

# **Plausible future scenarios for elite sport**



# The Transformative Landscape of Elite Sport

The world of elite sport is poised for a profound transformation, driven by a complex interplay of economic, social, technological, environmental and political factors. This dynamic landscape heralds a shift in how elite sport will be played, managed and experienced.

## Surging investments and diversification

In recent years, the influx of private equity and institutional investment in elite sport has been remarkable. Investors are drawn to the reliable audience and predictable cash flows that elite sport can generate. This trend is reshaping the industry, as investors acquire stakes in prestigious teams, leagues, and media rights, as well as in emerging and underexplored sport properties, such as women's sport.

## Evolving fan engagement

Younger people are consuming elite sport content in vastly different ways compared to previous generations. This shift is compelling sports organisations to develop innovative new formats, content and experiences to attract and retain these tech-savvy fans, while also maintaining their traditional fan base.

## Technological transformation

In response to these changing dynamics, sports organisations are increasingly leveraging a range of digital technologies, from customer data platforms to immersive experiences and wearables. These advancements aim to deliver more personalised and engaging experiences for fans, while also driving performance improvements both on and off the field.

## Athlete empowerment and societal demands

Elite athletes are demanding more rights, and greater diversity, equity and inclusion in sport. As a result, cultures and practices are evolving to address these changing values and expectations. Additionally, sports organisations are increasingly understanding the need to prioritise athlete wellbeing, driving the exploration of safety developments, including rule changes, innovative wearable technologies, holistic health monitoring and psychological support.

## Environmental sustainability and social impact

The negative environmental impacts of elite sport are gaining global attention, prompting public concerns about the sustainability of elite sport facilities and events. Alongside this, elite athletes are increasingly using their platforms to advocate for social issues, requiring the sports industry to broaden its value proposition and leverage elite sport success to achieve a range of positive societal outcomes.

## Evolving government policies

Government policies on elite sport are becoming more nuanced, shifting from a strong focus on winning medals to emphasising the societal impacts, such as national pride, wellbeing, cohesion and community participation.

## Geopolitical influences

Geopolitics are significantly impacting elite sport. The shift of major events to new frontiers such as Saudi Arabia, the use of sport for soft power projection, and geopolitical conflicts introduces greater financial, security, and sociopolitical risks to the globalised elite sport industry. The increasing digitalisation of sport has also opened new avenues for online activism and disruption, further exposing the vulnerability of elite sport to broader geopolitical forces.

### **Given these dynamics, the future of elite sport is uncertain.**

This report uses four plausible futures to help sports organisations consider the possibilities for working into this uncertain future. The questions prompted by each scenario can be used to explore possibilities such as the degree to which sports organisations need to embrace technological advancements, athlete wellbeing and sustainable practices; or whether financial pressures, athlete concerns and external disruptions may require a more constrained approach. It looks at how the deteriorating global environment and changing societal attitudes might undermine traditional models for high performance; or alternatively, how a focus on athlete wellbeing, community engagement, environmental responsibility, and embracing new technologies may create a positive and exciting future for high performance sport in New Zealand.

The four plausible futures for elite sport are:

- *Growth – playing in different arenas*
- *Discipline – a sustainable marathon*
- *Collapse – in the relegation zone*
- *Transformation – changing goal posts*

## **Plausible futures for elite sport**

Scenarios are plausible versions of the future that inspire creativity and non-traditional thinking. They are stories that help us consider different possibilities we should prepare for and envision a different path forward. They are constructed by exploring how drivers of change may cause the future to evolve in different ways.

The following seven drivers of change will impact the future of elite sport (and therefore how we think about engaging with it) and have been used to craft the scenarios:

- Development of digital technology
- Evolving delivery models
- Change in public support
- Change in government support
- Focus on athlete wellbeing
- Degree of athlete influence
- Changing consumption of elite sport
- Evolving market for elite sport

The degree to which a driver will impact elite sport varies between scenarios and will be identified as either minimum, modest, large, or maximum.

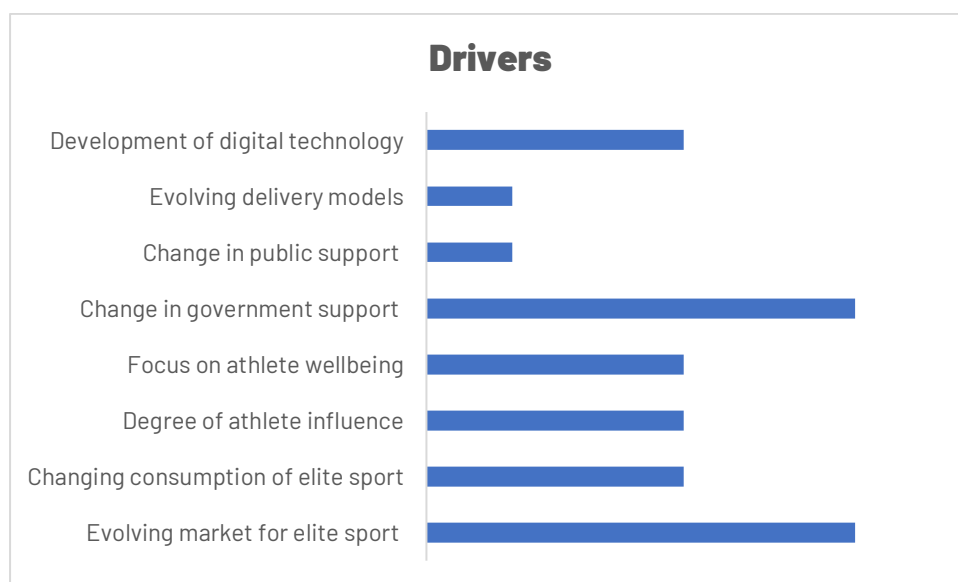
It should be noted these scenarios will likely not happen exactly as described. Rather, they provide an opportunity to explore a plausible future that could be encountered.

The aim is to use them as prompts to highlight what may need to be considered over the coming period when we consider how to meaningfully engage with elite sport.

# Growth: Playing in different arenas

2024-2032

**Broader social, economic, and technological trends reshaped the high-performance landscape. For New Zealand's high-performance sport sector, this was a period of significant transformation. Embracing technological advancements, athlete wellbeing, innovative funding models and sustainable practices were crucial for the sector's continued success.**



## Financial Pressures and a Changing Market:

**Shrinking talent pool and funding uncertainty:** An ageing population and shifts to working patterns post-pandemic have reduced the talent pool for staff and athletes. Government funding has decreased as economic volatility leads them to focus on alternate priorities. The challenge presented by the monopolisation of athletes for pinnacle events such as the Olympic and Paralympic Games adds pressure on the NSOs and further strains finances.

**New investors, new expectations:** Increased global investor interest in the high-performance sector has seen innovative entrants with commercial ambitions that are side-lining established organisations. Investors with high expectations of financial success are increasingly adding to the pressure on athlete performance, adding to wellbeing concerns.

## A multi-tiered system emerges:

**Tech-savvy NSOs thrive:** The well-resourced codes continue to develop and embrace technology advances like AI-driven training methods, virtual/augmented reality simulation platforms, and innovative fan engagement strategies to attract top talent and remain competitive.

**The also-rans:** The resources required to exploit new technologies are proving challenging for many NSOs in the lower-profile codes. This has created a two-tiered system within the high-performance sector and cemented the relative position of respective sports, leaving New Zealand off the pace as other competitions emerge.

## The rise of the athlete:

**Unionisation and activism:** As athletes have become increasingly unionised, they have become increasingly vocal about athlete welfare, leading to ongoing friction with NSOs over training regimes and control. Their concerns are not confined to their welfare though, and many high-profile individuals use their platform to advocate for causes that range from local community issues to global climate change.

**Focus on wellbeing:** Growing societal emphasis on wellbeing has demanded a more holistic approach to athlete training, balancing performance with mental and physical health. However, this expectation is often at odds with the demands of commercial sports.

## A more purposeful playing field:

**Athlete alliances for change:** Athletes are forming alliances across the sector and across borders to advocate for their rights, wellbeing, and a more sustainable sporting landscape. Pressure to improve diversity, equity and inclusion within high performance sport has enhanced opportunities for previously underrepresented groups. This is particularly true for women's sport, which have become as lucrative and popular as men's sport. This change has proven to be a challenge for some who have attempted to maintain a more traditional outlook.

**Sustainable practices:** The increasing emphasis on sustainable practices has forced organisations, both domestic and global, to become more flexible and adaptable regarding travel schedules, training facilities, and equipment choices. Adopting these more agile approaches and continuing to balance them while maintaining competitive performances and events continues to prove a significant challenge.

## Evolving fan landscape and unforeseen challenges:

**Catering to the next generation:** The more successful codes have continued to adopt innovative formats and leverage digital and media technologies to expand their fan bases. This has required a deeper understanding of what new cohorts of spectators are looking for, and often, this relates as much to 'outside-competition' insight and drama as to the focus on winning results. Engaging this next generation of fans remains critical for the sector's long-term health.

**Ethical engagement:** While codes continue to adapt to the physical impacts of climate change, ensuring engagement and understanding of the social and political dynamics of the trend have become vital to future success. While the carbon footprint of international travel became an early high-profile and contentious ethical issue, there continues to be a complex web of social responsibility challenges for the sector to manage such as supply-chain integrity. The ability of NSOs to manage these issues is also critical for managing ongoing fan engagement.

## Critical questions

### Financial pressures and a changing market:

- What alternative funding models can be developed to lessen reliance on government funds and investor pressures focused solely on financial success?
- How can we attract and retain top talent (staff and athletes) in a shrinking pool and with potentially less funding?
- How can we manage the pressure of pinnacle events (e.g., Olympics) on NSO finances and athlete development across all sport?

### **A multi-tiered system emerges:**

- How can we bridge the resource gap between well-resourced and lower-profile codes to ensure all sport can access new technologies and remain competitive?
- How can we prevent a widening gap between established sport and emerging competitions due to uneven technological adoption?

### **The rise of the athlete:**

- How can we build stronger relationships with athlete unions to prioritise athlete well-being while maintaining a competitive edge?

### **A more purposeful playing field:**

- How can we improve diversity within high performance sport to ensure a truly inclusive environment for all athletes?

### **Sustainable practices:**

- How can we optimise travel schedules, training facilities, and equipment choices to minimise the environmental footprint while maintaining performance?
- How can we adapt training and event formats to address the evolving social and political dynamics of climate change?

### **Evolving fan landscape and unforeseen challenges:**

- How can we better understand what the new generation of fans want and tailor our engagement strategies accordingly?
- How can we ensure ethical engagement throughout the supply chain and at international sporting events?
- How can we build resilience to manage unforeseen social, political, and ethical challenges that may arise?

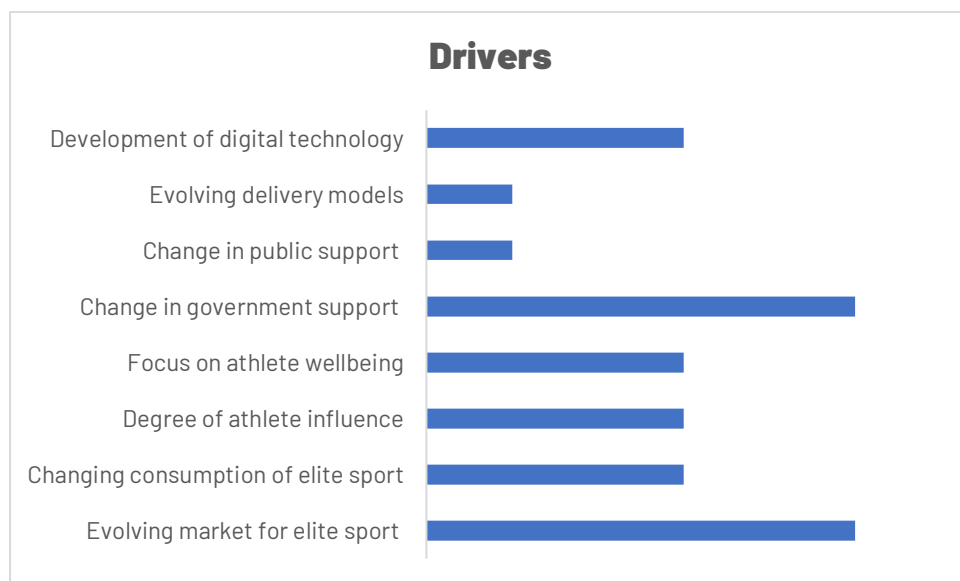
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# Discipline: A sustainable marathon

2024-2032

New Zealand's high-performance sport sector entered a period of significant change, where financial pressures, athlete concerns, and external disruptions converged with a political and economic context focused on stability and resource constraints. However, the sector was able to take advantage of opportunities for a more sustainable, adaptable, and resilient future.



## Financial pressures and reorganisation:

**Sector restructuring:** Decreasing membership and commercial struggles forced many sector organisations to consolidate and focus. Government funding prioritised those sports with strong medal prospects, well-established pathways for talent development, and a commitment to diversity and inclusion.

**Established athlete unionisation:** Previous concerns over training loads and revenue distribution led to athlete unions gaining greater bargaining power, significantly altering the sector. After a contentious negotiation period, introducing more equitable contracts for athletes that include elements of profit sharing has reduced friction. A greater focus on athlete health and well-being has seen noticeable benefits in this area, with fewer cases of burnout and stress.

**Focus on efficiency:** Technology-enabled cost reduction has been fundamental to successful NSO management. Digital platforms are leveraged to streamline athlete monitoring and training, leading to tight control of delivery costs.

## Collaborating big time:

**Collaboration over competition:** Recognition of the financial strain of extended training periods led to greater collaboration to optimise athlete training and competition schedules. This has enabled athletes to participate in more domestic events, which has fostered fan engagement and increased participation rates at entry levels.



**Evolving metrics for success:** While Government funding remains highly aligned with medal prospects, there is a recognition that winning is not everything. However, accounting for factors like athlete well-being, community engagement, and the development of future talent remains a significant challenge where metrics are critical to unlocking central resources.

### **Innovation and adaptation:**

**Embracing technology:** AI-powered analytics are widely used across all high-performance training. Optimised plans and injury prevention have become increasingly critical for maximising the utilisation of scarce resources. Similarly, VR/AR technologies minimise costs and enhance athlete training and fan experiences, even in geographically dispersed regions.

**Climate considerations:** Sustainable travel options are a high priority for international competition as air travel costs continue to climb in response to carbon levies. This has led many New Zealand athletes to relocate offshore to regions of greater event intensity where virtual presence technologies remain untenable. This has, unfortunately, negated the collaborative approach to releasing athletes from peak training schedules (noted above), and the representation of some high-level codes is limited at the domestic level. Athletes now routinely anticipate extreme weather disruptions, and training methods and even competition locations adapt accordingly.

**The rise of new leagues:** The high-performance sector has continued to adapt to the popularity of new leagues by developing new relationships to open opportunities for athletes at all stages of their careers and beyond to coaching roles. This has fostered greater collaboration, knowledge transfer opportunities, and innovative revenue streams.

### **Engaging a changing audience:**

**Evolving audience engagement:** New digital platforms and content formats remain essential to capture younger demographics' attention while maintaining a traditional fan base. This has led to shorter, action-packed formats and interactive experiences that complement more conventional events. However, the capabilities needed to deliver these approaches have required new partnerships with global media players with clear ideas on investment returns.

**Focus on purpose:** Social licence is an increasingly scrutinised element by partners and audiences alike. Sponsorships are aligned toward environmental, social, and governance goals, and high standards are expected of sports organisations in this regard.

### **Challenges remain:**

**Maintaining global relevance:** Despite innovation, competition from other nations remains challenging for the New Zealand high-performance sector. Seductive offshore opportunities for athletes (including augmented games), competition from those with more significant resources, and the constant need to be agile as new entrants emerge make the sector challenging to manage when resources of all kinds (particularly people and capital) are tight.

## **Critical questions**

### **Financial sustainability:**

- How can we ensure a sustainable funding model beyond just medal success?
- How can we improve athlete contracts and revenue-sharing models to balance financial security with NSO cost-effectiveness?
- What level of investment is necessary to maintain cutting-edge technology for training and fan engagement?

**Collaboration and efficiency:**

- How do we maximise resource efficiency to retain athletes and build sector resilience?

**Performance measurement:**

- How can we develop robust metrics to measure broader elements (e.g. athlete well-being) to secure central funding?

**Emerging trends and challenges:**

- What strategies can be developed to maintain New Zealand's high-performance edge against nations with potentially more significant resources?
- How can we incentivise top athletes to stay involved in domestic competition despite offshore opportunities and relocation needs driven by climate considerations?
- How can we maximise the potential of new leagues for athlete opportunities and revenue generation while fostering knowledge transfer and collaboration?
- What partnerships are needed with global media platforms to develop new content formats and interactive experiences that cater to younger demographics without alienating existing fans?

**Social responsibility:**

- How will sports organisations fund the increasingly high standards of environmental, social, and governance practices expected by sponsors and audiences?

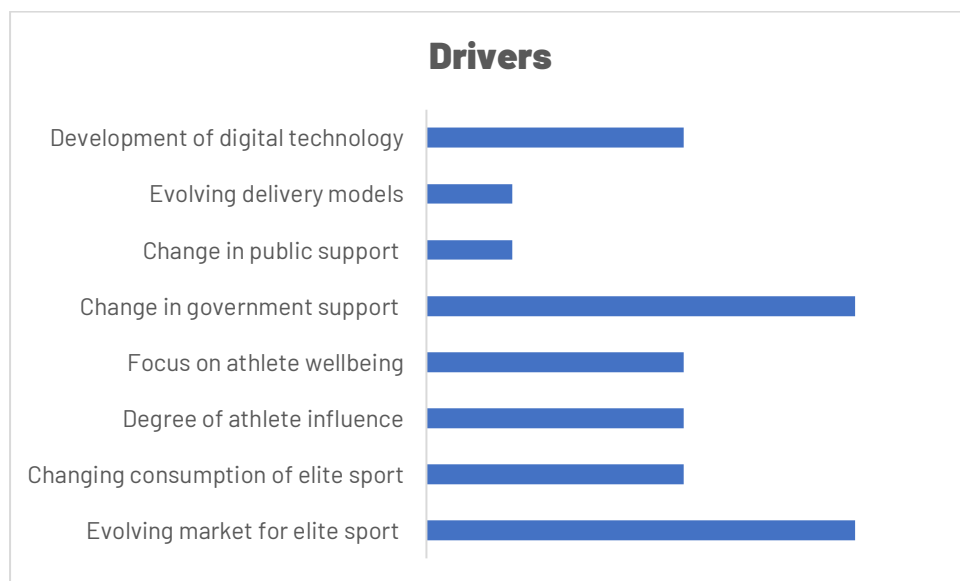
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# Collapse: In the relegation zone

2024-2032

The deterioration of the global environment has provided a grim backdrop for New Zealand's high-performance sports sector since 2024. Financial strain, a changing sporting landscape, and societal challenges have all undermined traditional models and certainties. However, the Kiwi spirit of innovation and adaptation might pave the way for new forms of participation and redefine what it means to be a high-performance athlete in a challenging future.



## Financial strain and shrinking participation:

**NSO struggles intensify:** The combined pressures of declining membership, dwindling sponsorships, and a backdrop of economic volatility have led the National Sporting Organisations to crisis point. Many have been forced to merge or fold altogether, and the remaining find themselves in constant competition for scarce resources.

**Funding shifts:** With the Government in fire-fighting mode across multiple areas, funding is prioritised toward the greatest need. In this context, high-performance sports are regarded as a luxury the country can no longer afford. Public interest in traditional sports is also declining, making alternate funding models even harder to secure.

**Athlete exodus:** Confronted with a range of pressures, including dwindling resources, climate challenges, and income inequality at the local level, talented athletes are forced to seek opportunities overseas or transition to other careers. This compounds a vicious cycle, and some sports effectively cease to exist across many regions.

## The rise of virtual sporting arenas:

**Virtual dominance:** With rising travel costs, climate concerns, and the appeal of virtual worlds, eSports and virtual reality simulations of traditional sports are exploding in popularity. The flexibility of delivery and range of potential activities in the virtual domain outstrip anything available to potential athletes at the local level. Often, these involve global competitions that enable players to engage socially, too.

**Black jersey's fading to grey:** The iconic symbol of New Zealand sporting prowess has continued to lose relevance in this virtual world. With the long-term viability of rugby under increasing question, the silver fern is no longer a guarantee of commercial interest.

**Unequal access:** Access to digital platforms is unequal, however, and with patchy coverage of sports across the regions, the accessibility divide has become a chasm. Potential rural or low-income athletes are now often excluded from high-performance opportunities.

### **The Struggle for relevance:**

**Paradigm shift:** The Olympic flame is also spluttering as the allure of these events, both for host nations and competitors, dwindles. Crippling hosting costs coupled with fraught geo-political considerations have taken most countries out of the running. The success of the Enhanced Games format highlighted the declining appeal of these traditional events, both for hosts and spectators.

**Identity crisis:** With Olympic-level sports under pressure and traditional codes outcompeted by innovative new spectator sports, New Zealand is now struggling to define its sporting identity on the global stage. This has further undermined the sector's ability to unlock central funds to develop future programmes.

### **A glimmers of hope:**

**Innovation emerges:** Some high-performance organisations have radically shifted away from elite competition to focus at the local level. Aligning with a growing need for community resilience in a crisis-laden world has proven successful in some areas where the disciplines of elite competition can be applied to community health and wellbeing.

A renewed focus on collaborative community initiatives has led to innovative, low-cost training methods and local competitions, fostering a renewed sense of community and participation.

**Specialisation thrives:** The opportunities have never been greater for the few New Zealand athletes that break through. A small pool of elite athletes continues to succeed in niche virtual and traditional sporting categories requiring exceptional physical or mental skills.

## **Critical questions**

### **Financial strain and shrinking participation:**

- How can we best allocate remaining resources to maximise athlete development across a broader range of sports, considering declining NSOs and public interest?
- What alternative funding models (e.g., crowdfunding, community partnerships) support high-performance athletes within a limited budget?
- How can we retain and develop talent within New Zealand despite limited resources and the lure of overseas opportunities?
- How can we bridge the digital divide and ensure equitable access to high-performance opportunities for athletes in rural and low-income areas?

### **The rise of virtual sporting arenas:**

- How can we integrate virtual sporting disciplines into the existing sporting landscape to leverage their financial potential and provide more pathways for athletes?
- How can we preserve New Zealand's unique sporting identity in the face of a growing global virtual sports scene dominated by different aesthetics?

- How can we invest in infrastructure and programs to ensure all aspiring athletes, regardless of background, access the necessary technology and training for virtual sports?

### **The struggle for relevance:**

- Given the potential decline of traditional mega-events like the Olympics, how do we redefine what it means to be a successful high-performance athlete in New Zealand?
- How can we foster innovation in domestic sports and competitions to ensure New Zealand retains its competitive edge and attracts global investment?
- How can we collaborate with other government agencies or community organisations to leverage high-performance sports principles in health and wellbeing, creating a broader impact for the public good?

### **A glimmer of hope:**

- How can we expand upon the success of localised, innovative training methods and community initiatives to bolster participation and engagement at all levels?
- How can we best support the development of the remaining elite athletes to ensure continued success in both virtual and traditional high-performance categories?

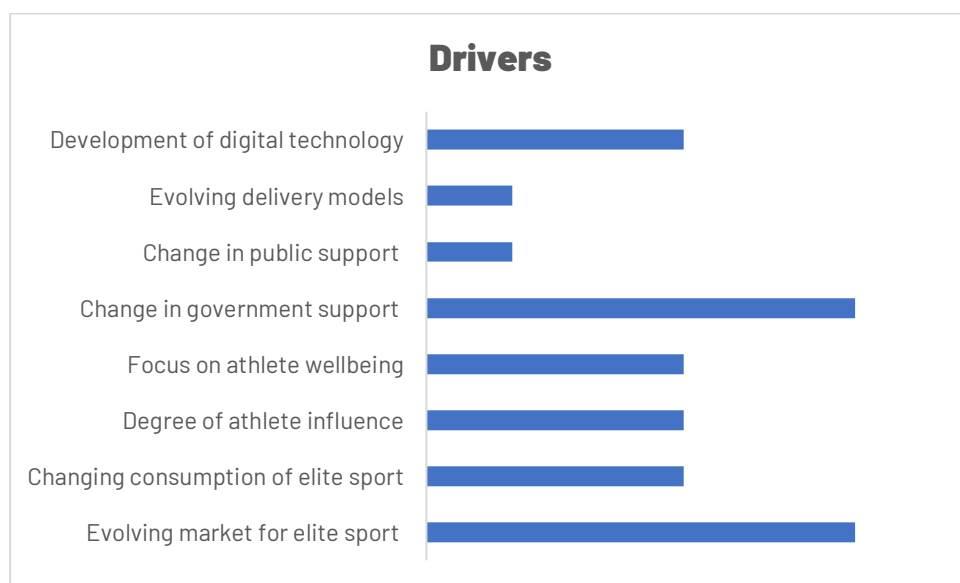
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# Transformation: Changing goal posts

2024-2032

Traditional demarcations dissolve as a more sustainable, collaborative, and innovative high-performance sports sector in New Zealand emerges. The focus on athlete well-being, community engagement, environmental responsibility, and embracing new technologies has created a positive and exciting future for high-performance sports in Aotearoa. Success comes from continuous adaptation to social and technological innovations that throw up novel forms of play and competition.



## Transformation through collaboration:

**Financial sustainability:** After an initial period of budgetary constraint, New Zealand's coalition government refocused efforts on well-being. This led to enhanced funding models for high-performance sports, considering various elements beyond elite medals. A complex funding landscape with NSOs engaging across government and private sectors, both domestically and internationally, is focused on maximising broad social benefits. Technology plays a significant part as AI-driven insights optimise resource allocation, and virtual technologies significantly reduce travel costs.

**Athlete empowerment:** Improved social financial provision enables athletes, alongside all New Zealanders, to maximise their performance potential. Athlete collectives ensure constructive dialogue and negotiations that deliver equitable training structures, manage athlete concerns, and prioritise health and well-being.

**Evolving landscape of pinnacle events:** Decentralised decision-making has encouraged regions to pool resources across codes to host high-level competitions that merge the physical and the virtual. With less focus on in-person global events, the aim is to support local athletes in maximising their potential through regional competition and remote participation where possible.

## Innovation and engagement:

**Engaging with a new generation:** New competition forms and audiences are continually created as digital leisure experiences merge physical training with interactive elements. As

these constantly emerge, the sector has become increasingly adept at taking advantage of new opportunities to support performance at an elite level. The challenge is that these often fade away in a few years, so keeping pace with technological change in areas beyond traditional sports sectors has become increasingly important.

**Embracing new power players:** The number of financial participants in this new era has exploded, and traditional sporting organisations have collaborated with new leagues that they previously would have regarded as competitors. It had become apparent that being flexible in outlook was vital to expand the athlete talent pool, share best practices and maximise financial resources. This has fostered a more dynamic HP sports landscape, attracting new investors and audiences, though where these come from remains unpredictable.

**Shifting metrics of success:** Government funding comes with the expectation that these collaborative approaches will be pursued and is constantly seeking innovative measures of value. Accounting approaches that readily align outcomes with societal impact at multiple levels are given priority.

### **Addressing sustainability:**

**Minimal impact:** With a litany of extreme weather events, the traditional reliance on long-distance travel has been intensely scrutinised. Greater reliance on regional events, virtual engagement and the pooling of host resources has significantly changed the structure of organisations.

### **Challenges remain:**

**Collaborative resistance:** Some sector participants have found shifting to a more cooperative approach challenging. Success, though, has been achieved by those adept at engaging athletes, NSOs, government, the private sector, and new investors.

**Access for all:** This has proven to be an excellent environment for those comfortable engaging in the forums and technologies that have made it possible. However, the bias of algorithms and the availability of technologies continue to provide a barrier for some to explore their full potential.

## **Critical questions**

### **Funding and sustainability:**

- What skills will we need to develop to manage more complex funding structures?
- How can AI-driven insights be harnessed to track outcomes for funding allocation?
- How do we maintain agility to adapt to changing funding priorities of the private sector or government shift?

### **Athlete empowerment:**

- How can athlete collectives be constructively engaged to ensure fair representation across all sports?
- How will financial provisions be distributed fairly across different sports and athletes?

### **Evolving events and engagement:**

- How can the constant churn of new digital competition formats be effectively evaluated to match athlete development needs?
- What strategies can be implemented to ensure equitable access to technology for all aspiring athletes?

**Collaboration and innovation:**

- How can traditional sporting organisations navigate partnerships with new leagues with different values?
- What measures the success of that go beyond the medal tally will we need to develop.?
- How can continuous adaptation to technological advancements be fostered across all levels of sports administration?

**Addressing sustainability:**

- What backup plans exist if virtual technologies fail to deliver the expected cost-saving benefits?
- How can the environmental impact of regional events and travel within New Zealand be minimised?

**Accessibility and equity:**

- How can the digital divide be bridged to ensure everyone can access new training technologies?
- What measures can we take to mitigate algorithmic bias in athlete identification, development, and funding.

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