

NORTH AMERICAN INDIGENOUS GAMES (NAIG)
FUNDING FRAMEWORK FOR 2008 AND ONWARDS
HOSTING COMPONENT

January 30, 2003

Introduction

For thousands of years before European contact, Aboriginal people held games throughout the continent of North America. Historical records dictate that many modern team sports were derived from traditional Indigenous games. What is not well known is that these games taught personal and social values, which were a curriculum for their way of life. These practices taught each generation values and personal qualities that are reflective throughout Indigenous lifestyles and cultures to the present day. Qualities such as honesty, courage, respect, personal excellence, and gratitude for the guidance of parents, elders, and communities, prepared children and youth for the responsibility of adulthood. – North American Indigenous Games, Winnipeg, 2002.

The North American Indigenous Games (NAIG) provide youth from across North America an opportunity to showcase their heritage, history and culture through a variety of sport and cultural events. This two-week celebration demonstrates unity among Indigenous peoples from all regions and cultures across Canada and the United States through friendly competition in sport and cultural events and helps to promote the holistic concepts of physical, mental, emotional, and the spiritual growth of individuals.

It has been recognized that today's Aboriginal youth are the largest growing segment of Canada's population and that they are at risk to a variety of social issues including poverty; health concerns such as Type II diabetes, heart disease, and fetal alcohol syndrome; high rates of incarceration; substance abuse; harassment and racism; and a sedentary lifestyle. Many of these social issues have contributed to poor health and a low quality of life for Aboriginal people in Canada.

The federal, provincial and territorial governments have committed to supporting the NAIG in order to promote opportunities for Aboriginal youth to access and participate in sport and recreation. Their support of the NAIG demonstrates their on-going commitment to working with Aboriginal people to promote healthier habits and lifestyles for the Aboriginal youth of today.

This commitment dates back to 1995 when the Federal-Provincial-Territorial Ministers responsible for sport, recreation and fitness, at their conference in Grande Prairie, Alberta, directed officials to work in co-operation with national Aboriginal sport representatives to develop joint strategies to eliminate barriers to Aboriginal participation

in sport and recreation. Two years later at their conference in Clear Lake, Manitoba, Ministers resolved to direct officials to:

Continue working with the national and provincial/territorial Aboriginal sport organizations to develop solutions to barriers in targeted areas, and to report on progress at the 1999 F-P/T Ministers Conference; and

To further the participation of Aboriginal athletes in the Canada Games and to support the NAIG, to work with their colleagues and Aboriginal organizations to discuss how the NAIG can be used in a framework for Aboriginal sport development, and to discuss various options for F-P/T participation in, and support of, NAIG.

In the ensuing two years, the F-P/T Sport Committee worked with representatives of the Aboriginal Sport Circle on fulfilling these directions. This culminated with the Aboriginal Sport Circle's development of a national strategies document titled *Aboriginal Sport Development: the Role of Coaching Development, the North American Indigenous Games, and P/T Aboriginal sport bodies*.

In response to the recommendations contained in this document, Ministers, at their conference in Cornerbrook, Newfoundland, in February 1999, adopted six principles as a basis for developing a multi-party funding agreement for when the Games are hosted in Canada and instructed officials to develop the funding agreement. This task was incorporated into the *Canadian Sport Policy* development process and was identified as a priority in the *F-P/T Priorities for Collaborative Action 2002-05*.

Principles

This Funding Framework is based upon the following principles adopted by F-P/T Ministers responsible for sport, recreation and fitness at their meeting 1999 in Corner Brook, Newfoundland (Annex A):

1. Support for hosting the NAIG in Canada will be provided by contributions from the federal government and the host provincial/territorial government and through fundraising by the local host society (including local municipal government).
2. The federal and host provincial/territorial governments will contribute agreed amounts that are equal and capped. (Contributions from the federal government may not be used for capital projects.)
3. The federal and provincial/territorial governments will not provide any loans, loan guarantees or assume any part of a deficit incurred by the host organisation.
4. A community must obtain the agreement of the federal government and their provincial/territorial government to provide financial support, based on the general information relating to financial assistance available from the federal and

host P/T governments, prior to making a bid for the right to host a specific NAIG in Canada.

5. Any request for funding to host the NAIG in Canada will be evaluated according to criteria established jointly by the federal and provincial/territorial governments.
6. The financial assistance available from the federal and the host provincial/territorial governments may be provided in instalments during the period following the selection of the host organisation.

In addition, the Funding Framework takes into consideration the following premises:

- F-P/T Ministers at their meeting in 2004 will consider funding for team travel to NAIG;
- The NAIG are a multi-sport celebration of North American Aboriginal culture, recreation and sport (Annex B);
- The NAIG includes aspects of high performance sport, sport development and participation in sport as part of their mandate;
- The NAIG Council, an international governing body comprised of equal Canadian and American representation, is responsible for the definition, composition and structure of the NAIG; and
- The Aboriginal Sport Circle (ASC) is represented on the NAIG Council and is Canada's domestic voice for the NAIG.

Hosting Component Guidelines

1. This framework will apply only when it is Canada's scheduled turn to host the Games which next occurs in 2008 and every 6 years thereafter, and will be reviewed immediately following upon the hosting of each Games according to the process outlined in Annex C;
2. The NAIG Council bid process will begin at least 5 years prior to the NAIG with the NAIG being awarded at least 3 years prior to the Games;
3. The federal and respective provincial/territorial governments will be asked to commit financial support as outlined in this framework a minimum of one year prior to the host society/community submitting its bid to the NAIG Council;
4. The total budget of the Games in 2008 is estimated at \$10 000 000 (*this number has been determined using the process outlined in Annex C based upon the 2002 NAIG*);

- 4.1 The federal government intends to support the NAIG by contributing up to 35 percent of the Games' total budget, to a maximum of \$3 500 000, subject to the terms of the Federal Policy for Hosting International Sport Events and the appropriation of funds by the Parliament of Canada;
- 4.2 The host provincial/territorial government intends to support the NAIG by contributing up to 35 percent of the Games' total budget, to a maximum of \$3 500 000, provided such budget meets all of the required financial stipulations of the respective provincial/territorial government; and
- 4.3 The host society and municipal/regional government will be responsible for sharing the balance of the budget in proportions agreed upon by all parties.

PUBLIC POLICY DIRECTION

At the 1999 F-P/T Conference of Ministers responsible for sport, recreation and fitness, in Corner Brook, Newfoundland, Ministers agreed to adopt the following principles as the conditions to be met for the federal and host provincial-territorial governments to enter into a multi-party funding agreement to establish a formal support mechanism for the hosting of NAIG when hosting in Canada:

1. Support for hosting the NAIG in Canada will be provided by contributions from the federal government and the host provincial/territorial government and through fundraising by the local host society (including local municipal government).
2. The federal and host provincial/territorial governments will contribute agreed amounts that are equal and capped. (Contributions from the federal government may not be used for capital projects.)
3. The federal and provincial/territorial governments will not provide any loans, loan guarantees or assume any part of a deficit incurred by the host organisation.
4. A community must obtain the agreement of the federal government and their provincial/territorial government to provide financial support, based on the general information relating to financial assistance available from the federal and host PT governments, prior to making a bid for the right to host a specific NAIG in Canada.
5. Any request for funding to host the NAIG in Canada will be evaluated according to criteria established jointly by the federal and provincial/territorial governments.
6. The financial assistance available from the federal and the host provincial/territorial governments may be provided in instalments during the period following the selection of the host organisation.

At the same conference, Ministers also agreed to encourage each jurisdiction to determine its own approach to providing assistance, as appropriate, towards Aboriginal team participation in NAIG. As well, Ministers directed their officials to use the principles (listed above) to consult with Aboriginal organisations and communities on options to develop a multi-party funding agreement (including federal and provincial/territorial governments and the host community). The Aboriginal Sport Circle (ASC) identified a number of key provisions to serve as the blueprint for the creation of the funding framework.

At the 2001 Ministers Conference, the decision was made to defer the date of the multi-party funding framework for NAIG. Such decision was supported by the ASC.

¹ Saskatchewan Parks and Recreation Association, 1997

At the 2002 Ministers Conference, the *Canadian Sport Policy* and *F-P/T Priorities for Collaborative Action 2002-05* were endorsed including Priority 6, Action 1:

Development of a multi-party funding agreement to establish a formal support mechanism for the hosting of the North American Indigenous Games (NAIG) when hosted in Canada.

A working group, made up of representatives of the FPTSC, Sport Canada, ASC and NAIG Council was struck to draft the hosting component of the funding framework.

The minutes of the 2002 conference also reflect the Ministers' direction to consider travel costs as a component of the funding framework.

HISTORY OF THE NORTH AMERICAN INDIGENOUS GAMES AND CURRENT FUNDING FRAMEWORK

The North American Indigenous Games (NAIG) is a multi-sport games for Aboriginal youth from North America. Still in their formative stages, the NAIG has been clearly identified as a priority by the Aboriginal sport community and Aboriginal political leaders across the country in order to promote the holistic concepts of physical, mental, emotional, and the spiritual growth of the individual. Since the first event in Edmonton in 1990, followed by Prince Albert in 1993, Blaine, Minnesota in 1995 and Victoria in 1997 the NAIG has increased in significance. It is now the largest ongoing multi-sport/cultural Aboriginal youth games hosted in North America. Over 60 percent of participants at the 2002 event in Winnipeg were under the age of 18.

The Canada-U.S. 26 member NAIG Council is consolidating its strengths and has devoted a significant amount of energy to improve the planning and decision-making involved in governing the movement. The Government of Canada carried out a thorough results based evaluation of the 2002 event, including a debrief session which has provided the NAIG Council and the Aboriginal Sport Council (ASC) with solid data to assist with decision-making around the future of the event.

Statistical data today shows Aboriginal youth as the largest growing segment of the population in Canada. A significant percentage of these youth smoke daily and report problems with alcohol and drug abuse. The suicide rate between the ages of 10-19 years is registered as more than 5 times higher than that of their non-Aboriginal counterparts. This statistical data clearly indicates the heightened health risk Aboriginal youth are exposed to in their daily environment. Aboriginal sport leaders from across Canada have identified youth sport and recreation as one of the primary means for community wellness: preventative medicine for the social dilemma that Aboriginal youth face. The federal, provincial and territorial governments' support of the NAIG demonstrate their on-going commitment to working with Aboriginal people to promote healthier habits and lifestyles for the Aboriginal youth of today.

The NAIG has made a tremendous impact on the healthy, active lifestyles of Aboriginal youth. It has demonstrated the healing power of sport and culture and that the Games can help to alleviate youth social problems such as alcohol and drug use, suicide, school dropout rate and conflict with the law, through the discipline of sport and culture. Participation in sport and recreation has been recognized to improve physical as well as mental health and well being. It enhances the overall quality of life and is proven to reduce and prevent illness. Statistics show that a 3% increase in recreation and sport participation could save Canadian taxpayers \$41 million in annual health care costs². Sport and recreation opportunities have also been seen to strengthen families, build community pride and leadership and contribute to a community's vitality.

² Saskatchewan Parks and Recreation Association, 1997

The Aboriginal Sport Circle is increasingly building its base of support and now effectively represents the Indigenous populations of every province and territory. The seamless integration of interests of Aboriginal peoples of varying ancestry has occurred. On behalf of Aboriginal sport leaders, the ASC in their 1997 presentation to the F-P/T Ministers reinforced the importance of the NAIG as one of the driving forces behind the Aboriginal sport system and the need for a partnership with governments to reinforce support of the Games.

At the 1999 Ministers meeting in Cornerbrook, Newfoundland, Ministers reviewed a national strategies document prepared by the ASC, detailing three areas of emphasis for Aboriginal sport development: coaching development, support for Provincial/Territorial Aboriginal sport bodies and the North American Indigenous Games.

The Ministers demonstrated their commitment to the NAIG by adopting a number of principles (Annex A) as a basis for developing a multi-party funding agreement when the Games are hosted in Canada.

ANALYSIS OF 2002 GAMES AND COST APPRAISAL

The following exercise undertaken to establish a figure for Government contributions in 2008 would be used again in 2008 to determine the contribution levels for 2014.

Objective

To calculate a base cost of hosting a North American Indigenous Games using the 2002 Winnipeg Games as the working model.

Methodology

Compare budgets prepared for the 2000 Business Plan, the baseline budget established in the spring of 2002 and the projected costs as at September 2002.

Identify elements, programs and issues that have impacted on the Winnipeg Host Society costs.

Adjust the baseline accordingly and include rationale.

Factors influencing Base Costs

1) No capital

The 2002 Games benefited from capital improvements made from previous events held in Winnipeg and the surrounding areas. The assumption is the funding formula applies only to operating costs.

2) GST 50% Rebate

The level of GST rebate is dependant upon the individual circumstances of each Host Society and the method of operation they adopt. For the purposes of this model a 50% ITC has been assumed.

3) Sponsorship ability

The Winnipeg games were extremely successful in terms of private sector support. There are a number of factors that would indicate the 2002 Games over delivered in terms of corporate support.

- Track record of successful events in the area over the previous 12 years
- High level of corporate awareness re Aboriginal issues
- Support of crown corporations
- Significant commercial centre

The assumption is made that the level of sponsorship support for future games will be less.

4) Feeding

Costs relating to the feeding of athletes is significant and responsibility of the Host Society. A significant number of athletes chose to eat outside the village. The Host Society had negotiated feeding contracts based on meals consumed and therefore accrued cost savings. It would be imprudent to assume that this trend would continue and the assumption is made that athletes accommodated in the village will consume two meals a day for their entire stay.

5) Registration Fees

The fee for 2002 was \$150 including GST. The Host Society netted income per registrant was \$140.18. Registrants in 2002 amounted to 6,600. The assumption is made that the registrant level remains constant and future registration fees or similar are adjusted based on Statistics Canada inflation rates. Based on a compounded increase of 15.97% over the next five years the registration fees in 2008 would be set at \$173.95 including GST.

6) Numbers and teams

The 2002 Host Society was responsible for hosting a games for up to 8,000 registrants and providing accommodation, internal transportation and two meals per day for the first 500 junior (and associated officials) from each competing team. The 2002 Games was not placed in a position where registrants exceeded 8,000 nor did the service requirements (village, internal transportation) exceed the Business plan assumption of 5,100.

However, the issue of registrant numbers and village capacity is the key factor in the financial sustainability of this event. To date teams from Western Canada have sent large contingents, a little under half of the registrants came from these four provinces. The four western provinces increased their overall participation by 10% over the Victoria games while registrations from other regions more than doubled. If this trend continued unabated the 2008 games would have over 14,000 registrants and require a village(s) to accommodate 9,500. The choice of host communities in Canada would likely be narrowed to two – Toronto and Montreal.

The assumption is made that the participation at future events in Canada will be of a similar scope to that held in Winnipeg.

7) Level of Service

The assumption is made that the level of service accorded to athletes at the 2002 games was appropriate. The potential exists for increase television coverage of future games. Should this transpire future Host Societies should ensure that the costs of providing ancillary services are funded by the rights-holders. The assumption is that increased costs relating to television production requirements will be self-funding.

8) Value In Kind

The 2002 Games valued and booked value in kind using business plan valuations and quantities as a base. In addition market place valuations were also considered. Valuations found to be in excess of these methods were booked as an ENHANCEMENT and had the effect of netting to zero. (Revenue equal to Expense).

9) Enhancements

Enhancements in the form of value in kind have not been factored into the base cost as they are:

- In addition to the core requirements of the games
- The cash cost to such enhancements is limited to the cost of servicing the sponsor

10) Net Dollars

In relation to fundraising there is a direct cost associated with servicing the sponsor in terms of benefits they receive. Twenty percent is a conservative estimate of such costs. Example for every \$1,000 raised, \$200 will be returned to the sponsor in benefits. For the purposes of this exercise the costs of sales has been deducted from sponsorship revenue and shown as a net figure.

11) Contingency

It is prudent to include a contingency as part of the base costs. An allowance of \$250,000 has been included as part of the base costs calculation.

12) Drug Testing

No allowance has been included in the base costs in respect to a drug-testing program at future games.

13) Hosting Obligations

Obligations beyond those required of the 2002 NAIG have been included to the base budget. A line item has been included in respect to the hosting of three Chef de Mission Meetings (40 attendees). The intention is to ensure that the appropriate participants can attend meetings called to organize each team's participation in the Games. The budget would cover the attendance of one representative from 40 teams. The level of participation in Victoria and Winnipeg was around 30 and although the maximum participation is 63, covering the cost of 40 representatives provides for significant growth.

14) Government & Agencies Job Programs

The 2002 Host Society entered into a number of agreements with the Federal Government and external job agencies in respect to job training programs. These programs provided a limited form of budget relief but in general were an enhancement. In calculating the base costs the value of such programs should be discounted due to most participants possessing limited skills and would not have been hired without wage assistance. The total of these programs is estimated at

\$900,000. For this model the programs have been discounted 66% with \$300,000 added to salary costs to account for the remaining 34%.

15) Ticketing

Winnipeg was fortunate to have a large stadium to host the Opening ceremonies that in turn allowed the Host society to generate ticketing revenues in excess of \$130,000. Ticketing has not been shown as a separate item within the revenue budget but within the revenue budget area falling under the Host Societies responsibility (Sponsorship, Merchandise and Ticketing).

16) Taxes

The costs shown are inclusive of all taxes and duties.

17) Bid Costs

It has been assumed that any costs incurred through the bid process are not to be included in the cost of the Games.

ESTIMATED BUDGET FOR 2008

Revenue		NAIG 2008 base budget ESTIMATE
	Direct Government Funding	\$ 8,100,931
	Government of Canada	\$ 3,544,157
	Province of Manitoba	\$ 3,544,157
	City of Winnipeg	\$ 1,012,616
	Other Government Funding	\$ -
	Fundraising	\$ 773,515
	Registrations	\$ 1,077,763
	GST Rebate	\$ 173,955
	Other Income	\$ -
	TOTAL REVENUE	\$ 10,126,164
Expenses		
	Society Management	\$ 2,745,474
	Communications, Media & Promotions	\$ 408,678
	Finance & Administration	\$ 877,893
	Sports & Venues	\$ 750,326
	Village Operations	\$ 1,499,492
	Games Operations & Support Services	\$ 1,968,591
	Volunteers & Accreditation	\$ 448,514
	Ceremonies & Culture	\$ 712,056
	Fundraising, VIP Services & Hosting	\$ 425,216
	Contingency	\$ 289,925
	TOTAL EXPENSES	\$ 10,126,164
	SURPLUS\DEFICIT	- \$ -

Disclaimer:

The calculation of the Base Funding model is partly based on assumptions and estimates made in regards to the estimated financial position of NAIG 2002 as at September 2002.