

The Iran Conflict: Implications for the New Zealand Sport and Recreation Sector





Why this matters now

- The Iran-US-Israel war has disrupted energy markets and global trade, increasing inflation and economic uncertainty that directly affect the costs and conditions underpinning sport and recreation in Aotearoa New Zealand.
- Tighter security settings, shifting public values, and more polarised narratives are likely to shape how international events, travel, and inclusion are managed in sport and active recreation.
- The sector's exposure is indirect but real: through household budgets, public and private funding, travel and supply chains, and the social cohesion that sport and recreation help sustain.

Headline implications for NZ sport and recreation

- Rising operating and travel costs will pressure organisations, potentially reducing participation in cost intensive activities and international programmes if not actively managed.
- Governance expectations will increase around ethical engagement with conflicted countries, managing hate and misinformation in communities, and demonstrating sport's contribution to cohesion and wellbeing.
- Organisations with flexible formats, strong local offers, diversified revenues, and energy efficient infrastructure will be better placed across all plausible futures.

Priority actions for system leaders

- Integrate geopolitical shocks (like the Iran conflict) into risk registers, financial modelling, and scenario tested business cases - especially for long haul travel and major capital projects.
- Develop at least one “lean, local” operating model and low cost participation offer that can be activated quickly if travel or funding are constrained.
- Invest in inclusion, anti hate, and ethical engagement policies; strengthen relationships with local partners (iwi, councils, community groups, health and education) to position sport and recreation as resilience infrastructure.

1.

What is happening and why it matters to NZ

The Iran-US-Israel conflict has escalated into an open regional war centred on Iran and the Strait of Hormuz, triggering volatility in oil and gas prices, disrupting shipping, and elevating global security tensions. These shifts affect New Zealand indirectly through higher costs, economic headwinds, and a more uncertain international environment for travel, events and partnerships.

Key points:

- Large scale airstrikes, retaliatory missile and drone attacks, and threats to close the Strait of Hormuz have created the largest energy supply shock in decades.
- The conflict has widened via proxy actors in Lebanon, Syria, Yemen and Iraq, with intense information warfare and rising polarisation across media and online spaces.
- For NZ sport and recreation, the conflict is a risk amplifier: it interacts with existing pressures such as inflation, climate change, social cohesion, and digital disruption rather than creating entirely new ones.

2.

Significant drivers of change for NZ sport and recreation

For Aotearoa, six drivers arising from this conflict are particularly important:

Energy prices and inflation

Higher fuel and freight costs flow directly into airfares, facility energy bills, equipment and turf, and indirectly into household budgets that fund participation.

Global and NZ macro economy

Oil driven inflation and instability raise the risk of global slowdown or recession, putting pressure on public funding, sponsorship markets, and discretionary household spend.

Geopolitics, security and travel

Heightened security concerns, rerouted flights and evolving sanctions regimes can add cost and complexity to international travel, hosting rights, and athlete eligibility.

Supply chains and equipment

Shipping delays and higher insurance costs make just in time models for event logistics and retail inventory more fragile, especially for specialised equipment and technology.

Social cohesion, narratives and values

Polarising narratives about the conflict, Islamophobia and antisemitism, and online disinformation can surface in clubs, schools and fan communities, challenging inclusion and conduct norms.

Technology and digital participation

If travel and costs are constrained, digital and hybrid modes (remote coaching, e sport, virtual competitions) become more important as complements or substitutes to traditional models.

3.

Four futures using Dator's archetypes

We use Jim Dator's archetypal futures - Growth (Continuation), Collapse, Discipline, and Transformation - to explore how the Iran conflict could interact with other forces and shape the operating environment for NZ sport and recreation. These are not predictions; they are plausible reference points for strategy, risk and capability conversations.

Continued Growth

“Messy business as usual”

Core story

Conflict stabilises into a contained but persistent confrontation. Hormuz is reopened under naval protection, energy prices remain elevated but stabilise over time, and the global economy slows but avoids deep recession. NZ faces higher costs and political noise, but overall continuity in the sport and recreation system.

Signals this future is emerging

- Oil prices remain high but gradually fall back from peak levels as alternative supply ramps up and shipping routes normalise.
- Occasional spikes in tension, but no major new fronts or prolonged closure of key trade routes.
- International sport calendars continue with added security protocols and insurance requirements instead of widespread cancellations.

Implications for NZ sport and recreation

Financial and participation

- Venue energy, travel and freight costs are structurally higher, squeezing margins for councils, NSOs and event operators.
- Participation dips in cost intensive activities (long haul tours, snow sports, equipment heavy codes), while low cost local recreation remains resilient.

International engagement

- Higher fares and more complex routings raise the bar for approving tours and hosting commitments.
- Ethical questions arise around events involving Iran, Israel or closely linked states, but are managed case by case via existing governance channels.

System strategy

- Risk monitoring, energy efficiency upgrades and diversified sponsorship/revenue become core disciplines, not “nice to haves”.

Early leadership moves

- Standardise geopolitical and travel risk criteria for sanctioning international events, tours and HP campaigns.
- Prioritise energy efficiency investments in major facilities and fleets to reduce operating cost exposure.

Example

A national team continues to compete globally but reduces extended multi stop tours in favour of shorter, higher impact trips, while building stronger regional (Australasian/Pacific) competition structures.

Focus areas by role

Boards

Ensure risk registers explicitly address geopolitical and energy shocks; set expectations for scenario tested business cases for big capital and international commitments.

CEOs/SLT

Build medium term cost and revenue scenarios; negotiate longer term deals with key suppliers and sponsors.

Operators/RSOs

Optimise scheduling and facility use to manage higher costs (e.g. off peak energy, shared spaces, cluster programming).

Collapse

“Oil shock and social strain”

Core story

The war escalates. Conflict and asymmetric attacks keep the Strait of Hormuz effectively closed, creating a prolonged, severe oil and gas shock and triggering a global recession. NZ experiences rising unemployment, fiscal stress, and sharper inequality, with significant knock on impacts to sport and recreation.

Signals this future is emerging

- Oil and LNG prices stay at extremely high levels for many months, with repeated supply disruptions and no credible reopening plan.
- Global trade volumes fall, and several major economies enter recession simultaneously.
- NZ government announces successive rounds of spending restraint and reprioritisation, with pressure on “non core” areas.

Implications for NZ sport and recreation

Financial shock and participation

- Households cut discretionary spend: fee paying sport, gym memberships and travel teams decline; informal, free or low cost local activity grows.
- Capital projects (stadia, new facilities, major upgrades) are delayed or cancelled; some operating grants and contestable funds shrink.

Organisations and workforce

- Clubs and providers consolidate, hibernate or close, particularly where dependent on stressed sectors (tourism, hospitality, retail) for sponsorship.
- Greater reliance on volunteers and part time roles increases the risk of burnout and capability gaps.

International sport

- Long haul campaigns and tours become rare; focus shifts to trans Tasman and Pacific competition on a reduced scale, and to digital competitions or talent ID.

Social cohesion and wellbeing

- Demand for recreation that supports mental health and community connection grows amid economic anxiety and social tension.

Early leadership moves

- Design and test “recession ready” participation models: shorter seasons, hyper local competition, shared equipment pools, transport pooling.
- Identify core programmes and services to protect in a downturn, and those that could be paused, scaled back or redesigned.

Example

A regional sport trust shifts from event heavy programmes to a neighbourhood based activation model, partnering with schools, marae and churches to keep people active at very low or no cost.

Focus areas by role

Boards

Clarify minimum viable mission in a downturn; agree a prioritisation framework for cuts to avoid ad hoc decisions.

CEOs/SLT

Build cash buffers where possible; renegotiate contracts and explore shared services models with peers.

Operators/RSOs

Simplify offers and admin; lower barriers to entry (price, gear, schedule) and increase partnerships with social and health services.

Discipline

“Secure, controlled and inward looking”

Core story

Security and social control dominate policymaking responses to the Iran war and related tensions. Borders, data and public spaces are more tightly controlled; misinformation, extremism and foreign influence become central concerns. Economies are under pressure, but the defining feature is a more disciplined, rules heavy environment.

Signals this future is emerging

- Expanded surveillance, screening and data sharing across borders and within countries, including for major events and travel.
- Stronger laws and enforcement around misinformation, hate speech and foreign influence, with sport occasionally referenced in public debates.
- Funding increasingly framed through security, resilience and cohesion lenses.

Implications for NZ sport and recreation

Regulation of events and gatherings

- Larger events face stricter security and crowd management requirements, raising compliance costs and complexity.
- Organisations are expected to manage flags, symbols, protests and online commentary linked to foreign conflicts and identity politics.

International participation

- More complex visa, security clearance and data sharing requirements for athletes, officials and fans, especially those with links to conflict involved regions.
- Sanctions and diplomatic tensions constrain who NZ teams can play, host or be sponsored by.

Governance and accountability

- Government expectations that sport and recreation actively contribute to social cohesion, civic education and counter extremism increase.
- Boards must navigate more politicised decisions, where neutrality is harder and public scrutiny is sharper.

Early leadership moves

- Develop robust, values aligned policies on inclusion, political expression, flags and symbols, and handling conflicts between communities at events.
- Build relationships with security agencies and community leaders to co design proportionate security practices that maintain welcoming environments.

Example

A national league introduces clear protocols for player and fan expressions relating to overseas conflicts, co designed with affected communities, and backed by education rather than purely punitive measures.

Focus areas by role

Boards

Set clear values and red lines; ensure risk and ethics committees can handle complex geopolitical and social issues.

CEOs/SLT

Establish processes for rapid, principled decisions on controversial fixtures, sponsors or symbols.

Operators/RSOs

Train staff and volunteers to de escalate conflict, enforce codes of conduct, and support affected communities.

Transformation

“Resilient, local, values led sport”

Core story

The Iran conflict and associated shocks accelerate deeper shifts toward sustainability, localisation and wellbeing. New Zealand leans into its relative stability and renewable energy advantages, reframing sport and recreation as critical infrastructure for resilience, environmental stewardship and peace building.

Signals this future is emerging

- Strong policy and investment shifts toward renewables, circular economies, climate adaptation and wellbeing economics.
- International and domestic discourse increasingly emphasises peace, human rights, planetary health and social cohesion – with sport named as a vehicle.
- Growth in local, nature based and active transport linked recreation, supported by digital tools for global connection.

Implications for NZ sport and recreation

System purpose and design

- Strategies explicitly link participation to climate resilience, mental health, inter cultural understanding and community strength.
- Funding supports community based, nature rich, low carbon activity alongside high performance sport.

Operations and infrastructure

- Facilities transition to low emission, multi use community hubs; travel footprints are measured, reported and actively reduced.
- Local and regional competitions are strengthened to reduce reliance on high emission global circuits, while digital platforms maintain international engagement.

Ethics, diplomacy and soft power

- Ethical frameworks guide engagement with states involved in serious conflict, emphasising human rights, dialogue and sport diplomacy.
- Athlete and community voices on climate, peace and inclusion are encouraged and supported.

Early leadership moves

- Build emissions and resilience metrics into sport and recreation investment and performance frameworks.
- Grow partnerships with iwi, environmental organisations, health agencies and local government to co create programmes linking activity, whenua and wellbeing.

Example

A multi code regional hub commits to being net zero in operations, integrates active transport links, hosts community cohesion programmes, and runs hybrid local global events using digital platforms.

Focus areas by role

Boards

Embed sustainability, resilience and social outcomes in governance charters and KPIs.

CEOs/SLT

Re shape portfolios and partnerships around wellbeing, climate and cohesion outcomes, not just participation counts.

Operators/RSOs

Design programmes that connect physical activity with nature, culture and community, supported by accessible digital tools.

4.

Scenario overview table

| Future | Conflict / economy picture | NZ sport and recreation conditions | Strategic posture |
|-------------------------|---|--|--|
| Continued Growth | War contained; Hormuz reopened; elevated but stabilising energy prices; slower but ongoing global growth. | Higher costs but broadly stable systems; moderate participation shifts; international calendars mostly intact. | Incremental resilience: cost management, risk monitoring, efficiency upgrades. |
| Collapse | Prolonged Hormuz disruption; severe and sustained energy shock; global recession and trade slowdown. | Sharp drop in discretionary spend and some funding; closures and consolidation; growth of informal local activity. | Survival and equity: protect vulnerable groups' access, low cost models, organisational triage. |
| Discipline | Security dominated politics; tighter borders, surveillance, and controls on gatherings and speech. | Higher compliance and security costs; politicised environment; greater expectations around cohesion and conduct. | Alignment and safeguards: comply smartly, protect inclusion, build governance capability. |
| Transformation | Conflict shock accelerates sustainability, localism and wellbeing agendas, supported by technology and policy shifts. | Sport reframed as resilience and wellbeing infrastructure; low carbon, community centred, values led practices. | Proactive redesign: invest in green, inclusive, locally anchored systems and global digital links. |

5.

Cross scenario readiness: checklist for organisations

Use this simple checklist to assess your organisation's readiness across all four futures.

Rate each area 1-3 (1 = limited, 2 = emerging, 3 = strong) and note one next step.

Financial resilience

- Do we stress test budgets for 30-50% increases in travel and freight and 10-20% increases in operating costs?
- How diversified are our revenue streams (grants, sponsorship, commercial, community)?

Governance, ethics and international engagement

- Do we have clear positions and processes on engagement with countries involved in serious conflict, and on controversial sponsors or broadcasters?
- Are our inclusion, anti hate and political expression policies robust enough for a more polarised environment?

Supply chains and infrastructure

- Do we understand which equipment, technology and materials are most supply chain sensitive and have alternatives identified?
- Are we on a pathway to lower energy use and emissions in key facilities?

Travel and events

- Do we have criteria for when to travel, when to host, and when to defer or redesign events if risks or costs spike?
- Could we pivot to more local or digital formats at short notice?

Community resilience and wellbeing

- Can we evidence our contribution to mental health, social connection and cohesion in ways that matter to funders and partners?
- Do we have low cost, neighbourhood based offerings that could scale up in both growth and collapse scenarios?

Digital capability

- Are we able to support training, engagement and some competitions digitally if travel is constrained?
- Do we have safeguards against misinformation and online harm in our communities?

6.

Board level discussion questions

Acknowledging Boards will have immediate operational issues, such as interrupted travel plans and rising costs, so these questions sit at a more strategic level:

- Which of the four futures most challenges our current strategy and risk appetite?
- Are we over exposed to any single revenue source, event format, or international calendar assumption?
- How clearly have we articulated our values and red lines on engagement with conflicted states and contentious sponsors?
- What evidence do we have that our activities strengthen community resilience and cohesion, and how can we improve it?
- What one investment in the next 12-24 months would most improve our resilience across all four futures?

7.

Scope, assumptions and limitations

This report focuses on macro level implications of the Iran conflict and related energy and security shocks for the New Zealand sport and recreation system, rather than providing foreign policy analysis or operational security advice.

You may wish to undertake deeper, tailored analysis on:

- Code or organisation specific exposure to international calendars, events and sponsors.
- Detailed equity impacts on Māori, Pacific, disabled people, women and girls, ethnic and faith communities.
- Integration of geopolitical and climate risks into major capital investments and long term participation strategies.



Level 1, Harbour City Centre
29 Brandon Street
Wellington 6011, New Zealand
PO Box 2251 Wellington 6140
Phone: +64 4 472 8058
sportnz.org.nz

Te Kāwanatanga o Aotearoa
New Zealand Government