



ANNUAL REPORT

2022/2023 Financial Year

We work collaboratively with all sporting codes in promoting, fostering, advancing and encouraging the core values of organised amateur sport, with the goal of ensuring there are opportunities, incentives and recognition for all participants, of all abilities and ethnicities, (whether players, coaches, or administrators), which are aligned to their distinctive status as amateurs.

CHAIRMAN'S REPORT

I am pleased to present the sixth Annual Report of the Association.

While the past year has been one of significant activity and achievement for the Association on behalf of its members and amateur sport communities nationally, the year ahead looks to be one in which the foundations of our national model for delivering community sport through incorporated amateur sport clubs will be severely tested.

As New Zealand's cost-of-living crisis continues to deepen, the Association is acutely aware of the challenges that economic austerity forces on community-based, volunteer-led sport organisations. In anticipation of tougher economic times ahead, community sport organisations throughout New Zealand will similarly be increasingly aware of the prospect of: reduced income (from a squeeze on household finances); increased costs (resulting from rampant inflation and rising interest rates); and (as a result) financial and time pressure on volunteers and members. We note that on average over the past five years, only 80% of members of sport clubs report being "actively engaged" in their club¹. This could mean up to a 20% loss of subscription income for some clubs if less-engaged members cease paying a subscription from their discretionary income owing to financial pressure.

When declines in real household incomes are combined with increased regulatory obligation (noting that the Incorporated Societies Act 2022 comes into force from October 2023), volunteers may become less willing to carry the burden for sport delivery through incorporated community clubs. This service is estimated to be worth (in unpaid hours, based on Stats NZ data and Association analysis), around \$125,000 to each club per annum. Noting this value and the importance of communities to work within legal structures which support their ownership of community sport operations and assets, we will continue to strenuously remind policymakers that "volunteering is central to the social development, economy, and environment of New Zealand"² and is central to the delivery, administration and governance of sport in this country.

• **Our People**

At the 2022 Annual General Meeting, Marian George QSM was re-appointed the Association's President and John Morrison MNZM, Vice President. Marian and John continue to be vocal advocates for the values and goals of the Association. In addition, the ongoing support of Andy Leslie MNZM as the Association's Patron continues to raise our profile and represent our interests across the wider sport sector.

¹ National Sport Club Survey (NSCS) 2022

² Volunteering New Zealand

Both Marian and John are willing to continue in their respective roles this coming (and are nominated to do so, for the consideration of the AGM), while Andy has confirmed his ongoing support of the Association in his role as Patron.

In 2022, the Association has again been well-served by a conscientious and focused Board, which has undertaken both a governance and an operational role. After five years' service, Campbell Dewes will be stepping down from his role as an Association Board Member. Based on the East Coast, Campbell has provided the Board with constant support and a unique perspective on community sport operating at the heart of local communities. Also retiring this year from Board duties is Ray Tuffin. Ray joined the Association's Board in 2020 and over that time has been a strong and vocal advocate for alleviating poverty and barriers to participation in community sport. I would like to extend the Association's thanks to Campbell and Ray for their supportive and thoughtful service to the Association.

On behalf of all the Association's members, I would like to extend my thanks to other members of our 2022/2023 Board, (Will Caccia-Birch, Jo Coughlan, Wayne Guppy, Warren Inkster, Andy Leslie, Tony Meachen, Michael Naylor, Farib Sos, Cushla Tangaere-Manuel, and Adrian Tangaroa Wagner), for their ongoing interest, involvement and ideas over the past year. I would also like to recognise the administrative support of the Association's Volunteer Executive Officer, Aleks Noble-Campbell.

While continuing to be effective as an operational Board, further consideration on how best to resource the operational needs of the organisation while also ensuring that our governance aspires to best practice in terms of scope and representation is required. The Board has met six times in the past Financial Year, with bi-monthly meetings the intended meeting cycle going forward as an established pattern.

In November 2022, Association members were invited to a virtual open forum, with the Board. This provided an opportunity for discussion on activity being undertaken by the Association in each of its three strategic pillars. As one attendee noted following the forum, "I wanted to let you know that the presentation last night was excellent, being to the point and comprehensive." One attendee also travelled from Auckland to attend in person, in Wellington. This will become an annual event for the Association, with the timing appropriate given the "mid-point" of the Association's financial and strategic year.

In terms of our regional footprint, we continue to have Association representatives in Auckland, Bay of Plenty, Canterbury, East Coast, Manawatu, Taranaki and Wellington. It is encouraging to see the ongoing membership interest from all areas of the country.

Finally, I would also like to acknowledge the service to the Association provided by our Honorary Solicitor (Benji Crossley, Sharpe Tudhope, Tauranga) and Honorary Auditor (Les Foy, Crowe New Zealand, Wellington) who have both agreed to continue their service to the Association in the coming financial year.

- **Our Strategy**

1. Amateur Advocacy

- The enactment of the Incorporated Societies Act 2022 in April 2022 impacts all incorporated community sport organisations (ICSOs) throughout New Zealand and is the most significant legislative change to affect amateur sport in this country in over a century. It has been a major advocacy focus of the Association over the past two years. Since the 2022 AGM, the Association has met with two Ministers and two groups of Ministry officials in an attempt to influence the shape of the legislation and the supporting regulations.
- In particular, the Association has suggested that the definition of “small society” in the Act be extended, so that if a “small society” (as defined by the new Act) is also an “amateur sport promoter” (as defined by Income Tax Act 2007), then certain provisions of the new Act should not apply (or specific regulations should apply) to an ICSO. While it’s disappointing that public consultation on the new regulations has suddenly been cancelled, the Association has done all it reasonably can in the circumstances to influence policymakers and officials.
- In the absence of any pro-active face-to-face engagement with ICSOs by Government, the Association presented seminars on the implications of the new Act to community sport stakeholders in Albany, Ashburton, Christchurch, Dunedin (twice), Lower Hutt, Masterton, Palmerston North, Timaru, Upper Hutt, Waitakere and Wellington. Next month, a further seminar will be presented in Christchurch at the invitation of the University of Canterbury, with an expression of interest for seminars also recently received from Sport Southland.
- In February 2023, the Association made a submission to New Zealand Rugby Governance Review. We noted that the history of rugby union in New Zealand is as much a social history as one which is defined by on-field exploits of men (and more recently, women) “in black” and that the dawn of the professional era for rugby has eroded much of the benefits and achievements arising from the social infrastructure which defined the purpose of participation in the game.
- In our submission we observed that historically, clubs offered much more in terms of uniting communities who celebrated their sporting tribalism (based on diverse religious, occupational and cultural backgrounds), as important “social glue” and that overall there appear to be challenges in balancing the demanding needs of the professional game relative to the well-being of the amateur game.
- In addition to the challenges in maintaining on-field participation at the amateur level (e.g., in recruiting match officials without whom the game will not be able to be played), we observed that strategies to grow off-field participation (e.g., in recruiting administrators and volunteers) are somewhat ineffective.

- We also observed that the Silver-Lake cash dividend will not solve these challenges, particularly when there is an expectation that the amateur game will continue to be supported by well-meaning, time-poor volunteers.

2. Thought Leadership

- Our principal thought leadership project continues to be the National Sport Club Survey (NSCS) which is a firmly embedded annual snapshot of the management and operation of New Zealand's sport clubs.
- 2022 was the fifth year for the project, which is undertaken in collaboration between the Association and the Sport Performance Institute New Zealand based at Auckland University of Technology (AUT SPRINZ). As members will recall, the NSCS was conceived by the Association in 2018 as a complement to the myriad of available New Zealand sport sector data by focusing on sport clubs as organisational entities representing "the cradle of amateurism" and the social and sporting hub of many communities across the country.
- The 2022 NSCS was open from 14 August to 29 September. Around 900 sport clubs engaged with the survey, across all 16 regions of New Zealand. Several important metrics were again tracked year-on-year relating to club membership, governance and finances. Also in 2022, a comprehensive set of survey items related to club perceptions of councils/local government and the Incorporated Societies Act 2022 were included for the first time.
- Following release of the 2022 survey results, workshops for community sport stakeholders were held in Albany, Christchurch (the 20th workshop since the survey began), Lower Hutt, Napier, Palmerston North, Timaru, Waitakere and Wellington. In 2023, the NSCS will focus on four emerging thematic areas: integrity; disability sport; casualisation and the club-school intersection.
- In 2022, the National Sport Club Survey was generously financially supported by Dynasty Sport, Forsyth Barr and Pinnacle Corporation. We note that the project receives no government funding despite its important function.

3. Community Engagement

- In association with "Te Upoko o te Ika" (NZ's first te reo radio station), the inaugural "Te Tohu Tiketike o Matariki" award was presented by the Association on 24 June (the the date of the first national celebration of "Matariki"), to acknowledge a community sport club which has embraced te reo Maori as part of its kaupapa. Ōtaki Surf Life-Saving Club Inc. (Te Puni Kaumarū o Ōtaki), won the inaugural award.
- In presenting this award, the Association acknowledges the multi-cultural background of community sport in New Zealand, with the values of Maori tikanga an important contributor to sport communities throughout the country.

- During the year, as part of a broader focus on local authority engagement with community sport entities, the Association also aligned with Wellington’s “Affordable Sport Campaign”, which was established with the goal of lowering sports fees for players and families in the Greater Wellington Region.
 - During the 2022 local body elections, this campaign sought the commitment of candidates to conduct a review of fees. Disappointingly, subsequent to the elections, there has been no demonstration of that commitment from those elected.
 - The Association has also sought to engage with Local Government New Zealand, to share insights gleaned in respect of local authority/ICSO relationships from the 2022 National Sport Club Survey. The survey indicated that local authority relationships with community sport organisations was not ideal in many parts of the country. Free-text comments from the survey including: “transactional rather than productive tone to engagement”; “meet an obligation” rather than “innovate” or “advance”; “polarity in relationship quality, either productive or very negative”; “lengthy turnaround times, dismissiveness”, indicate an opportunity for the Association to focus on this area. Some positive relationships were also observed.
 - This will be an ongoing project in the 2023/24 financial year.
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- **Our Membership**

Over the past year, the Association’s membership has continued to grow across a range of membership categories. The Privacy Act 2020 limits the information that can be provided concerning members in the public domain and members will be aware that the Association does not provide a publicly available register of members.

- **Our Financials**

As detailed in the audited financial statements, the Association’s expenditure exceeded its revenue for the past financial year, (principally arising from administration, accounting, governance and project costs), although retained earnings provide a reasonable financial buffer to ensure basic operational costs are met as we commence the next financial year. Timely receipt of member subscriptions (comprising 20% of annual revenue in the past year), combined with sponsorship provided the financial means for the Association’s activity. In the coming financial year, additional sources of revenue (including grant-funding to cover some project costs) will be explored. With the preceding points in mind, I would like to thank our Financial Controller, Will Caccia-Birch who takes responsibility for our financial and accounting governance, with ongoing professional support (including our annual audit), provided by FINDEX.

Members will be aware that the Association's growth is constrained by the level of financial resource available to it. In the past year we were privileged to have the support of Pinnacle Corporation (Dion Ross), Dynasty Sport (Jamal Thompson, Conor Beggs, Paul Latham) and Forsyth Barr (Philip O'Neill, Cathy Anderson) as our major financial sponsors. We look forward to their ongoing support for the 2023/2024 fiscal year.

There are also a number of other supporters of the Association who provide in-kind, professional assistance. In particular, I would like to acknowledge Expert Services (Evan Bayly, Amanda Main) and Unlimited Limited (Nigel Richardson, Steve Cooper) who generously provide the Association with technology, and media and communications advice and support on an on-going basis.

I recommend that the audited financial statement for 2022/2023 fiscal year be approved.

- **Our Public Profile**

The Association has continued to receive exposure in the past year, primarily in digital media. We have continued to grow our social-media presence, (principally via Twitter) and have plans to extend this into other social media channels in the coming year.

In meeting with sport communities nationally as part of our strategic activity, the Association has done a great deal to raise awareness and prompt discussion of matters important to the well-being of our community sport entities. Over the past year, the Association made four Media Releases and featured in three national media articles.

- **Our Coming Year**

The challenges faced by the country at the present are no less experienced in our community sport organisations than in any other area of society. At a time when individuals and families face economic and financial pressure, the role of our amateur sport communities in providing positive, safe, inclusive and welcoming environments is a critical element of our national social infrastructure.

In the coming financial year our goal as an Association must be to continually remind national policymakers and local community leaders of this, with the objective of ensuring that necessary resources are made available to support the needs of community sport infrastructure and to attract the ongoing interest and engagement of volunteers.

Thank you for your continued support.

Gordon Noble-Campbell
Chairman, New Zealand Amateur Sport Association Inc.
