

# Disruptor Scan

September 2025



# Political



## Social wellbeing policy

The revised government funding formula for GPs excludes ethnicity as a risk factor, alarming health experts concerned about growing inequities. With ongoing constraints on public funding and potential caps on local government rates, most councils, sport, and recreation bodies are facing even leaner operating contexts. Increased social policy volatility may further disadvantage marginalised participant groups.



## Evolution of Treaty Partnership

While central government's relationship with iwi remains tense, public support for te reo Māori and Māori culture is increasing. Pending land claims, such as Ngāti Tūwharetoa's request for the return of Tongariro National Park, could reshape access models for significant recreation areas. Government is winding back visible te reo use but popular support continues to grow, creating potential for social rifts or greater bicultural innovation.



## Governance and regulation

Tensions between central and local governments continue, with disagreements over what is “core business” for councils. Ongoing regulatory reforms, including health and safety compliance changes, could affect volunteer and staff management in community sport and recreation.



Strengthening



Weakening



No change



## Status of public funding

New Zealand's fiscal situation remains tight, with declining national capacity to absorb future shocks due to rising debt. The government has flagged possible legislation to cap local government rate rises, restricting the sector's ability to address infrastructure deficits or support grassroots sport and active recreation.



## Other policy issues

The proposed replacement of NCEA with Certificates of Education and the focus on “core skills” may put some vocational subjects at risk, such as outdoor education. Delays and uncertainty around climate commitments and emissions targets may lower New Zealand's international standing, affecting regional cooperation and local policy consistency relevant to sport, active recreation, and facility planning.



## Geopolitical events

Geopolitical tensions and foreign interference have intensified, contributing to NZ's most challenging security environment in decades and creating heightened uncertainties for international travel, partnerships, and event participation in sport and recreation. Ongoing instability disrupts trusted sponsorship and collaboration models and demands greater resilience.

# Social



## Increasing diversity

Immigration protests are rising abroad and in New Zealand, sometimes inflamed by AI-driven propaganda. This risks challenging sector commitments to equity, inclusion, and anti-racism.



## Social and community resilience

Board games and non-digital leisure continue a marked revival, valued for social connection. Young people's disengagement with news media and low trust in news (down to 32% from 58% in 2020) pose new challenges in reaching participants with reliable sector messaging.



## Wellbeing

New research links higher survival in colon cancer to guided physical activity. Activity in older adults must be coupled with reduced sitting time to yield cognitive benefits, prompting a re-evaluation of exercise prescriptions for ageing New Zealanders. In the UK over the last 50 years the cancer death rate has decreased by 22% but cancer diagnoses have increased by 47%. Diagnoses have increased the fastest in younger people (20-49 years). Obesity, poor diet and physical inactivity are the main risk factors.



## Changing nature of work

Four-day work week trials are showing mental health, satisfaction, and burnout improvements, but productivity effects are not clear. This may create both opportunities and uncertainties for volunteer engagement and event scheduling. "Right to disconnect" labour rules (allowing employees to refuse unreasonable work-related contact) are advancing in Australia, likely to influence NZ discussions soon.



## Changing leisure patterns

International reports confirm continued rise in cooperative and story-driven games and a push for device-free youth programming, exemplified in the UK via increased funding for after-school and club activities. Local trends still show steady gym usage and flexible, self-guided recreation.



Strengthening



Weakening



No change

# Economic



## National outlook

New Zealand's GDP fell 0.9% in the June 2025 quarter - its third drop in five quarters - reflecting broad-based weakness across most industries. Persistent living cost pressures, weak demand, and a soft labour market continue to constrain public funding, shrinking opportunities for sport and recreation sector investment and participation.



## Māori economy

Calls to transform the Māori economy away from western capitalist settings to focus on Indigenous values such as collective wellbeing, equitable distribution, and resilience are getting attention. Mana-enhancing approaches may alter partnership and delivery models for Māori sport and recreation.



## Changing business patterns

95% of generative AI pilots in business are reportedly failing to deliver results, signalling that hype cycles are not translating to productivity. Informal AI tool use (e.g., ChatGPT) is spreading among staff, raising untracked risks and opportunities.



## Socio-economic inequality

More older adults on fixed incomes are experiencing financial distress, exacerbated by cost pressures in rates, insurance, food, and energy. Changes to GP funding may further disadvantage Māori and vulnerable communities critical to sport and active recreation participation.



## Disposable income

Consumer confidence is at its lowest since late 2023. Reduced perceived financial security further erodes discretionary spending on sport and recreation, especially among older and lower-income groups.



Strengthening



Weakening



No change

# Technological



## Gaming and interactive

Esports and gaming have become a core part of youth culture in NZ, with the esports industry alone expected to generate over \$1 billion in 2025 and gaming now fully mainstream. This trend is drawing attention away from traditional sports but also presents new opportunities to engage young people through blended, technology-driven programmes.



## Digital and surveillance

National concern over data privacy has climbed, prompting new Biometric Privacy Code requirements and deeper scrutiny of how participant and fan data is stored or used. Balancing innovation - like real-time fan engagement and performance insights - with robust privacy safeguards is now a top sector focus.



## Health and medical

AI chatbots are proliferating for mental health, but emerging studies highlight worsening outcomes in some unsupervised uses. Sector needs stronger moderation and governance over digital health tools.



## Human augmentation

The recent "Humanoid Games" in China are catalysing advances in robotics, with likely implications for future recreation technology and inclusion, but use cases remain fledgling. Organisers for the "Enhanced Games" are legally contesting anti-doping authorities, raising questions about the future of performance enhancement and sector social licence ahead of the 2026 launch of the Games.



## Artificial Intelligence

NZ's AI strategy is being criticised for neglecting human rights and legislative gaps. Concerns are accelerating about the effects of "AI psychosis" (hyper-reliance on chatbots, conspiratorial belief-formation) and the role of AI in misinformation. NZers' understanding of AI has risen steadily over the past three years, with 73% now reporting a good understanding (up from 62% in 2023). Despite this, 66% say AI makes them nervous, the second-highest globally after Australia (67%).



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Weakening



No change

# Environmental



## Climate change consequences

Rapid Antarctic ice melt is disrupting global ocean currents at a faster rate than the Arctic, likely worsening extreme weather and event disruptions. US federal support for climate data and research was cut, likely undermining international model quality and sector risk planning. NZ will not meet its emissions targets on current policy, and central and local government are shifting responsibility for climate-adaptation costs to private homeowners. Tower Insurance's "climate risk pricing" in home insurance is a global first.



## Environmental outlook

The world failed to secure an international plastics treaty. Direct actions by new environmental groups now target financial and insurance infrastructure, foreshadowing greater sector disruption risk in events and logistics.



## Active Transport

Cost-of-living pressures are driving increased walking in lower-income areas "by necessity." Infrastructure and amenities remain unevenly distributed, limiting benefits for many.



## Climate change response

New Zealand's capacity to respond to climate risks is declining amid funding squeezes, delayed decision-making, and policy uncertainty. Proposals to densify housing near Auckland transport hubs are contentious, pitting recreation access against urban development. Urban adaptation initiatives, such as "de-paving" contests and active transport promotion, are seeing sporadic support.



## Space and place dynamics

Urban form studies confirm the strong impact of walkable streets and appealing destinations on walking behaviour, particularly in disadvantaged areas where private vehicle use is unaffordable. In the latest Lottery Community Facilities grants round, 47 sport and recreation facility projects applied for funding, totaling \$94.9 million in estimated costs and requesting \$11.4 million; 22 projects (46.8%) were approved, receiving \$3.65 million.



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# Sector



## Social licence for sport and rec

Mounting scrutiny of the sector's inclusivity, safety, and connection to public values continues, especially as controversial events like the "Enhanced Games" challenge conventional ethics and regulation. The sector's legitimacy depends on proactive, transparent responses.



## Workforce (including volunteers)

Volunteerism is increasingly hampered by "role creep," compliance fatigue, and confusing rules—feeding a decline in volunteer numbers. The sector requires clear, accessible support structures to sustain existing volunteer bases.



## Athlete and participant wellbeing

The US Olympic and Paralympic Committee's ban on transgender women athletes and World Athletics' genetic testing requirements are reshaping eligibility debates. New international research highlights concussion risk in girls' football, and girls dropping out of sport at higher rates than boys by age 14 - mostly due to safety concerns, lack of belonging, and fear of failure. The new Global Alliance for Female Athletes is making evidence and education more accessible, promising long-term benefit.



## International travel

Climate-driven "turbulence inflation" is raising air travel costs, compounding post-pandemic and geo-political disruptions to event participation and professional sport exchanges.



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