid-19 related funding avenues (e.g. the Business Finance Guarantee Scheme¹ loan scheme) as well as having explored other options with their existing funders (e.g. banks) before any assistance is provided. However, limits to these forms of assistance (e.g. the Business Finance Guarantee Scheme has a limit of \$500,000 per loan) mean that it is likely that the professional franchises will still require additional assistance.

24. Before receiving government funding, we would also expect these organisations to demonstrate that their existing business models are sustainable and appropriate for the current environment (e.g. that costs, including for corporate overheads, are being kept to a minimum).

Final decisions about extra assistance for professional franchises will be made through the Budget 2020 process on Monday 11 May

¹ <https://www.business.govt.nz/covid-19/business-finance-guarantee-scheme/>

25. We understand that final decisions about any Covid-19 related assistance for professional franchises will be made on Monday 11 May prior to any public announcements as part of Budget 2020 on Thursday 14 May. Once we have clarity about the funding that will be available in Budget 2020 we will work with your office to ensure that you have any communication material that you may require for Budget 2020 announcements.

Recommendation

26. It is recommended that you:

- a. **Note** that while Sport NZ's Recovery Package is mainly focused on supporting community sport and recreation organisations to rebuild and recover from Covid-19, the Package also includes funding of up to **section 9(2)(b)(i)** to help professional sports franchises survive the disruption caused by Covid-19

Noted

- b. **Note** that final decisions about the funding that will be provided in the Recovery Package are expected to be made by Cabinet on Monday 11 May with any assistance provided expected to be announced in Budget 2020 on Thursday 14 May.

Noted

Peter Miskimmin
Chief Executive

Hon Grant Robertson
Minister for Sport and Recreation

CONTACT NAMES *(for further discussion)*

Name	Role	Telephone	1st Contact
Alice Hume	Manager Policy	section 9(2)(a)	✓
Peter Miskimmin	Chief Executive Sport NZ	section 9(2)(a)	

Professional Clubs Relief Funding Update



Provided to Minister's office on 27 May 2020

Background

Some information contained in the report contains information that is subject to an obligation of confidence under section 2 (ba) of the Official Information Act 1982.

1. Sport New Zealand has previously reported on New Zealand's Professional Sports Clubs to assess their need for financial support due to of Covid-19.
2. The Professional Sports Clubs initially indicated a total of \$4.6 million of Relief Funding was necessary in the immediate-term (ie, prior to 1 July 2020). Based on this, Sport New Zealand requested, and received, \$4.6m of funding for the 2019/20 financial year as part of the Budget 2020 process.
3. Since this funding was confirmed, Sport New Zealand has sought updated statements of operational and financial positions from each of the Professional Clubs who expressed immediate need for financial support during the original consultations.
4. This aide memoire outlines the update process, as well as the proposal for allocation of financial assistance to each of the Clubs.

Update Process

5. Sport New Zealand developed a series of questions which were sent to the governing bodies of the Professional Clubs who expressed immediate need for financial support during initial consultations – Netball New Zealand (NNZ), New Zealand Rugby (NZR), The New Zealand Warriors (The Warriors), and The Wellington Phoenix (The Phoenix).
6. Sport New Zealand then scheduled individual meetings with each party, during which each party updated Sport New Zealand on their financial and operational positions.
7. Clubs identified their intentions for utilising any financial support they may receive from Sport New Zealand and provided updated financial information to justify their level of need and intentions. Sport New Zealand has collated and summarised the findings of these updates (Appendix 1).
8. During the update process, it became clear and material that – contrary to original

perceptions – The Warriors require immediate financial support.

Allocation Scheme

9. Sport New Zealand propose the following Allocation Scheme for the distribution of Relief Funding to support the Professional Clubs.

Professional Club	Amount Requested (\$000's)	Proposed Support (\$000's)
ANZ Premiership Netball Clubs (NNZ)	s9(2)(b)(ii), s9(2)(ba)(i)	2,200
Super Rugby Clubs (NZR)		1,250
New Zealand Warriors		200
Wellington Phoenix		950
TOTAL		4,600

10. The ANZ Premiership, Super Rugby and Wellington Phoenix Clubs initially requested \$4.6 million of financial support, with The Warriors originally not requiring immediate assistance.
11. The flow-on effects of recent events – most notably the requirement to base all playing-related operations in Australia – mean The Warriors now require immediate assistance.
12. The proposal is to slightly reduce the Relief Funding provided to the ANZ Premiership Clubs and The Phoenix to provide some support The Warriors.
13. Allocated Relief Funds are communicated to each Club as stated in the attached letters (Appendix 2).
14. In the case of the privately-owned New Zealand Warriors and Wellington Phoenix Clubs, allocated relief funds are to be provided through New Zealand Rugby League (NZRL) and New Zealand Football (NZF), respectively.
15. Relief Funds are untagged but are to be spent in accordance with Clubs' costings and spending intentions, as set out in an Investment Schedule which to accompany each letter. The Investment Schedules are not attached in appendix 2 but can be provided on request.
16. Further support from Sport New Zealand to the Professional Clubs will be directly tied to delivering improvement to the play, sport and active recreation sector in accordance with Sport New Zealand's strategic objectives.

Communications Approach

17. Sport NZ intends to make an announcement regarding this funding, likely on Tuesday 2 June 2020, once the funding is confirmed with the Clubs. A draft press release is attached (Appendix 3).

18. The press release will be updated to include comment from each of the Clubs receiving funding once we have confirmed the funding with them. We will provide you with a final version of the press release prior to release on Tuesday. We will also provide you with talking points relating to this announcement.

Released under the Official Information Act 1982

Appendix 1 – Update Process Summary

It is evident from all update conversations that Relief Funding is both badly needed and very much appreciated; all Clubs are working very hard to survive.

ANZ Premiership Clubs & Netball New Zealand (NNZ)

NNZ evidence that significant reductions in operational costs, capacity, capability and revenue generation continue to affect netball at both the national and regional level, including each of the six ANZ Premiership Clubs. NNZ are in much the same position as when originally consulted in April 2020, and are still forecasting a combined Club costs and revenue losses of \$2.34 million.

Both NNZ and the Clubs remain viable and solvent through the above measures, though NNZ are now operating the Tactix Club due to the liquidation of Netball Mainland. NNZ maintain that they are in need of s9(2)(ba)(i), with assurances that NNZ will direct the majority of this funding towards providing operational support for Clubs to be able to compete in and produce the ANZ Premiership.

s9(2)(b)(ii), s9(2)(ba)(i), s9(g)(i)

NNZ have exhausted all revenue streams. Both bank and Government loans are impractical for NNZ; NNZ's revenue projections, balance sheet and lack of assets make loan procurement serviceability unrealistic. s9(2)(b)(ii), s9(2)(ba)(i).

NNZ are both open-minded and proactive in considering how funding assistance may be used to both ensure Clubs remain viable in the short-term, and to fuel significant improvements in the structuring and delivery of the (professional) sport system moving forward.

The situation for NNZ and the ANZ Premiership Clubs justifies the emergency relief anticipated in the package and that they have explored all options for cost reduction and revenue generation.

Super Rugby Clubs & New Zealand Rugby (NZR)

NZR confirmed that significant work has been undertaken at a national level as well as at each of the five professional Super Rugby Clubs.

The key is that NZR confirm that through significant cost cutting, debt and capital calls being made and the planned staging of Super Rugby Aotearoa (SRA), both NZR and the five clubs remain viable and solvent. The solvency of the clubs was a condition of the emergency funding previously allocated by NZR. They are also able to confirm that the need for the s9(2)(b)(ii) /Club) remains urgent and very real.

NZR is now projecting [REDACTED] loss for the year, with a worst case scenario producing a loss of [REDACTED]. Furthermore, the Clubs – while all slightly different – are all forecasting significant losses despite the measures that have been put in place. NZR are more confident around the assumptions being fed into their forecast as the cost savings have been bedded in.

NZR will benefit from advance payments from World Rugby, but they are in the form of a loan. All five clubs have also maximised all their potential loan facilities, so the support from Sport New Zealand in this instance is not helpful if it is by way of a loan which would simply further increase debt ratios.

NZR explained that while the staging of SRA is positive, NZR are still in complex negotiations with Sky and their SANZAAR partners concerning TV rights and both revenue and cost distribution. NZR confirm that as this support is going directly to clubs (via NZR) it will not involve SANZAAR and is not captured as Player Generated Revenue.

The situation for NZR and its clubs justifies the emergency relief anticipated in the package and that they have explored all options for cost reduction and revenue generation.

The New Zealand Warriors (The Warriors)

The Warriors are in a slightly worse position than originally indicated. The Warriors worsened position is due mostly to the costs and weakened revenue generation position resulting from now being based in Australia; The Warriors originally flagged having to base themselves in Australia as the single biggest risk to their viability, with this risk now having fully materialised.

The Warriors have engaged in significant cost reductions through the cutting of secondary programmes and salary reductions and use of the Government wage subsidy, though their game-specific staff are being compensated for their relocation to Australia and their return to a 100% workload. [REDACTED] s9(2)(b)(ii), s9(2)(ba)(i)

Increasing demands for the refunding of sponsorships and memberships compound The Warriors' present inability to generate revenue. Moreover, the costs of competing in the NRL and staging matches in Australia will generate further losses for The Warriors. Accordingly, The Warriors project negative cashflows of [REDACTED] s9(2)(b)(ii), s9(2)(ba)(i)

The Warriors deem a Government or private bank loan as unhelpful and unrealistic at this time given the Club's balance sheet and lack of assets. Furthermore, The Warriors' owners Autex Industries confirm they are unable to provide the Club financial assistance. The Warriors are also currently not receiving any funding from the NRL as a broadcast agreement is yet to be established.

The Warriors are proactive and open towards approaches for better alignment to the delivery of end-to-end delivery of rugby league in New Zealand, and will be contacting NZRL to consider options for collaboration.

The situation for The Warriors and justifies emergency relief; The Warriors have explored all options for cost reduction and revenue generation.

The Wellington Phoenix (The Phoenix)

The Phoenix are in a slightly worse position than when originally consulted. The Phoenix have ceased all secondary operations, including the operation of their Academy programme and their case for the establishment of a women's team.

s9(2)(b)(ii), s9(2)(ba)(i)

Moreover, The Phoenix's owners – Welnix – have already contributed a \$500,000 loan to The Phoenix, of which \$250,000 was Covid-19 related. Welnix are unable to contribute any further funding, and the Club will run out of cash at the end of May if the current financial climate holds. The Phoenix view a loan facility as impractical.

The Phoenix are confident in remaining viable if getting through the short-term, though, with their ultimate goal being the securing of an ownership stake in the A-League – of which establishing a women's team is a pre-requisite.

The Phoenix are open to developing closer relationships with NZF, particularly regarding the end-to-end delivery of the football, though Sport New Zealand stress that any immediate relief provided to The Phoenix will pass through NZF caveat-free. Furthermore, The Phoenix are open to working collaboratively to better deliver (professional) sport across New Zealand as a whole, but particularly within the Wellington region.

Appendix 2 – Letters to be sent to Professional Clubs

Letter to NZ Rugby

Kia ora Mark,

I am writing to confirm that Sport New Zealand (Sport NZ) is able to provide New Zealand Rugby (NZR) with immediate relief funding of \$1,250,000 to support the five New Zealand Super Rugby Clubs. This amount is based on the submissions you have made to Sport NZ on behalf of the Clubs. I ask that you please sign and return the attached Investment Schedule as soon as possible so this funding payment can be processed promptly.

This support recognises the important role professional rugby and your Super Rugby Clubs play in the end to end New Zealand rugby pathway and the immense challenges that you and the Super Rugby Clubs face due to the COVID-19 crisis.

This relief funding is provided to you on the following basis:

- the funding will be passed directly onto the five Super Rugby Clubs by Wednesday 3 June 2020, for the Clubs to spend as outlined in the attached Investment Schedule;
- that you provide written assurance to us that you remain confident that the combination of this support, the relief funding NZR has already provided and the other mitigating measures that have been put in place will help secure the solvency of all five Super Rugby Clubs and enable them to participate in Super Rugby Aotearoa in 2020 and be in a position to participate in future Super Rugby competitions; and
- like all Government funding, this relief funding may be subject to audit assurance work in the future.

For clarity, this funding agreement is between Sport NZ and NZR and as such we will hold NZR accountable for any and all aspects of this funding.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment and how NZR can best apply for and access this further funding.

We acknowledge the important role rugby plays in communities across the country and for our national and regional economies. We also understand the impact that COVID-19 has had on rugby and the support you need to help secure rugby's future at all levels.

We equally understand the opportunity COVID-19 and the Government's Sport Recovery Package provides organisations like NZR to reimagine your future and address many historical issues and challenges to ensure rugby is delivered in a fit for purpose manner and can thrive into the future.

To this end, this immediate relief funding and any further Government Sport Recovery Package

funding will come with greater expectations of change and agreed short and long-term outcomes. In your case, we expect these to relate to (but not be limited to):

- support for the growth of women and girls' rugby, including a sustainable model for the women's professional game in New Zealand;
- support for a comprehensive men's and women's Sevens programme and Tokyo 2021 Olympic campaign;
- investment in the delivery of a successful 2021 Rugby World Cup; and
- further reforms at all levels of your game.

We look forward to working with you to agree what those outcomes might be.

We also wish to confirm that at this stage we have not had any direct communication with your players, their union or representatives. We believe this is a matter for you, if you deem it appropriate. We will however need to give further consideration to how players and their representatives are consulted in the next phase.

Once again thank you for all your efforts to keep your sport and stakeholders in the game over this extraordinary time.

Ngā mihi

Pete Miskimmin

Letter to NZ Netball

Kia ora Jennie,

I am writing to confirm that Sport New Zealand (Sport NZ) is able to provide Netball New Zealand (NNZ) with immediate relief funding of \$2,200,000 to support the ANZ Premiership and its Clubs. This amount is based on the submissions you have made to Sport NZ on behalf of NNZ and the ANZ Premiership Clubs. I ask that you please sign and return the attached Investment Schedule as soon as possible so this funding payment can be processed promptly.

This support recognises the important role the ANZ Premiership and professional netball play in the end to end New Zealand netball pathway and the immense challenges that you and the ANZ Premiership Clubs face due to the COVID-19 crisis.

This relief funding is provided to you on the following basis:

- it will be spent as outlined in the attached Investment Schedule, with a portion to be provided directly to the Clubs by Wednesday 3 June 2020;
- that you provide written assurance to us that you remain confident that the combination of this support and the other mitigating measures that have been put in place will help secure the solvency of the ANZ Premiership Clubs and enable them to participate in the reshaped 2020 ANZ Premiership;
- like all Government funding, this relief funding may be subject to audit assurance work in the future.

For clarity, this funding agreement is between Sport NZ and NNZ and as such we will hold you accountable for any and all aspects of this funding.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment and how NNZ can best apply for and access this further funding.

We acknowledge the important role netball plays in communities across the country and for our national and regional economies. We also understand the impact that COVID-19 has had on netball and the support you need to help secure netball's future at all levels.

We equally understand the opportunity COVID-19 and the Government's Sport Recovery Package provides organisations like NNZ to reimagine your future and address many historical issues and challenges to ensure netball is delivered in a fit for purpose manner and can thrive into the future.

To this end, this immediate relief funding and any further Government Sport Recovery Package funding will come with greater expectations of change and of agreed short and long-term outcomes. In your case, we expect these to relate to (but not be limited to) the development of a sustainable model for the game of netball, at all levels.

We look forward to working with you to agree what those outcomes might be.

We also wish to confirm that at this stage we have not had any direct communication with your players, their union or representatives. We believe this is a matter for you, if you deem it appropriate. We will however need to give further consideration to how the players and their representatives are consulted in the next phase.

Once again thank you for all your efforts to keep your sport and stakeholders in the game over this extraordinary time.

Ngā mihi

Pete Miskimmin

Released under the Official Information Act 1982

Letter to the Phoenix

Kia ora Rob and David,

I am writing to confirm that Sport New Zealand (Sport NZ) is able to provide The Wellington Phoenix (The Phoenix) – through New Zealand Football (NZF) – with immediate relief funding of \$950,000. That sum, which will be paid to NZF in the coming days, is based on the submissions you have made to Sport NZ.

This support recognises the important role The Phoenix play in the end to end New Zealand football pathway and the immense challenges that your club faces due to the COVID-19 crisis.

This relief funding is provided to you on the following basis:

- this relief funding will be spent as outlined in the attached Investment Schedule to be signed by NZF;
- that you provide written assurance to us that you remain confident that the combination of this support and the other mitigating measures that have been put in place will help secure the solvency of The Phoenix and enable the Club to participate in the A-League upon its return; and
- like all Government funding, this relief funding may be subject to audit assurance work in the future.

I have also written to NZF confirming this relief funding and my expectation that it is to be released to you in full by Wednesday 3 June 2020 so you can spend it in the manner outlined in the attached Investment Schedule.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment. We expect you to work in close alignment with NZF in this next phase. Any further support for the Phoenix and football will come with greater expectations and obligations relating to the growth and development of the sport of football in New Zealand, particularly for women and girls.

We also wish to confirm that at this stage we have not had any direct communication with your players, their union or representatives. We believe this is a matter for you and NZF, if you deem it appropriate.

Once again thank you for all your efforts to keep your sport and stakeholders in the game over this extraordinary time.

Ngā mihi

Pete Miskimmin

Letter to New Zealand Warriors

Kia ora Cameron,

I am writing to confirm that Sport New Zealand (Sport NZ) is able to provide The New Zealand Warriors (The Warriors) – through New Zealand Rugby League (NZRL) – with immediate relief funding of \$200,000. That sum, which will be paid to NZRL in the coming days, is based on the submissions you have made to Sport NZ.

This support recognises the important role The Warriors play in the end to end New Zealand rugby league pathway and the immense challenges that your club faces due to the COVID-19 crisis.

This relief funding is provided to you on the following basis:

- this relief funding will be spent as outlined in the attached Investment Schedule to be signed by NZRL;
- that you provide written assurance to us that you remain confident that the combination of this support and the other mitigating measures that have been put in place will help secure the solvency of The Warriors and enable the Club to participate in the 2020 NRL Telstra Premiership; and
- like all Government funding, this relief funding may be subject to audit assurance work in the future.

I have also written to NZRL confirming this relief funding and my expectation that it is to be released to you in full by Wednesday 3 June 2020 so you can spend it in the manner outlined in the attached Investment Schedule.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment. We expect you to work in close alignment with NZRL in this next phase. Any further support for the Warriors and rugby league will come with greater expectations and obligations relating to the growth and development of the sport of rugby league in New Zealand, particularly for women and girls.

We also wish to confirm that at this stage we have not had any direct communication with your players, their union or representatives. We believe this is a matter for you and NZRL, if you deem it appropriate.

Once again thank you for all your efforts to keep your sport and stakeholders in the game over this extraordinary time.

Ngā mihi

Pete Miskimmin

Letter to NZ Football

Kia ora Andrew,

As you know Sport New Zealand (Sport NZ) has been working with The Wellington Phoenix (The Phoenix) and other Professional Sports Clubs to ascertain the immediate and long-term implications of the COVID-19 crisis on their financial and operational futures.

I am pleased to be able to inform you that Sport NZ is able to provide The Phoenix with immediate relief funding of \$950,000, based on the discussions we have had with them.

This relief funding recognises the important role The Phoenix play in the end to end New Zealand football pathway and the immense challenges they face as a result of the COVID-10 crisis..

This relief funding will be channeled through New Zealand Football (NZF). I ask that you please sign and return the attached Investment Schedule as soon as possible so this funding payment can be processed promptly. It is our expectation that this payment will be passed on to The Phoenix in full by Wednesday 3 June 2020. Please advise Sport NZ no later than close of business Friday 29 May if such payment cannot be achieved.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment and how NZF can best apply for and access this further funding. We expect you to work in close alignment with The Phoenix in this next phase.

We acknowledge the important role football plays in communities across the country and for our national and regional economies. We also understand the impact that COVID-19 has had on football and the support you need to help secure football's future at all levels.

We equally understand the opportunity COVID-19 and the Government's Sport Recovery Package provides organisations like NZF to reimagine your future and address many historical issues and challenges faced to ensure football is delivered in a fit for purpose manner and can thrive into the future.

To this end, any further Government Sport Recovery Package funding will come with greater expectations of change and of agreed short and long-term outcomes. In your case, we expect these to relate to (but not be limited to) support for a sustainable women's professional game in New Zealand, including the establishment of a women's Phoenix team to compete in the W-League.

We look forward to working with you to agree what those outcomes might be.

We also wish to confirm that at this stage we have not had any direct communication with the Phoenix players, their union or representatives. We believe this is a matter for you and the Phoenix, if you deem it appropriate. We will however need to give further consideration to how players and their representatives are consulted in the next phase.

Nga mihi
Pete Miskimmin

Letter to NZ Rugby League

Kia ora Greg,

As you know Sport New Zealand (Sport NZ) has been working with The New Zealand Warriors (The Warriors) and other Professional Sports Clubs to ascertain the immediate and long-term implications of the COVID-19 crisis on their financial and operational futures.

I am pleased to be able to inform you that Sport NZ is able to provide The Warriors with immediate relief funding of \$200,000 based on the discussions we have had with them.

This support recognises the important role The Warriors play in the end to end New Zealand rugby league pathway and the immense challenges they face due to the COVID-19 crisis.

This relief funding will be channeled through New Zealand Rugby League (NZRL). I ask that you please sign and return the attached Investment Schedule as soon as possible so this funding payment can be processed promptly. It is our expectation that this payment will be passed on to The Warriors in full by Wednesday 3 June 2020. Please advise Sport NZ no later than close of business Friday 29 May if such payment cannot be achieved.

As you are aware, this immediate relief funding is just the first part of a more comprehensive package of support that Sport NZ will be providing to the play, active recreation and sport sector courtesy of the funding allocated from Budget 2020.

We look forward to confirming the process and timeline we will follow to distribute this wider investment and how NZRL can best apply for and access this further funding. We expect you to work in close alignment with The Warriors in this next phase.

We acknowledge the important role rugby league plays in communities across the country and for our national and regional economies. We also understand the impact that COVID-19 has had on rugby league and the support you need to help secure rugby league's future at all levels.

We equally understand the opportunity COVID-19 and the Government's Sport Recovery Package provides organisations like NZRL to reimagine your future and address many historical issues and challenges to ensure rugby league is delivered in a fit for purpose manner and can thrive into the future.

To this end, any further Government Sport Recovery Package funding will come with greater expectations of change and of agreed short and long-term outcomes. Any further support for the Warriors and rugby league will come with greater expectations and obligations relating to (but not limited to) the growth and development of the sport of rugby league in New Zealand, particularly for women and girls.

We look forward to working with you to agree what those outcomes might be.

We also wish to confirm that at this stage we have not had any direct communication with The Warriors' players, their union or representatives. We believe this is a matter for you and The Warriors, if you deem it appropriate. We will however need to give further consideration to how players and their representatives are consulted in the next phase.

Ngā mihi
Pete Miskimmin

Press Release



[Date TBC]

Sport NZ provides \$4.6 million in financial relief to professional clubs

Sport NZ has provided a total of \$4.6 million to The Wellington Phoenix, The New Zealand Warriors, Super Rugby and ANZ Premiership Clubs to ease the financial impact of COVID-19. This is the first release of investment from the \$265 million Sport Recovery Package announced as part of Budget 2020, with this being the only allocation available for release before 1 July.

The purpose of this funding is to provide immediate financial relief to help keep these Clubs viable and to assist with costs required to get their competitions back up and running.

Netball NZ will receive \$2.2 million for its six ANZ Premiership teams, The Wellington Phoenix \$950,000, The New Zealand Warriors \$200,000 and \$250,000 will go to each of New Zealand's five Super Rugby Clubs.

"Professional sport franchises do not typically receive government investment, but in the Sport Recovery Package we have an opportunity to provide relief to wider organisations such as these who are also critical to our system," says Sport NZ CEO Peter Miskimmin.

"They have exhausted other financial options and we need professional sport to get through COVID-19. These teams entertain, unite communities, inspire young people and provide important pathways for promising sportspeople."

[Quote from Netball NZ]

[Quote from NZ Rugby]

[Quote from Wellington Phoenix]

[Quote from NZ Warriors]

Other teams engaged as part of this work included The New Zealand Breakers and The Auckland Tuatara, but as these teams are currently out of season they have not been impacted as significantly as those in season when the COVID-19 crisis hit. Sport NZ will continue to work with these teams to determine what support they may require moving forward.

Sport NZ is also providing immediate relief to grassroots sport through its \$15 million Community Fund. Applications for this remain open through the network of 14 regional sports trusts, with \$1,000 available for clubs and \$40,000 for regional bodies. There will be further relief for grassroots sport from 1 July through the Sport Recovery Package.

"Play, active recreation and sport and recreation are key to maintaining individual health and wellbeing, bringing

our communities together and keeping these communities strong,” says Peter Miskimmin.

“It is vital that organisations at all levels of our sector remain viable and that’s why it is critical we are able to provide immediate financial relief.”

ENDS

Notes to Editors

More information of the financial support already provided by Sport NZ to ease the impact of COVID-19 can be found [here](#).

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Implementation of Recovery Package



Provided to Minister's office on 5 June 2020

To	Minister for Sport and Recreation
Date	5 June 2020
Subject	Implementation of Recovery Package
From	Peter Miskimmin
Sensitivity	In Confidence

Purpose

1. This briefing provides and update on Sport NZ's:
 - plans for the implementation of the Recovery Package for the play, active recreation and sport system and
 - progress in implementing the \$25 million Sector Support Package.

The \$264.6m million Recovery Package will deliver three investment outcomes

2. The Recovery Package is based on achieving three investment outcomes:
 - Reset and Rebuild – \$82.6 million to provide relief, advice and support to help the sector get back on its feet.
 - Strengthen and Adapt – \$104 million to fund organisations to make the changes they need to operate successfully in the post-pandemic environment (e.g. supporting structural or organisational changes, mergers, synergy and shared services opportunities, new operating models, innovations etc).
 - Different and Better – \$78 million to re-imagine the future through new approaches, ideas, technologies for improved well-being through play, active recreation and sport.

We have developed a funding framework to support the implementation of the Recovery Package...

3. We have been working with the Centre for Social Impact (CSI) to develop a funding framework to underpin the Recovery Package. The framework is based on achieving the

three investment outcomes outlined above using a variety of different funding mechanisms. A copy of the funding framework is attached to this briefing for your information. This sets out in more detail the funding approach we will be using, including the principles that we will be using in our engagement with individuals and organisations across the sector and beyond.

4. While we have clear investment outcomes and will be able to report on the funding attributed to each investment outcome, we are not considering each investment outcome as a discrete pot of money. Instead, a range of approaches will be used depending on the support that is most appropriate in each case to achieve the relevant investment outcome. For example, in some areas of the play, active recreation and sport system, we may make a single investment to a particular NSO for them to use across their organisation and network to achieve all three investment outcomes. In this example, the single investment would provide the short-term support that was needed (Reset and Rebuild), support any required restructuring and reshaping of key organisations so they are better suited to the future environment (Strengthen and Adapt) and support the implementation of new approaches to delivering physical activity opportunities to priority groups such as women and girls and those with disabilities (Different and Better). The expected funding that would be attributed to each outcome would be clearly set out in the contractual documentation that would accompany any investment. In other areas of the play, active recreation and sport system, a range of investments across a number of organisations may be required to achieve all three of the investment outcomes.
5. This approach will give us the flexibility to work closely with specific organisations and areas of the play, active recreation and sport system so we can tailor the type of assistance that is required while still retaining clear oversight of the outcomes that the funding is intended to achieve.

...and are rapidly progressing work to build our capability to manage a broad and diverse portfolio of investments

6. The \$264.6 million invested in the Recovery Package is the largest amount of funding that Sport NZ has ever had to invest. To ensure that this funding achieves the greatest impact, Sport NZ is rapidly developing its capability to manage a significant portfolio of investments at the same time as developing proposals for specific funds to be administered within the Recovery Package. In the first instance this involves redirecting activity and committing internal resources to support work on the Recovery Package and manage the delivery of the new funding activity. Exact resource costs will depend on the balance between internal and external capacity, and the use of cross-sector collaboration and intermediary bodies. The resource costs for management and delivery of the various funding mechanisms we use across the three investment outcomes will likely include capacity building, technical support, and evaluation.
7. It is possible that Sport NZ will require some additional resource to ensure it has the necessary expertise and capability to successfully implement the Recovery Package. Subject to your agreement and that of other relevant Ministers, we anticipate that any additional resource required could be funded out of the \$264.6 million. We will report back

to you once we have a better understanding of the nature, and cost, of any additional resource that may be required.

8. In the short-term we have accelerated already planned work with the Centre for Social Impact on how to develop a more mature funds management approach that can ensure that we successfully manage a broader and more diverse range of investments to achieve the greatest social impact.
9. Through this work we have developed the attached funding framework and are now focusing on establishing our commissioning and governance structures, and engagement and communication plans to support the implementation of the Recovery Package.
10. Alongside this, we are developing our plans for the funds and criteria that will form the first tranche of the Recovery Package to be available from 1 July 2020.

\$4.6 million has already been provided to professional franchises to help them survive until 1 July 2020...

11. As you are aware, \$4.6 million has now been paid out to a number of professional franchises as follows:
 - \$1.25 million to NZ Rugby to support the five Super Rugby franchises
 - \$2.2 million to Netball NZ to support to support the running of the ANZ Premiership Netball League and its teams
 - \$0.95 million to Football NZ to support the Wellington Phoenix
 - \$0.2 million to New Zealand Rugby League to support The Warriors
12. These funds were paid and the accompanying letters of expectations sent to the relevant organisations on Friday 29 May.

...and we are now focused on developing the assistance that will be available in the first tranche of the Recovery Package from July 2020

13. We are focusing our efforts on developing funds that will provide the assistance that is most needed and will have an immediate impact from 1 July 2020. In the development of these funds, we are using feedback and data from implementing the \$25 million Sector Support Package and our ongoing engagement with sector partners as well as Active NZ survey results and other in-house evidence sources.
14. The scale and nature of the assistance, and associated eligibility criteria, that will form the first tranche of the Recovery Package will be confirmed at the Sport NZ Board meeting on 18 June 2020 before we seek your approval and the approval of the Associate Minister of Finance.
15. We expect that the bulk of the funding that will be available in the first tranche of the Recovery Package from July will be used to support the Reset and Rebuild investment outcome. However, some may also be tagged to the Strengthen and Adapt outcome where 'early adopters' are ready to progress a re-organisation or restructure in the short-term. We will also ensure that we are able to fund any proposals that emerge in the coming weeks

and months for innovative ways to deliver physical activity to priority groups.

We intend to engage closely with the sector and beyond on how best to deliver the Strengthen and Adapt and Different and Better investment outcomes

16. We know that we have a rare opportunity to reshape the play, active recreation and sport sector in New Zealand and ensure that it is positioned to deliver positive wellbeing outcomes for all New Zealanders. While some 'Strengthen and Adapt' and 'Different and Better' funding may be made available to 'early adopters', we expect that the bulk of the funding related to these two investment outcomes will be invested in the medium-longer term.
17. It is key that we fully understand the impact that Covid-19 has had on the play, active recreation and sport landscape before we commit to the far-reaching structural reforms that the Recovery Package has given us the opportunity to make. To do this we intend to engage closely with our existing partners to help them develop and implement their plans for how they can successfully operate in the post-pandemic environment while also engaging more broadly beyond our existing partners to develop new relationships and understand the contribution that 'non-traditional' organisations make to helping all New Zealanders access the wellbeing benefits of participating in play, active recreation and sport.

Achieving the Strengthen and Adapt investment outcome

18. The Strengthen and Adapt investment outcome will support organisations to make the changes they need to operate successfully in the post-pandemic environment (e.g. supporting structural and organisational changes, mergers, synergy and shared services opportunities, new operating and service delivery models, innovations, diversifying income, improving efficiency and self-sufficiency and increasing sustainability etc).
19. We are currently engaging with our Regional Sports Trust (RST) and National Sports Organisation (NSO) partners to discuss their core funding for the 2020/21 financial year. As part of these discussions we will be exploring the thinking, and readiness, of our partners for the types of changes outlined above.
20. The focus of this funding will be on ensuring our system, sector and partners are well placed to deliver on our strategic priorities (e.g. commitment to Te Tiriti, better balance across play, active recreation and sport, opportunities for women & girls and those with disabilities, addressing integrity issues, Balance is Better etc).
21. A mixed approach will be needed to reflect the different needs and characteristics of each sport/activity and set of organisations. In some activities it may be appropriate to channel funding to the relevant national body for it to manage the necessary reorganisation while in others a range of different funding mechanisms may be required. For example, some funding could be provided nationally, regionally and locally, including via other funders such as gaming trusts.

Achieving the Different and Better investment outcome

22. The Different and Better investment outcome is about re-imagining the future through new approaches, ideas and technologies that will improve well-being through play, active recreation and sport. This is the opportunity to try innovative ways to deliver physical activity

opportunities to New Zealanders, particularly to those who may have faced barriers in accessing these opportunities in the past (for example, women and girls, those with disabilities or those from low socio-economic areas). It may involve developing new partnerships, new pathways for physical activity, empowering communities and co-investing to improve the wellbeing of New Zealanders.

23. The funding approach that will be taken to this investment outcome will be shaped by wide consultation that builds a systemic view of the sector to identify critical points where intervention could usefully occur. This will be based on creating scenarios and exploring multiple, alternative futures to assist us to think about the future and to design ways the sector can thrive within it.
24. Investment will be based on what Sport NZ/HPSNZ and the sector can do now and into the future to create the preferred future and manage the risks of less desirable possible futures. This will include identifying innovative reforms and solutions to assist the play, active recreation and sport sector to remain relevant, fit for purpose and sustainable.
25. Such reforms and solutions are likely to include addressing:
 - the legislative, regulatory or structural issues that need to be resolved to ensure the play, active recreation and sport system is sustainable (e.g. the funding model for the proceeds of gambling and the inefficiencies and lack of capacity and capability in the NSO structure)
 - productivity issues (e.g. the duplication and inefficiencies around resourcing and investments and lost opportunities from the lack of a coordinated cross-agency approach to promoting physical activity)
 - inclusivity issues (e.g. the low participation levels of particular groups, persistent structural inequalities and our reliance on 'traditional partners').
26. We are establishing an engagement and communications approach to working with key agencies, organisations and individuals from across the play, active recreation and sport sector and beyond to develop a shared vision of the future that we all aspire to and the changes and investments that will be needed to bring this future state into being. We expect this engagement and consultation process to take approximately six months and will keep you updated as this work progresses.

Key next steps on implementing the Recovery Package

27. Key milestones:

- 18 June 2020 – Sport NZ Board to make decisions about Tranche 1 of the Recovery Package (i.e. funds to be available from 1 July 2020 including criteria, amounts, eligibility requirements etc). Funding will not be exclusively limited to existing Sport NZ partners but will be focused on organisations that are delivering in line with Sport NZ strategic priorities.
- 26 June – Minister for Sport and Recreation and Associate Minister of Finance to agree that proposed spending in Tranche 1 of Recovery Package is cost-effective and

implementation-ready.

- From July 2020 – Tranche 1 of the Recovery Package goes live and funding for local, regional and national play, active recreation and sport organisations becomes available.
- July- December 2020 - broad consultation/engagement with partners and across wider system to take place (including targeted engagement via the 'Futures' work).
- End 2020/early 2021 - decisions on Tranche 2 of the Recovery Package confirmed by Sport NZ Board.

Update on the \$25 million Sector Support Package

28. The implementation of the Sector Support Package is progressing well. The Package includes:

- A \$15 million Community Resilience Fund to support local and regional sport and recreation and clubs and organisations.
- A partner support fund (\$6 million) to help Sport NZ and High Performance Sport NZ investment partners maintain critical roles and business functions which are at risk due to COVID-19.
- An exceptional system support fund (\$1.5 million) to protect key national organisations who are not traditional recipients of Sport NZ investment.
- A physical activity fund (\$3 million) to promote play, active recreation and sport opportunities to those who most need it (e.g. people who are less active, disabled or live in high deprivation areas).

Update on Community Resilience Fund

29. The Community Resilience Fund opened on Monday 11 May 2020 and is being administered by the 14 regional sports trusts due to the strength of their networks deep into their local sport and recreation communities. Eligible organisations can apply for a maximum of \$1,000 for clubs and \$40,000 for regional bodies. As at 29 May 2020 \$4.4 million had been provided to 1,043 organisations. The average grant to regional organisations was \$16,400 while the average grant to local organisations was \$952.

Update on Exceptional Systems Support Fund

30. The \$1.5 million Exceptional System Support fund was announced on Tuesday 2 June. This fund is for organisations that do not already receive investment directly from Sport NZ (e.g. eligible organisations could include Māori National Sports Organisations and Outdoor Recreation Centres) and will help cover the fixed costs of these national organisations if they are experiencing short term financial hardship due to the impact of COVID-19. The maximum amount awarded to successful organisations through this fund will be \$40,000 and the closing date for applications will be on 28 June 2020.

Update on Partner Support Fund

31. The Partner Support Fund is designed to provide additional support to current partners to

bridge a short-term cash flow gap to alleviate acute financial hardship between now and 30 September 2020.

32. We are in week two of providing this support and have received five requests. The requested support has tended to be related to costs outside of the parameters of this fund. We will continue to review the requests which are helpful for informing future fund thinking and provide support where appropriate.

Update on physical activity fund

33. This fund is being developed in consultation with Regional Sports Trusts and we anticipate launching it in early July.
34. We will provide you with a weekly report on our progress in implementing the Sector Support Package. The first of these weekly reports is attached as Appendix 1.

Recommendations

35. It is recommended that you:

Implementation of the Recovery Package

- a. **Note** that Sport NZ, with the assistance of the Centre for Social Impact, has developed a funding framework to underpin the Recovery Package and is rapidly progressing work to expand its capability to manage a broad and diverse portfolio of investments.

Noted

- b. **Note** that \$4.6 million has already been paid to a number of professional franchises to help them survive until 30 June 2020.

Noted

- c. **Note** that, subject to the approval of the Minister for Sport and Recreation and Associate Minister of Finance, the next tranche of Recovery Package funding will be available from 1 July 2020 and will mainly be focused on achieving the Reset and Rebuild investment outcome.

Noted

- d. **Note** that Sport NZ will undertake in-depth consultation and engagement with the sector and beyond over the next six months to develop a shared vision of the future and the changes and investments that will be needed to bring this future state into being.

Noted

Implementation of the Sector Support Package

- e. **Note** that \$4.4 million has now been paid out to 1,043 organisations via the Community Resilience Fund and the Exceptional Systems Support fund was launched on Tuesday 2 June 2020.

Noted

- f. **Note** that Sport NZ will provide you with weekly progress updates on the implementation of the Sector Support Package.

Noted

Hon. Grant Robertson

Minister for Sport and Recreation

Name	Role	Telephone	1st Contact
Alice Hume	Policy Manager	section 9(2)(a)	✓
Peter Miskimmin	Chief Executive Sport NZ	section 9(2)(a)	

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Appendix 1 - Update on Community Resilience Fund (as at 29th May 2020)

Table 1: Community Resilience Fund - Overall applications received, funded and declined

Applications received	Number	Amount funded	Average grant
Total figures			
Total applications received	1,117 ¹		
Total applications funded	1,043 ²	\$4,472,275	\$4,287
Total applications declined	44 ³		
Regional figures			
Regional applications received	235		
Regional applications funded	225	\$3,711,822	\$16,497
Regional applications declined	5		
Club figures			
Club applications received	882		
Club applications funded	818	\$760,452	\$930
Club applications declined	39		

Table 2: Community Resilience Fund - Top Ten Sports by Regional Applications

Organisation	# Eligible to Apply	# of Applications	% of Applications	Total applied for	% of Total applied for	Average per application
Netball NZ	101	34	15%	\$757,911	14%	\$22,291
Hockey New Zealand	38	27	12%	\$713,337	13%	\$26,420
New Zealand Rugby Union	28	22	10%	\$1,177,954	21%	\$53,543
New Zealand Cricket	31	18	8%	\$498,757	9%	\$27,709
Badminton New Zealand	23	15	7%	\$289,603	5%	\$19,307
Basketball New Zealand	37	16	7%	\$251,977	5%	\$15,749
New Zealand Rugby League	23	10	4%	\$100,516	2%	\$10,052
New Zealand Football	13	10	4%	\$318,935	6%	\$31,893
Paralympics New Zealand Limited	12	6	3%	\$51,376	1%	\$8,563
Tennis New Zealand	31	9	4%	\$228,937	4%	\$25,437

¹ Note that as some applications are still being processed the total of those approved and declined does not equal the total number of applications.

² Where the status of the application has been supplied.

³ Where declined status has been supplied.

Table 3: Community Resilience Fund - Top Ten Sports by Club Applications

Organisation	# Eligible to Apply	# of Applications	% of Applications	Total applied for	% of Total applied for	Average per application
New Zealand Rugby Union	474	176	21%	\$331,417	39%	\$1,883
New Zealand Golf	394	87	10%	\$730,570	87%	\$8,397
New Zealand Football	379	83	10%	\$319,169	38%	\$3,845
Bowls New Zealand	484	48	6%	\$110,963	13%	\$2,312
Squash New Zealand	196	54	6%	\$135,668	16%	\$2,512
New Zealand Cricket	295	43	5%	\$76,452	9%	\$1,778
Tennis New Zealand	352	35	4%	\$38,720	5%	\$1,106
Gymnastics New Zealand	108	35	4%	\$81,718	10%	\$2,335
Scouts New Zealand	323	33	4%	\$46,714	6%	\$1,416
Netball NZ	669	33	4%	\$36,977	4%	\$1,121

Feedback from successful clubs

- 'Wow a simple process with a quick and positive response in such difficult times thank you.' Miramar Softball.
- 'The Eastbourne Scout Group are extremely grateful to Sport NZ for this funding. It has eased some of the pressure on our group as we attempt to restart our sessions heading to Level 1. I really appreciated the help and support from Sports NZ staff in completing the application. The online form was quite straightforward and any clarifications I needed were quickly responded to. I hope that all Scout groups across NZ are aware of this great opportunity.' Eastbourne Scout Group.
- We, the Richmond Tennis Club, in Nelson take this opportunity to pass on our grateful thanks to SportNZ through the Government for our portion of the Community Resilience Fund. As we are in between the end of our interclub season and the start of our Winter Competitions we do still have monthly commitments. This money will certainly go towards helping us during the past 8 weeks. Thank you – very much appreciated.' Richmond Tennis Club, Nelson.

Update on implementation of Recovery Package



Provided to Minister's office on 22 June 2020

To	Minister for Sport and Recreation
Date	22 June 2020
Subject	Update on implementation of Recovery Package
From	Peter Miskimmin
Sensitivity	In Confidence

Purpose

1. This briefing provides an update on Sport NZ's plans for Wave One of the \$265 million Recovery Package for the play, active recreation and sport system. We would like to discuss progress on Wave One at our meeting with you on Wednesday 24 June.

Sport NZ has established governance arrangements to support the development and implementation of this phase of the Recovery Package

2. In recognition of the need to move quickly and ensure that Wave One of the Recovery Package is available from early July 2020, Sport NZ has established governance arrangements to specifically oversee the implementation of this first wave of investments and to develop a wider 'Portfolio Approach' for the remainder of the package. These governance arrangements will apply to the following two streams of work:
 - The development of a 'Portfolio Approach' across Sport NZ (which includes High Performance Sport New Zealand (HPSNZ)) to implementing the \$265 million Recovery Package so it delivers on the investment outcomes, meets the needs of stakeholders including Ministers, and informs the delivery of specific Recovery Package funding initiatives.
 - The development of a set of 'July Ready' proposals that will form Wave One of the Recovery Package.
3. Progressing these two streams of work simultaneously allows us to get the balance right between ensuring we have a robust process in place to develop the necessary capability and expertise to manage this very significant investment while also moving with pace so that short-term sector needs are properly met and opportunities are not missed. Implementing Wave One in July 2020 will provide much needed assistance to the sector as well as demonstrating our intent and providing space for the engagement and conversations that

are needed across the sector to support the development of strategic proposals for transformational change.

4. The governance arrangements that have been established include an internal Reference Group comprised of the Sport NZ and HPSNZ Senior Leadership Teams plus subject matter experts from across both organisations, and a Board Advisory Committee comprising Board members from both the Sport NZ and HPSNZ Boards and an independent community investment expert.
5. The Reference Group provides us with the ability to develop proposals rapidly while still ensuring a high level of oversight and input from across the Sport NZ Group while the Board Advisory Committee is helping us to test proposals early with Board members and refine as necessary before the relevant Board and Ministerial approvals are sought.
6. Appendix 1 sets out this initial Recovery Package governance structure in more detail including the roles and membership of the different groups.

Four proposals are being developed as Wave One of the Recovery Package...

7. We are developing four proposals that we anticipate will form Wave One of the Recovery Package. These proposals would require \$76.72 million of Recovery Package funding (\$51.22 million of this from the 2020/21 financial year)
8. These four proposals are:
 - *A Community Play, Active Recreation and Sport Fund (working title)* – an activation fund to provide physical activity opportunities for tamariki and rangatahi, especially those who are less active, and those who have been most disadvantaged by Covid-19. This is a proposed expansion of the KiwiSport programme and reflects the KiwiSport review undertaken in 2018/19, our strategic priorities and where we believe local level recovery efforts will be most required - \$68 million over four years (\$34 million from the Recovery Package, \$34 million from KiwiSport).
 - *A World Cup Ready and Community Legacy Accessible Facilities Fund* – a fund to support the development of accessible gender-neutral facilities at venues to be used in forthcoming World Cups hosted by New Zealand, including conditional funding for lights at Hagley Oval to allow the venue to be used for the Womens Cricket World Cup - \$7.313 million in the 2020/21 financial year.
 - *National Partner support* – bespoke assistance for national partners to reflect their specific circumstances (e.g. some may simply need short-term support to replace lost income from other sources while others may need assistance to embark on major structural changes across their organisation and network) including any support necessary for national clubs and leagues - \$25.407 million in the 2020/21 financial year.
 - *Community Resilience Fund Phase 2* – an expanded Community Resilience Fund (CRF) to provide short-term assistance to a broad range of organisations across the play, active recreation and sport sector. CRF Phase 2 will target support towards regional and local clubs and organisations to help them meet their fixed costs. CRF Phase 2 could be

delivered by either Regional Sports Trusts (RSTs) or by Class 4 gaming trusts such as the New Zealand Community Trust (NZCT). RSTs were used as the delivery mechanism for the initial CRF and will be used to deliver the *Community Play, Active Recreation and Sport Fund* so may not have capacity to also deliver CRF Phase 2. An alternative would be to use organisations such as NZCT to distribute CRF Phase 2. The core business of these gaming trusts is to distribute funding, they have the appropriate mechanisms already in place and they know their communities well including their pre- and post-Covid-19 environments. CRF Phase 2 would have a proposed budget of \$10 million in the 2020/21 financial year.

9. These proposals are outlined in more detail in Appendices 2 and 3. The details of these proposals are still being developed and we will provide you with more information about the specific parameters of each proposal in the next two weeks.

...and, subject to the agreement of yourself and the Associate Minister of Finance, we expect that these funds could be publicly announced in early July 2020.

10. At its meeting on Thursday 18 June the Sport NZ Board approved the four proposals for further development. Much work remains to finalise the criteria, funding amounts and delivery mechanisms for these funds and the Sport NZ Board will be meeting again on Tuesday 30 June to give its final approval to the four proposals.
11. We expect to be in a position to announce Wave One of the Recovery Package on/around 8 July 2020 alongside our proposals for engaging with national partners and consulting broadly in relation to the future shape of the play, active recreation and sport system. This engagement and consultation will then inform the development of the next wave of the Recovery Package.
12. We would like to use our meeting with you on Wednesday 24 June 2020 to discuss our progress in developing the Wave One funds and your expectations in relation to the oversight and approval of Wave One of the Recovery Package by yourself and the Associate Minister of Finance ahead of the proposed announcement in early July.
13. On 11 May 2020, in relation to the Recovery Package, Cabinet agreed that spending for 2020/21 and outyears would be subject to the Minister for Sport and Recreation and the Minister of Finance being jointly satisfied that the proposed spending is cost-effective and implementation-ready [CAB-20-MIN-0219.26 refers].
14. To satisfy this requirement we propose to prepare a report for yourself and the Associate Minister of Finance (Minister Parker) seeking confirmation that you are both satisfied that the proposed Wave One spending is cost-effective and implementation-ready.
15. We intend to provide you and the Associate Minister of Finance (Minister Parker) with this report by Friday 3 July 2020.

Key next steps on implementing the Recovery Package

16. Key milestones:

- Tuesday 30 June 2020 – Sport NZ Board approves final proposals for Wave 1

investment.

- Friday 3 July 2020 – Minister for Sport and Recreation and Associate Minister of Finance to agree that proposed spending in Wave 1 of Recovery Package is cost-effective and implementation-ready.
- Wednesday 8 July 2020 – Wave 1 of the Recovery Package publicly announced alongside proposals for engaging with national partners and consulting broadly in relation to the future shape of the play, active recreation and sport system
- July – December 2020 – broad consultation/engagement with partners and across wider system takes place (including targeted engagement via the 'Futures' work) to inform future waves of Recovery Package investment.
- By September 2020 – fully formed 'Portfolio Approach' across Sport NZ (inc HPSNZ) for implementation of the balance of the Recovery Package.

Recommendations

17. It is recommended that you:

- a. **Note** that Sport NZ has developed proposals for Wave 1 of the Recovery Package with a proposed cost of \$76.72 million and that these proposals were agreed in-principle by the Sport NZ Board on 18 June 2020.

Noted

- b. **Note** that Sport NZ officials intend to discuss these proposals, and your expectations in relation to the oversight and approval of Wave One of the Recovery Package by yourself and the Associate Minister of Finance, with you on Wednesday 24 June 2020.

Noted

- c. **Note** that, subject to the agreement of yourself and the Associate Minister of Finance, Wave One of the Recovery Package is expected to be announced publicly on 8 July 2020.

Noted

Hon. Grant Robertson

Minister for Sport and Recreation

Name	Role	Telephone	1st Contact
Alice Hume	Policy Manager	s9(2)(a)	✓
Peter Miskimmin	Chief Executive Sport NZ	s9(2)(a)	

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Appendix 1: Governance structure for the initial phase of the Recovery Package

Who?	Role	Representation
1.Reference Group	To support, guide, test and approve the thinking of the development of our 'Portfolio Approach' and 'July Ready Concepts' workstreams	<ul style="list-style-type: none"> • Sport NZ & HPSNZ SLT, including respective CEs • Subject Matter Experts • Te Ao Māori • Diversity & Inclusion • Policy • Communications
2.Board Advisory Committee	To support the Sport NZ Board to discharge its responsibilities by providing oversight and assistance to management and together with the Reference Group, make recommendations to the Sport NZ Board	<ul style="list-style-type: none"> • Bill Moran (Chairperson, Sport NZ and HPSNZ) • Jason Shoebridge (Chairperson, Audit, Finance and Risk Committee and Deputy Chairperson, Sport NZ) • Chelsea Grootveld (Director, HPSNZ) • Jenny Gill (independent community investment expert)
3.Sport NZ Board (and HPSNZ Board where specific HP investment)	<p>To review and approve:</p> <ul style="list-style-type: none"> • The overall approach to managing the Recovery Investment Portfolio; • Recovery investment proposals, including high level governance arrangements and performance and accountability requirements; • The overall approach to stakeholder engagement and consultation to support management decision making. <p>Review risks identified by management and make an assessment on the appropriateness/effectiveness of mitigations; and</p> <p>To be satisfied that there is alignment between delivery and expectations of the Minister and Sport NZ/HPSNZ Boards</p>	Board members
4.Ministers	To be jointly satisfied that the proposed spending is cost-effective and implementation-ready	Minister of Sport & Recreation and (Associate) Minister of Finance

Appendix 2: Overview of proposed funds in Recovery Package Wave One

Proposal	Funding required				
	2020/21	2021/22	2022/23	2023/24	
<p>Community Play, Active Recreation and Sport Fund (Working title)</p> <p>This four-year fund to be distributed by Regional Sports Trusts, re-establishes the long standing support previously offered through the Kiwisport Regional Partnerships Fund to support the provision of, and access to, quality local play, active recreation and sport opportunities for tamariki and rangatahi with an emphasis on those that are less active.</p> <p>Identification of target population groups will be informed by Sport NZ's research over time and may change – for the next year these will include those most impacted by COVID-19, in particular Māori, girls and young women, disabled tamariki and rangatahi as well as tamariki and rangatahi and whanau living in high deprivation communities.</p>	<p>Recovery Package funding</p> <p>Proposal includes:</p> <ul style="list-style-type: none"> RST management fee of up to \$1m Evaluation costs of \$0.5m 	8.500	8.500	8.500	8.500
<p>World Cup Ready and Community Legacy Accessible Facilities</p> <p>This project will lead the way in providing fit for purpose, accessible, gender-neutral facilities that create better participant experiences. It will provide funding (s9(2)(b)(ii) million) for upgrades to facilities to be used in Rugby World Cup 2021 so they are accessible and gender-neutral. Funding of up to s9(2)(ba)(i) million will also be provided for the planning and development of equivalent facility upgrades for the CWC 2021 and FIFA World Cup 2023 (if the bid is successful).</p> <p>The project also includes funding of up to s9(2)(b)(ii) for the erection of lights at Hagley Oval to allow this venue to be used for the CWC 2021. This funding will only be drawn to the extent that management are satisfied fundraising efforts are fully exhausted and do not meet the s9(2)(ba)(i) target.</p>	<p>Women's RWC 2021 Hagley Park lighting</p> <p>Scoping for accessible facilities for Women's Cricket and FIFA Women's World Cups (funding for facilities redevelopment to be sought at later stage if required)</p>	s9(2)(ba)(i)	-	-	-
<p>National Partner support</p> <p>Bespoke assistance for national partners to reflect their specific circumstances (e.g. some may simply need short-term support to replace lost income from other sources while others may need assistance to</p>	<p>National Partners & Networks Professional and semi-professional sport</p>	s9(2)(b)(ii)	-	-	-

<p>embark on major structural changes across their organisation and network). This is an initial funding amount but we expect that additional funding will be required in future tranches.</p> <p>This will also include establishing end to end support including what may be required for NSOs national leagues.</p> <p>This fund will also include high performance funding for Snowsports NZ to develop and build a Half Pipe at Cardrona to provide a world class training environment.</p>	<p>High Performance Facility Investment (Snowsports NZ)</p>	<p>10.000</p>	<p>-</p>	<p>-</p>
<p>Community Resilience Fund Phase 2</p> <p>This fund would provide assistance to a broader range of organisations (e.g. sports hubs, facility operators and event managers) and over a longer timeframe (the CRF fund covers costs for April – June) than the original CRF.</p> <p>Further work is required on the distribution mechanism, purpose, eligibility and criteria for CRF Phase 2 and this will be informed by the findings from the CRF and Exceptional System Support Fund which are currently open.</p>	<p>Recovery Package investment</p>	<p>10.000</p>	<p>-</p>	<p>-</p>
<p>Total – Recovery Package Investment</p>		<p>51.220</p>	<p>8.500</p>	<p>8.500</p>

Appendix 3: Additional information on Wave One proposals

Community Play, Active Recreation and Sport Fund

1. In February 2018 Sport NZ commissioned a review of the Kiwisport Regional Partnership Fund (RPF)¹, an \$8.485m fund established by Cabinet in 2009 and distributed annually by Sport NZ via Regional Sports Trusts (RSTs). The Review, including findings and key recommendations, was shared with the Sport NZ Board and made public in April 2019 (without Sport NZ responses to the recommendations). It is available on the Sport NZ website (<https://sportnz.org.nz/focus-areas/youth-sport/kiwisport-review/>).
2. Between February and April 2019 Sport NZ met with each RST to discuss possible changes to the Kiwisport RPF from July 2020 onwards. These meetings proposed initial modifications to the Kiwisport RPF distribution process that RSTs could make in the current fiscal year (2019-2020) which would prepare community organisations for potentially more substantive change from July 2020 onwards.
3. A paper with final recommendations on Kiwisport was due to go to the Sport NZ Board in March 2020 but was paused due to Covid-19. \$4.25 million of 2020/21 Kiwisport funding was subsequently reprioritised into the Sport NZ Relief Package.
4. As a result of the Review recommendations, internal and external consultation, as well as the impact of Covid-19, we are now proposing a revised version of the Kiwisport RPF over the next four years, with an increased quantum. The Fund, (working title of Community Play, Active Recreation and Sport Fund) would be distributed by RSTs to support the provision of, and access to quality local play, active recreation and sport opportunities for tamariki and rangatahi, with an emphasis on those less active.
5. Over the four years the Fund should remain focused on tamariki and rangatahi (aged 5 to 18) but broadened to support play, active recreation and sport opportunities (only sport at present), seeking outcomes consistent with Sport NZ's Strategic direction 2032. In year one, the Fund will respond to Sport NZ's strategic priorities 2020-21 and the distribution of the revised fund will no longer be calculated on the basis of school rolls, but will take into account the population of tamariki and rangatahi as well as considering deprivation.
6. RSTs will be encouraged and supported to broaden the network of organisations from those they have traditionally supported to include those that can best reach the population groups we want to impact.
7. The Fund would have the following objectives:
 - Increase the provision and accessibility of play, active recreation and sport opportunities for tamariki and rangatahi (especially those who are less active).
 - Ensure tamariki and rangatahi have quality experiences in play, active recreation and sport that meet their needs and are culturally appropriate.
 - Ensure play, active recreation and sport experiences support tamariki and rangatahi to develop confidence, competence, knowledge, and ongoing motivation to be active for life.

¹ Note the Review did not cover the Kiwisport Direct Fund, a \$13m per annum fund distributed directly to schools as part of their operational grant

World Cup ready and Community Legacy Accessible Facilities

8. The project proposal is to provide upgraded fit for purpose and gender-neutral facilities at venues to be used in RWC 2021. The project is directly aligned with, and would be seen as a positive material action in support of, Sport NZ's Women and Girls in Sports and Active Recreation Strategy 2020-2024.
9. The project will set a much needed benchmark and leave a legacy by leading the way in providing appropriate standard facilities for not just participating female rugby teams in RWC 2021 but also participants in future women's and girls' cricket and football matches at those match and training venues to be upgraded.
10. Ultimately, the aim is to have an enduring legacy of inclusive, equitable, facilities that grows participation for female youth and adults, and builds social cohesion and community spirit beyond 2021.
11. The Tournament is to be held in the Auckland and Whangarei regions and there are two parts to the project. Part One involves the upgrade of the changing room facilities (working within the current footprint) at the sporting stadiums that are hosting the RWC 2021 matches.
12. The upgrades at all the sporting facilities will follow the good practice changing room guidelines in the Wider Auckland Facilities Plan (a collaboration between NZR and Auckland City council) and feedback from rugby and cricket players, coaches, referees and other administrators involved in these two sports.
13. These are the facilities that will receive upgraded amenities in Part One of the project:
 - Eden Park - West and South Stadium changing room
 - Waitakere Stadium (The Trusts Arena)
 - Northland Events Centre (Semenoff Stadium)
14. Part Two of the project will be to upgrade the community changing room facilities at the following training grounds that the teams will use in the Auckland and Whangarei regions:



National Leagues Sport Funding (as part of National Partner support)

15. Covid-19 has significantly reduced commercial revenue streams (e.g. broadcast, sponsorship and match-day takings) for national leagues and other premier competitions. While some competitions are now returning, it is unclear when, or if, revenue streams will return to

previous levels. Some NSOs will struggle to meet the cost of running their top domestic men's and women's competitions/leagues due to the impact of Covid-19. We therefore expect that further financial support will be required (in addition to the immediate relief funding of \$4.6m already provided) across a broader range of national league competitions than were covered through the initial funding.

16. This funding (up to **s9(2)(b)(ii)**) recognises the important role of national sport leagues in our play, active recreation and sport system and the impact Covid-19 has had on them.
17. The purpose of this fund is to help secure the future of existing national sport leagues and the teams that compete within those leagues, including women's teams. It is anticipated that this funding will provide sufficient support to protect NZ's national sport leagues and teams. The principal outcome is to return these leagues and teams to a position where they do not require government support (as was the case prior to the Covid-19 crisis) and can make any changes necessary to survive in the post-Covid-19 environment.
18. Funding will be delivered to recipients via the appropriate NSO. The fund will be open until the end of 2020. Funding will be allocated strictly on an as-needed basis.
19. The proposed **s9(2)(b)(ii)** has been calculated on the analysis undertaken by KPMG. It is assumed that each club/league will receive a one-off funding injection, and each will be required to show how this funding will ensure they can reach a position where they no longer rely on government assistance beyond 2020.

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