NZ LOTTERY GRANTS BOARD
Te Puna Tahua
ANNUAL REPORT
For the year ended 30 June 2009

Presented to the House of Representatives pursuant to section 295 of the Gambling Act 2003
Minister of Internal Affairs
Wellington

In accordance with section 295 of the Gambling Act 2003, I present the report of the New Zealand Lottery Grants Board and of each distribution committee for the 12 months ended 30 June 2009, together with a copy of the accounts of the profits of the New Zealand Lotteries Commission (NZ Lotteries) for the same period, certified by the Auditor-General.

Annual Accounts
The New Zealand Lottery Grants Board is required to produce an annual report under section 295 of the Gambling Act 2003, and is a Crown entity for the purposes of sections 150(3), 154-156 and 158 of the Crown Entities Act 2004. As such, it is required to prepare its financial statements and an audit report in accordance with those provisions. The annual report must be tabled in the House of Representatives.

The role of the Board is to determine the proportions in which the profits of New Zealand Lotteries are allocated for distribution. NZ Lotteries conducted lotteries throughout this financial year under section 238 of the Gambling Act 2003. The profits of New Zealand Lotteries are paid by NZ Lotteries into a bank account established and operated under section 286 of the Gambling Act 2003. Grants and miscellaneous expenditure are paid out of this account.

The Board has prepared its financial statements in accordance with section 154 of the Crown Entities Act 2004. The audit report for the year ended 30 June 2009 provided under section 156 of the Crown Entities Act 2004 is included along with the financial statements in this report.

Brendan Boyle
Secretary
Department of Internal Affairs

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Outputs
In 2008/2009, the Lottery Grants Board allocated: 1
$38,931,980 to the Lottery community committees. 2

This included funding for:

Regional Community Committees: $24,988,105
- National Community Committee $13,443,875
  - subcommittee of the National Community Committee Pacific Provider Development Fund Subcommittee $500,000

Other committees that received allocations in 2008/2009 included:

LOTTERY SPECIALIST COMMITTEES:
Community Facilities $13,000,000
Community Sector Research $1,750,000
Environment and Heritage $9,148,059
Health Research $3,186,696
Individuals with Disabilities $4,416,317
Marae Heritage and Facilities $6,885,007
Minister’s Discretionary Fund $365,000
Outdoor Safety $8,277,941
Significant Projects Fund $16,000,000

Statutory Bodies:
Creative New Zealand $22,125,000
New Zealand Film Commission $9,587,500
New Zealand Film Commission for New Zealand Film Archive $737,500
Sport and Recreation New Zealand $30,890,000

1 For more detail on the allocation and purpose of each committee, see the committee reports that follow in this document.
2 For more detail on individual regional community committee allocations, see pages 34-69.
VISION
New Zealanders building strong sustainable communities together.
Ko te hunga nō Aotearoa e waihanga tahi ana i ngā haporī pakari ukauka.

MISSION/TE WHAKATAKANGA
Contribute funding to support the vision in a considered, responsive and timely way.
Ko te tuku pūtea hei tautoko i te kaupapa mā te ara taute, māhorahora, arotau hoki.

KAUPAPA
The Lottery Grants Board recognises the aspirations and needs of Māori and their protocols.
E whakatau ana Te Puna Tahua i ngā wawata me ngā hiahia o te iwi Māori, me ō rātou tikanga.

Board Members
Photo: From left to right
Chris Hipkins MP
from 2 March 2009
(Leader of the Opposition’s Representative)
Phil Harington
(Community Representative)
Hon Nathan Guy
Minister of Internal Affairs
(Presiding Member)
Garth Nowland-Foreman
(Community Representative)
Sandra Goudie MP
from 10 February 2009
(Prime Minister’s Representative)
Margaret Mohi
until August 2008 – Absent
Presiding Member’s Report

It was pleasing to find the Board in good heart and ready to respond to the community when I took over as Chair in June this year.

The year has been a difficult one for most philanthropic organisations. Many funders are under pressure at a time when the community needs them most. The Board is concerned with providing a stable base of funding to the community over the long term.

Grants

This has been an extraordinary year. Lottery profits have continued to increase in the face of the recession. Against the odds there has been an unprecedented series of jackpot runs. The final allocation from the Lotteries Commission to the Board was $189 million, which was almost $37 million more than forecast. This has enabled additional one-off grants to the statutory agencies and to the distribution committees.

The economic future is uncertain and so are the Lotteries Commission’s profit forecasts. Profits were up this year, but another bumper year like this one may not come around again for a while.

To manage the financial risk, the Board operates within clear reserves and allocation policies. These policies balance acting prudently now to ensure the availability of future funds while meeting current community needs as much as possible.

The year created several major Lottery prize winners, but the Board’s key focus has been the numerous other winners working across the country to build and strengthen their communities and encourage community participation. Lottery grants have helped volunteers in many successful groups continue the great work they do.
Strategic Direction

The Board wants to see Lottery grants motivating communities to be responsive to their own needs, achieving their own outcomes, and working with others to achieve common community outcomes. The Board considers grants that contribute to building strong sustainable communities.

Over the next few years, information collected from the monitoring and evaluation programme will help the Board measure the success of its investments in New Zealand communities, and get a better idea of just where it is making a difference.

From 1 July 2009, Lottery community committees will be focusing on outcomes to maximise the impact of grants. All Lottery committees will use the outcomes framework for grant-making activity from 2010/2011.

New Committees

New committees established last year are now in full swing, expanding the range of initiatives supported by Lottery grants. The introduction of the Community Sector Research Committee, with its emphasis on community-driven research, is welcomed. The research funded will increase our knowledge of effective ways to meet community needs.

Distribution committee members are vital to the success of the Lottery Grants Board’s system of grant making. The hard work they put in to decide on grant applications must be acknowledged, especially when funding schemes are oversubscribed, sometimes by up to four times. The effectiveness of Lottery grants relies on the professional approach they take.

Farewell

I would like to pay a special tribute to the Honourable Koro Wetere who had to resign during the year because of ill health. Presiding Member of the Marae Heritage and Facilities Committee since its inception in 1997, Koro made a tremendous contribution to the work of the committee over the years. His guidance and wisdom will be missed.

The death of Andrea Needham of the Lottery Taranaki Community Committee also leaves a gap of knowledge and commitment.

Margaret Mohi, a community liaison member of the Lottery Grants Board, also resigned during the year to travel overseas. She contributed valuable expertise and knowledge to the deliberations of the Board during her term.

I also wish to thank other committee members who have stepped down in the last 12 months for their service to their communities.

The Year Ahead

The Board is very aware of the need to mitigate funding gaps and consider the long-term interests of the whole community when making its funding allocation decisions. It was fortunate that the record 2008/2009 Lottery profit enabled it to relieve some of the current pressure on philanthropic funding caused by the economic recession without compromising the Board’s reserves and allocation policy.

The Board will continue to promote approaches that support outcomes-focused decision making, enable Lottery distribution committees to plan how best to meet community needs and maximise the community benefit of Lottery grants in the long-term.

The challenge of the year ahead will be to maintain the balance between long-term financial prudence and responsiveness to communities’ needs.

Hon Nathan Guy
Minister of Internal Affairs
Presiding Member, New Zealand Lottery Grants Board
Secretary’s Report

The 2008/2009 year has been eventful for the Lottery Grants Board (the Board) Secretariat. We have welcomed new Board members with the change of government, and farewelled, with regret, a number of retiring committee members and colleagues, including the Secretary.

Because of current economic conditions, sensitivity has been needed to respond to the changing needs of communities and applicants.

Presiding Members’ Policy Advisory Group

The Presiding Members’ Policy Advisory Group (PMPAG) met twice during the year. Members heard presentations from Creative New Zealand about its Creative Communities Scheme evaluation, and from the Office of Ethnic Affairs about its activities and opportunities for mutual support. PMPAG provided valuable feedback on conditions facing the communities they serve. They also considered the ways in which Presiding Members and their committee members interact with the public at philanthropic and funding forums. The issue of independence of members and avoidance of conflict of interest was at the forefront, sharpened by public pressures to which members may be subjected, especially in a tight economy. PMPAG paid warm tribute to long-serving members Honourable Koro Wetere, who resigned due to ill health, and to Andrea Needham, who died this year after a long illness.

Committees

All committees have experienced a very busy year. Application numbers and amounts requested for community funding have both increased.

The first grants distribution meeting of the new Lottery Community Sector Research Committee (LCSR) was held in December 2008. The committee was established to fund the undertaking and use of research and evaluation by, and for, community organisations. The research agenda for the Community Sector Research Fund should be community-driven, but prioritised within the context of the outcomes framework and community purposes that have been identified by the Lottery Grants Board. The value of the preliminary applications received was slightly over four times the funding available, indicating a significant level of interest in the fund.

The Lottery Significant Projects Fund (LSPF) made six grants in 2008/2009. These include support for completion of a public garden, a sports stadium, an eco-sanctuary, a sports arena and a historic opera house. Of these, three projects are in the North Island and three in the South Island. These projects will provide facilities for their communities for years to come.

Applications to National and Regional Community Committees

![Diagram showing applications to National and Regional Community Committees from 2005/2006 to 2008/2009.](image-url)
Application Trends
There was an 11 per cent increase in applications to regional community committees compared with 2007/2008. Levels of enquiry to specialist committees were strong and applications were also up on 2007/2008 numbers, though the increase was smaller (8 per cent). This was partly because of the problems potential applicants experienced in securing partner funding for larger projects, due to the diminished funding capacity of some other funders. The two new committees, LCSR and LSPF, accounted for 2 per cent of this increase in application numbers. Additional demand on some committees, for example Individuals with Disabilities, reflects a reduction in public or other services available, as well as rising costs. Issues related to an ageing population may also influence patterns of demand. Trends over the past four years are shown in the graphs below.

Demand for funds in dollar terms in 2008/2009 continued to exceed the funds available. The total sum requested was 28 per cent higher than in 2007/2008. This illustrates the popularity of Lottery grants as a source of community funding. Overall, 36 per cent of the funding requested of committees was granted. This represents a decrease in the percentage of dollar demand met, down from 46 per cent in 2006/2007, and 43 per cent in 2007/2008.

With increased pressure on funds, the Board commissioned an independent survey of its reserves policy. It was recommended that under present economic circumstances, the Board strengthen its reserves. The 2009/2010 allocations proposal will balance support for the community with a prudent approach to sustainability.

Committee Membership
The terms of nearly half the distribution committee members are coming to a close before the end of the 2009 calendar year. The Secretariat has been working through the year to ensure that appointments for the coming year are made with minimum disruption to the meetings schedule or loss of institutional knowledge. Timely induction and handover to incoming committee members will help committees benefit from fresh talent while retaining continuity.

A review of remuneration of Board and committee members was undertaken during the year. In view of current economic conditions, no change was made to fee levels. Committees are also assisting in other ways to control costs, especially those associated with travel and communications.

Grant Monitoring
Fifty-four Lottery grants were randomly selected for audit this year from all regions and across all schemes relating to grants made in 2006/2007. Of the 48 completed audits, 20 groups were found to be fully compliant. A further 19 complied with the conditions of spending the grant, but one or more other minor grant conditions were not met. Only one case of apparent fraud was identified and is being investigated. Of the remaining eight, some grants were underspent, some were apparently partially spent on unapproved purposes, and some documentation was incomplete. Next year, the emphasis of grants audit and review will shift to risk-based auditing.

Outcomes Focus
This year, the Lottery Community Committees were prepared for outcomes-focused grant-making. Changes to application forms and new advisor report and decision-making guidelines will enable committees to target grants in ways that will meet community needs and bring long-term benefits. This year, most Lottery Community Committees have

Applications to Specialist Committees
also reviewed their funding priorities for alignment to Lottery Grants Board key funding objectives. Outcomes-focused decision-making will be adopted by all committees for grants rounds that open from 1 July 2010.

Implementation of the Outcomes Framework, supported by work the Department of Internal Affairs is undertaking to improve grants management, will address some of the issues identified by applicants in client surveys.

**Satisfaction Surveys**

The annual survey of Lottery Grants Board clients’ level of satisfaction with the service provided by the Department of Internal Affairs in its administration of Lottery grants was carried out in May this year. The Department sets a high standard, aiming for 90 per cent satisfaction with service. This Key Performance Indicator (KPI) target of 90 per cent was exceeded, with last year’s pleasing result of 96 per cent satisfaction with service maintained. The main source of dissatisfaction is slow or repetitive application processes. The Department is working to ensure that feedback from the surveys is taken into account.

Top-line results from the committee members’ satisfaction survey show a pleasing almost 99 per cent satisfaction with advisory services and administration. This is the same as last year’s result.

**Media**

A range of Lottery-funded activities were highlighted in media releases and in the *Community Matters* publication throughout the year. Lottery grants stories continued to be prominently featured in the press, with a significant number of newspaper clippings referencing or featuring Lottery grants. Some concern has been expressed during the year about problem gambling during an economic recession, but most media commentary about the Lottery Grants Board has been favourable, featuring stories about the community benefits of grants.

**The Year Ahead**

Outcomes-focused grant-making has guided the funding activities of the national and regional community committees from 1 July 2009. Before their first committee meetings, new members will receive timely introduction to the framework and tools to guide decision-making.

The Board is considering how best to respond to the needs of Pacific communities from 2010/2011, when funding for the Pacific Provider Development Fund (PPDF) ceases. In 2008/2009, the value across all committees of the average grant to benefit Pacific groups rose by 36.8 per cent compared with the previous year, and was 12 times the average grant for Pacific group beneficiaries in 2005/06 when PPDF was established. This is a pleasing indication of the ability of Lottery committees to respond to the needs of ethnic groups.

The profit received above forecast has been distributed as supplementary allocations. Remaining reserves are needed to maintain base 2009/10 allocation levels in 2010/11 against falling profit forecasts.

The record profits for 2008/2009 have enabled the Board to largely sustain its level of allocations for 2009/2010. The Secretariat looks forward to being able to continue to support the community in the face of challenging times ahead.

Jools Joslin
Secretary
New Zealand Lottery Grants Board
The Lottery Grants Board is governed by the Gambling Act 2003 to distribute the profits of New Zealand state lotteries, such as Lotto and Instant Kiwi, for community purposes\(^3\) and for specified statutory purposes.

The Board is made up of six members. The Minister responsible for the Lottery Grants Board as Presiding Member, a representative of the Prime Minister and a representative of the Leader of the Opposition are appointed by the Governor-General. Three members are appointed by the Opposition are ex-officio members. The Minister responsible for the Lottery Grants Board as Presiding Member, a representative of the Leader of the Opposition are ex-officio members. Three members are appointed by the Governor-General.

The Board is empowered by the Gambling Act to make allocations to:

- distribution committees established by the Minister responsible for the Lottery Grants Board to distribute Lottery profits for community purposes
- the Minister responsible for the Lottery Grants Board for distribution for community purposes
- three specified statutory bodies – Creative New Zealand, New Zealand Film Commission, including the New Zealand Film Archive, and Sport and Recreation New Zealand (SPARC) – for expenditure in accordance with their own Acts.

The Lottery Grants Board has governance protocols that express its expectations of members. The Board monitors the operations of its distribution committees and the provision of administration services, including the investment of undistributed Lottery profits by the Secretary for Internal Affairs.

The Lottery Grants Board and the distribution committees are not part of the Crown and are not subject to direction by Government. Although the Board and the committees are not bound by Government policy, it is taken into account where the Board or a committee considers it to be relevant and appropriate.

The Board determines general policies and issues general directions with which the distribution committees must comply when distributing grants. A policy advisory group comprising the Presiding Members of distribution committees and the Board liaison members provides advice to the Lottery Grants Board on strategic and policy issues, and promotes consistent Lottery grant policy development.

Distribution Channels

In addition to the Minister’s Discretionary Fund, there are 20 Lottery distribution committees and one subcommittee. The statutory bodies and committees funded by the Lottery Grants Board are shown on page 13.

Each distribution committee distributes grants for a specified range of community purposes. Committees determine their own priorities for funding, while complying with general Board policies and directions. Committees determine the frequency of their distribution meetings. Most committees schedule three distribution meetings each year, but some have one or two funding rounds, or consider applications as they are received.

Distribution committees may comprise three to five members, appointed by the Minister responsible for the Lottery Grants Board for terms of up to three years. The three Board members appointed by the Governor-General are responsible for liaising with specific distribution committees. Each attends committee meetings as an observer. The Gambling Act 2003 authorises distribution committees to delegate decision-making powers to subcommittees.

Applications that are for a community purpose described by the Gambling Act, but not within the scope of a distribution committee, are referred to the Minister for decision. The Minister’s Discretionary Fund was set up to receive an allocation from the Board for distribution by ministerial decision.

Distribution of Lottery Funding

Distribution committees endeavour to ensure Lottery grants are equitably distributed to demographic and geographic communities throughout the country. Decisions are guided by the principles of lawfulness, accountability, openness, integrity, fairness, and value for money. Lottery grants are used exclusively for community purposes as defined in section 277 of the Gambling Act 2003, and preferably fund initiatives that address community needs identified by communities themselves. These initiatives include many developmental activities and services that neither government nor the private sector will provide, but which are sufficiently valued by communities for members to be prepared to contribute labour, money or materials voluntarily. The committees recognise that participation in community initiatives builds a sense of belonging and upskills individuals while providing services and activities tailored to the needs of particular communities.

When assessing an application, Lottery distribution committees consider:

- the community need for the activity or service
- community benefit assessment and support for the activity
- the fit with Lottery Grants Board and committee policy
- the feasibility of the planned activity
- the ongoing capability of the applicant to deliver the community benefits that will address a community need.

Care is taken to ensure that Lottery funding supports sustainable activity that addresses community needs and that unrealistic expectations of future funding are not raised.

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\(^3\) The Gambling Act 2003 came into effect on 1 July 2004. This Act allows Lottery profits to be distributed for community purposes – to contribute to the building of strong, sustainable communities. The needs of Māori, Pacific and other ethnic communities, women, older people, youth and people with disabilities are also considered.
Statutory Bodies

In accordance with Board policy, the Board allocates a guaranteed minimum percentage of 42 per cent of its net annual disposable income from NZ Lotteries to the statutory bodies listed in section 279 of the Gambling Act.

The percentages received by each are at least:

- Creative New Zealand 15%
- New Zealand Film Commission 7% (of which 0.5% is allocated to the New Zealand Film Archive)
- Sport and Recreation New Zealand 20%

Creative New Zealand and the New Zealand Film Commission are accountable to the Minister for Arts, Culture and Heritage for the administration, distribution and expenditure of their Lottery allocations.

The New Zealand Film Archive is a charitable trust, and has a Memorandum of Understanding with the New Zealand Film Commission. Sport and Recreation New Zealand is accountable to the Minister for Sport and Recreation for the administration, distribution and expenditure of its Lottery funding.

Administration of Lottery Grants

The Board, Lottery distribution committees and their subcommittee, and the Minister’s Discretionary Fund are serviced by the Department of Internal Affairs. The Board is consulted on the annual administration budget before this is approved by the Minister of Internal Affairs. The Board is also consulted on the range of services purchased from the Department. These services are specified in an annual Memorandum of Understanding between the Minister of Internal Affairs and the Secretary for Internal Affairs. Secretariat and advisory staff are bound by normal Public Service codes of conduct, integrity and accountability.

Accountability

The Lottery Grants Board does not hold bank accounts. Instead, the Department of Internal Affairs operates the bank account into which all Lottery profits are paid and is responsible for the investment of undistributed Lottery profits. All allocations, grants, administration costs and other miscellaneous expenditure specified in the Act are paid for from this account. The Board accounts for its funds in its annual report, which is tabled annually in the House of Representatives.
Lottery Specialist Committees

Lottery specialist committees consider applications for funds to assist with community facilities, projects with environmental or heritage benefits, health research, community sector research, marae heritage and facilities, outdoor safety and to complete large-scale community capital expenditure projects. A Minister’s Discretionary Fund considers projects that fall outside the responsibility of other distribution committees and have demonstrable community benefit.

- Community Facilities
- Community Sector Research
- Environment and Heritage
- Health Research
- Individuals with Disabilities
- Marae Heritage and Facilities
- Outdoor Safety
- Significant Projects Fund
- Minister’s Discretionary Fund
Community Facilities Committee
Te Tahua Hapori Ngā Whakaurunga

VISION
Increased participation and social cohesion in the community through the development of community facilities.

MISSION
To provide opportunities for the development of and access to community facilities that contribute to community cohesion.

KAUPAPA
The Lottery Community Facilities Committee recognises the aspirations and needs of Māori and their protocols.
E whakatau ana te Tahua Hapori Ngā Whakaurunga i ngā hiahia me ngā tūmanako o te Māori me o rātou kawa.

Outcome Statement
Increased participation and social cohesion in the community through the development of community facilities.

Committee Priorities
- Facilities that provide for collaborative approaches by community groups for the provision of social services programmes
- Multipurpose or shared facilities that are accessible to the community and are needed and available for extensive or varied use by other community groups as well as the applicant
- Facilities that meet clearly identified community need, provide opportunities for widespread and significant interaction and cohesion, have wide community support or result from community initiatives

Meeting Community Needs
The Committee accepts applications from all regions, taking into account needs and issues facing local and regional communities. Priority is given to projects that will provide facilities for rural, isolated or disadvantaged groups, or locations of need, and for those who do not have ready access to similar or suitable facilities.

COMMITTEE MEMBERS
Hon Margaret Shields (PM)
Frana Cardno
Colin Dale
Enid Leighton
Basil Morrison
The current economic climate in New Zealand has resulted in some funders, who have traditionally made grants for capital works, taking steps to preserve their capital funding base by not funding these projects. This has affected the total amount of funding available to applicants from sources other than Lottery grants. The Committee has taken this into account when making funding decisions, with preference being given to those projects that can be completed without funding from sources that have been temporarily suspended.

The Committee makes grants for one-off capital projects and is unlikely to have repeat applications from the same organisation. Applicants range from small community groups applying for rural isolated community halls through to large organisations applying for contributions to multi-use events centres.

The Committee may decline applications for projects that do not have the prerequisite funding in place or do not have wide community involvement.

Trends
The Committee has moved from one to two funding rounds per year, to provide more flexible timeframes for applicants and allow the submission of applications for both a feasibility study and construction project in the same financial year. This also means cost calculations are more up to date.

Grants in Action
The Whitianga Community Services Trust
The Trust received a grant of $646,410 towards a new community centre. The centre will provide a base for 24 local support services and eight visiting clinics providing support to the wider Mercury Bay community. The community groups leading this project have demonstrated a collaborative approach to the future provision of social services programmes.

The Methven District Heritage Association
The Association received a grant of $500,000 towards the upgrading of the Mount Hutt Memorial Hall in the centre of Methven. This hall has played a key role in the district’s community and cultural life for more than half a century, but it has fallen into disrepair. The hall provides a multipurpose facility available to all the community and is used extensively for a variety of activities.

Committee
All the members of this Committee have been appointed for a term of three years, so there have been no changes during this financial year.

2008/2009 allocation $13,000,000
Brought forward from the 2007/2008 allocation $7,500
Grants written back during 2008/2009 $786,121
Grants refunded during 2008/2009 $0
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION $13,793,621
Total amount requested $29,128,775
Total amount approved $13,278,638
Percentage of amount requested that was approved 45%

Applications
Number of applications received 163
Number of applications considered 150
Number of applications approved 65
Percentage of applications approved 43%
Smallest approved grant $4,700
Average approved grant $204,286
Largest approved grant $750,000

Online applications
Number of applications submitted online 106

Hon Margaret Shields
Presiding Member
Community Facilities Committee
Community Sector Research Committee
Te Tahua Rangahau mo ngā Hapori

VISION
The Board has a vision of New Zealanders building strong, sustainable communities together and its priorities are to encourage funding applicants to

• focus upon achieving their own outcomes
• work together to achieve common community outcomes
• be responsive to the communities they serve.

MISSION
The Committee’s mission is to provide funding for community organisations, enabling them to

• undertake research for the communities they serve
• grow and improve the community knowledge base
• apply new knowledge to their operations
• strengthen the practice of Māori-centred and kaupapa Māori research.

Outcome Statement
Community-driven research and evaluation undertaken by and for community organisations is enhanced.

Committee Priorities
• Family/whānau
• Youth (includes children, youth at risk/disadvantaged)
• Women
• Family violence prevention
• Older people
• People with disabilities
• New migrants/refugees
• Unemployed

Meeting Community Needs
At their inaugural meeting, the Committee identified Māori/Pacific, mental health support groups, people with disabilities, older people and ethnic groups as priority groups for the 2009/2010 funding year.

Trends
This was the first funding year for the Lottery Community Sector Research Committee. The Committee received 61 stage one research idea applications from 53 organisations. The Committee invited 23 organisations to submit a full research proposal, and received 21. The Committee allocated funding to 18 research projects at its 2 December 2008 distribution meeting.
Of the 18 projects funded, 13 were fully funded. Ten of these projects are between one and two years in duration, five projects are up to one year and three projects are between two and three years. Ten projects will provide benefit to New Zealand on a national level, and six will benefit Otago, Western Southland, Central and Eastern North Island, Taranaki, Northland (South Kaipara District) and Nelson (Marlborough, West Coast and Tasman Districts). Projects that benefit Auckland and Christchurch cities were also funded.

A third of the 18 funded applicants requested Secretariat assistance in finding a research partner.

Grants in Action

The Auckland Women’s Centre (AWC) was granted $154,870 for a project of one to two years duration.

The AWC identified three key research questions:

1. How can the AWC Teen Parent Project (TPP) be reconfigured to provide a service that best meets the needs of teen parents in the Auckland region?
2. Which are the best-practice models and effective interventions that will result in positive outcomes for teen parents and their children?
3. What are the workforce development and leadership needs of the teen parent sector and how can AWC strengthen and resource the community’s capacity to work effectively with teen parent families?

The Federation of New Zealand SeniorNet Societies Inc was granted $67,850 for a project of up to one year in duration. The purpose of the evaluation is to identify the key factors contributing to SeniorNet’s effectiveness in attracting and retaining senior members and in meeting the learning needs of older people with regards to new technology.

Committee

This is a new committee and there were no changes in membership during the year.

Allison Kirkman
Presiding Member
Community Sector Research Committee

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<th>2008/2009 allocation</th>
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<td>Brought forward from the 2007/2008 allocation</td>
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<td>Grants written back during 2008/2009</td>
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</tr>
<tr>
<td>Grants refunded during 2008/2009</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Total amount requested</td>
<td>$7,298,295</td>
</tr>
<tr>
<td>Total amount approved</td>
<td>$1,740,049</td>
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<tr>
<td>Percentage of amount requested that was approved</td>
<td>73.3% (of second stage)</td>
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<td>Applications</td>
<td></td>
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<tr>
<td>Number of applications received</td>
<td>61 first stage</td>
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<td>Number of applications considered</td>
<td>21 full research proposals</td>
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<td>Number of applications approved</td>
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<td>Percentage of applications approved</td>
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<td>Number of applications submitted online</td>
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Environment and Heritage Committee
Te Tahua Taiao Ngā Taonga Tuku Iho

KAUPAPA
Lottery Environment and Heritage recognises the aspirations and needs of Māori, and their protocols.
E whakatau ana te Tahua Taiao
Me Ngā Taonga Tuku Iho i ngā hiahia me ngā tūmanako o te Māori
me o rātou kawa.

Outcome Statement
New Zealand’s natural, physical and cultural heritage is conserved, preserved and promoted.

Committee Priorities
• Cultural heritage
• Physical heritage
• Natural heritage
The Committee noted that the number and value of grants awarded under its natural heritage priority were always significantly lower that those awarded under cultural and physical heritage priorities. To redress this, the Committee encouraged engagement with the environmental sector with the aim of increasing the quantity and quality of natural heritage applications submitted. A significant increase in the number, size and quality of natural heritage applications received, and subsequently approved, was observed in the second half of this financial year as a result.

Meeting Community Needs
One of the main issues facing community groups seeking to undertake large restoration projects (both ecological and structural) or capital works projects is their high cost and the decrease in availability of partnership funding options because of the current economic downturn. Many of New Zealand’s significant heritage buildings and important ecological sites are in remote areas where the cost of restoration projects is generally higher. The amount of funding sought by small communities can appear disproportionately high for projects which seem to offer benefit to only a small group of people. Groups based in remote areas frequently have less access to the required skills and resources than groups in the bigger centres, fewer fundraising options and less access to other funding sources.

The Lottery Environment and Heritage physical heritage funding rarely attracts applications from Māori groups, which are required to apply to the Lottery Marae Heritage and Facilities Committee for projects where the property is on Māori land. There have, however, been three successful applications this year from Māori groups seeking funding to restore heritage church buildings on land adjacent to Māori land.

The Lottery Environment and Heritage cultural heritage funding attracts a majority of applications from predominantly Pākehā groups, although most engage with local iwi where appropriate.
Applications are at times received from Māori groups seeking funding to undertake research of wāhi tapu and mahinga kai sites
Groups based in lower socio-economic regions (which are often, but not always,
remote rural areas) have fewer skills and resources than those in the bigger centres, and have less access to other funding sources. This particularly affects the Committee’s clients working in the natural and physical heritage sectors. Reduced capacity of other funders in the sector in the current economic climate has also affected demand.

Trends

The Committee generally funds one-off projects, with some large projects completed in stages. Applications can be received for subsequent stages, with each stage viewed as a discrete project. It is anticipated that changes to the building code will create a significant increase in the number and cost of applications for seismic strengthening of heritage buildings.

As buildings age, halls and other facilities built as war memorials are increasingly requiring restoration. There is also a growing interest in preserving buildings and houses associated with famous New Zealanders.

Applications have increased for high-tech projects, such as touch-screen interactive displays, which are regarded as emerging technologies and may have a limited life span. Applicants are also increasingly seeking funding for digital video recording of oral histories, a steadily increasing trend across the oral history sector. Many environmental projects are unable to be defined in terms of the Committee’s ‘one-off project’ criteria, as pest and weed control is ongoing. A review of the natural heritage funding policies is currently under way.

An increasing trend in projects with a strong tourism element (e.g. ecotourism and heritage tourism) has been noted.

Grants in Action

Physical Heritage

In June 2008, the Paradise Trust received a grant of $250,000 towards the restoration of the exterior of Paradise House homestead near Glenorchy. The building, constructed in 1883, is listed on the Queenstown Lakes District Council’s District Plan and was in urgent need of repair. The restoration is part of a larger project to return the building to its original use as a guesthouse (this time as a non-commercial venture) and to develop the building into a resource centre that will display Paradise-related artefacts. The restoration will follow recognised conservation principles and will be supervised by a conservation architect.

Natural Heritage

The Hutton’s Shearwater Charitable Trust received a grant of $110,000 to protect the nationally-endangered Hutton’s Shearwater. The Trust began moving Hutton’s Shearwater fledglings to the Kaikoura coast four years ago to establish a new breeding colony. The grant will be used to erect a predator-proof fence to protect chicks in the new breeding colony. Once the fence is erected, the Trust will undertake a programme of research, monitoring and public education.

Committee

Two new members were appointed in August 2008: Dr Judith Macdonald and Lois Livingston. Dr Macdonald and Ms Livingston replaced Ms Lorraine Wilson and Mr Vern Walsh, whose terms expired.

Peter Kerridge
Presiding Member
Environment and Heritage Committee
Health Research Committee
Te Tahua Rangahau Hauora

VISION
To be an effective source of discretionary funding for health and biomedical research in New Zealand.

MISSION
The health status of New Zealanders is improved through research.

KAUPAPA
Lottery Health Research recognises the aspirations and needs of Māori, and their protocols.
E whakatau ana te Tahua Rangahau Hauora i ngā hiaha me ngā tūmanako o te Māori, me o rātou kawa.

Outcome Statement
The health status of New Zealanders is improved through research.

Committee Priorities
- Research projects
- Equipment
- PhD scholarships

Commonly funded projects include: research into cause, prevention and treatment of conditions; research that will lead to advances in health and biomedical science; and support for well trained and experienced health and biomedical researchers.
Applications from younger or new research workers in health-related fields, especially those who have recently completed training, returned to the New Zealand workforce, or arrived in New Zealand, plus those who show potential as future researchers, are a funding priority.

Meeting Community Needs
Lottery Health Research makes grants for non-profit-making, good-quality, basic and applied research relating especially to common human health problems considered to be of major significance to the New Zealand community.
The Committee is also interested in research into the prevention and management of the common problems and disorders that lead to deterioration of normal health.
The Committee recognises the importance of retaining talented researchers who will become key personnel in the health system of the
future. The quality and relevance to New Zealand health problems of the proposed research are considered when applications are assessed.

The Committee has increased the amount awarded for PhD scholarships from $69,000 to $85,000, covering three years.

**Trends**

The Committee continues to receive a high number of applications from university medical schools (more than 60 per cent). The Committee also noted an increase in demand for equipment, with 19 applications received this year, an increase of over 30 per cent on the previous year, when 13 applications were received.

A total of 142 applications (for funding amounting to $15,778,865) were considered at the meeting held in November 2008. Forty-three grants were awarded totalling $3,568,017. Three PhD scholarships were approved.

The priority and grading of projects for funding was based on the scientific merit of each application, as assessed by the Committee, and referee reports provided. The Committee receives high-quality applications. Media reporting of successful grants has been positive, not only in the press but on radio and television.

**Grants in Action**

Dr Kenneth McNatty of Victoria University of Wellington was awarded a grant of $116,180 towards the purchase of the GenomeLab GeXP Genetic Analysis System. This is a gene expression system that measures the multigenic responses to hormonal or environmental factors (drug, nutrition, contaminants) in biological tissues. The Committee promotes the sharing of equipment and the GeXP system will be shared by a number of research teams from various organisations.

Professor Jillian Cornish from the University of Auckland was awarded a grant for $139,000 for her study, Development of Peptidomimetics for the Treatment of Osteoporosis.

The medicinal chemistry aspects of the project will evaluate the efficiency and effectiveness of the synthetic manipulations undertaken and enable the spectroscopic characterisation of all novel compounds prepared. The analoges produced will be used for bio-active screening in the Bone Group Laboratory, Department of Medicine, Auckland University.

**Committee**

Dr Sarah Young, an immunologist at the University of Otago and a previous recipient of a Lottery Health Research PhD scholarship, joined the Committee in June 2008.

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**2008/2009 allocation** $3,186,696

Brought forward from the 2007/2008 allocation $1,443

Grants written back during 2008/2009 $798,999

Grants refunded during 2008/2009 $214

**TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION** $3,987,352

Total amount requested $15,778,865

Total amount approved $3,568,017

Percentage of amount requested that was approved 22.6%

**Applications**

Number of applications received 151

Number of applications considered 142

Number of applications approved 46

Percentage of applications approved 32.4%

Smallest approved grant $4,846

Average approved grant $77,565

Largest approved grant $139,000

**Online applications**

Number of applications submitted online 118

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Professor Linda Holloway
Presiding Member
Health Research Committee
Individuals with Disabilities Committee
Te Komiti iti mo te Tangata Haua

VISION
To promote community inclusion of individuals with disabilities.

MISSION
The enhancement of quality of life of individuals with disabilities.

KAUPAPA
Lottery Individuals with Disabilities Committee recognises the aspirations and needs of Māori, and their protocols.
E whakataua ana Te Komiti iti mo te Tangata Haua i ngā hiaha me ngā tūmanako o te Māori, me o rātou kawa.

Committee Priorities
- Mobility
- Communication

Outcome Statement
Community participation by individuals with disabilities is maintained or increased.

Meeting Community Needs
The Committee considers applications from people who have significant mobility and communication-related disabilities. The Committee approves grants for vehicles, mobility scooters and mobility equipment to allow people to take part in everyday activities such as shopping, visiting friends and family, attending sporting events and the library, and to be included in social interaction that results from this participation. The Committee also makes grants to people with communication-related disabilities for equipment to facilitate interactive communication with other people.

Trends
Applications increased by 7.4 per cent, from 882 in the previous year to 947 this year. The Committee provided grants to 631 (66.6 per cent) of these. The cost and lack of suitable public transport significantly disadvantages
 applicants who wish to travel either locally or outside their own communities. The cost to purchase a vehicle, vehicle modifications and other equipment is increasing, creating pressure on available funds. The Committee agreed to increase the maximum grant for mobility scooters by $500 to respond to rising costs. Consequently, this reduces the overall number of grants that can be made. The Ministry of Health widened its funding criteria this year to include the provision of vehicle modifications for children aged 15 years and under. Previously, the Committee had been the only source for this type of funding. This change will benefit our applicants by freeing up a significant amount of funding.

Grants in Action
This year, the Committee was able to provide 631 grants to people with disabilities as follows:

- Scooters: 397
- Vehicles only: 45
- Vehicles and modifications: 142
- Vehicle modifications only: 17
- Other mobility (power and manual wheelchairs, tricycles, etc): 21
- Communication: 1
- Miscellaneous: 8

This short letter of thanks from a recent grant recipient encapsulates the benefits that our applicants receive from the provision of lottery funding:

I wish to thank you all very much for allowing me to receive a lottery grant for the purchase of a mobility scooter. I now have a glorious red scooter and it has totally changed my life. I have been visiting friends, am able to go to our post office store, which is about a kilometre away, and I have not been able to do these things for the past five years. I cannot tell you how liberated I feel.

Committee
The first full year as a national committee has gone smoothly with no noticeable changes for applicants. It is never easy making decisions based on the relative merits of applications knowing that not all can be approved. The members of the Committee struggle with this aspect of the job, especially when it is obvious that almost all applications considered are deserving and worthy of assistance. The Committee encourages applicants not to give up after one unsuccessful attempt, and encourages all unsuccessful applicants to get in touch with the Department of Internal Affairs to discuss why their application did not have sufficient priority to be funded. On many such occasions, the Department has been able to provide good advice that has ensured the success of a subsequent funding request.

Committee members worked well together over the past 12 months and their commendable attitudes and commitment ensures that Lottery funds are distributed to people with disabilities in the fairest possible manner.

Tony Howe
Presiding Member
Individuals with Disabilities Committee

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Marae Heritage and Facilities Committee
Te Tahua Marae Tuku Iho Me Ngā Whakaurunga

Committee Members
Haare Williams (PM from November 2008)
Paora Ammunson
Mihi Namana
Hon Koro Wetere (PM to November 2008)
William Whaitiri

MISSION/TE WHAKATAKANGA
Marae facilities are developed and conserved.
Ka whanakehia, ā, ka tiakina hoki ngā whakaurunga marae.

KAUPAPA
The Lottery Marae Heritage and Facilities Committee will act as a responsible participant in the Treaty of Waitangi relationship with whānau, hapū, iwi and Māori.
The Committee is committed to ensuring an equitable distribution of funds to whānau, hapū, iwi and Māori organisations for the development and conservation of marae facilities.
Ka tū te Komiti Tahua Marae Tuku Iho Me Ngā Whakaurunga kaiwhakauru whaikawenga i roto i te whanaungatanga o te Tiriti o Waitangi i te taha o ngā whānau, hapū, iwi me te iwi Māori whānui hoki.
Kua herea te Komiti Tahua Marae Tuku Iho Me Ngā Whakaurunga te tikanga o te tohatoha atu i te pūtea ki ngā whānau, hapū, iwi, me ngā rōpū Māori hoki he i whanake, he i tiaki hoki i ngā whakaurunga marae.

Outcome Statement
Marae facilities are developed and conserved.

Committee Priorities
- Wharenohu
- Wharekai
- Wharepaku
- Conservation reports
- Feasibility studies

Meeting Community Needs
Many marae buildings, particularly ablution and kitchen facilities, do not meet current local authority health and safety regulations. Some old marae buildings have been deemed unsafe, and the buildings closed or condemned by the local authority.
The Committee has previously funded marae buildings destroyed by fire but now encourages marae to take out insurance cover for their facilities. The installation of fire protection as part of capital works development projects is a Committee priority.

Trends
The Marae Heritage and Facilities Fund requires the applicant to have raised one third of the project cost at the time the application is submitted. The economic climate has meant that partnership funding in some regions has decreased or ceased. This has resulted in some marae being unable to provide evidence of the one-third contribution, so their
Specialist Committees / Marae Heritage and Facilities

applications cannot be considered for funding. This has affected rural and coastal marae disproportionately.

Many marae do not have adequate access to infrastructural services, including safe drinking water. The Committee has noted a need to provide funding for fire alarms and fire sprinklers, and is considering these items as priorities for future funding. There are concerns, however, that some rural or coastal areas do not have access to the services needed to provide effective sprinkler systems.

The number of applications requesting large amounts has increased and it seems likely that this will continue. This may be as a result of increased building costs. It does not appear that the change in the economic situation this year has significantly reduced other construction costs.

Grants in Action

Rawhitiroa Marae

Rawhitiroa Marae in the Far North has undertaken a large development project. The Committee provided funding of $303,457.50 towards a new ablution block and wharekai, a water supply and pump system, and the installation of fire sprinklers. Rawhitiroa was able to secure partnership funding from the ASB Community Trust. Once the project is completed, the marae intends to restore the whare tupuna.

Tanenuiarangi Marae

Tanenuiarangi Marae, located in a rural area of Waioa in the Hawke’s Bay, received a grant of $198,903 for the construction of a new ablution block. The marae has a five-stage capital works development plan and the ablution block was identified as the most urgent stage. The block will include access for the disabled and a covered walkway. It has taken the marae many years to raise the required contribution through activities such as raffles, stalls, sports tournaments and whānau donations.

Committee

The Committee meets three times a year and continues to spend a large portion of its allocation on the three priorities identified by the Committee: wharenui, wharekai and ablution facilities. They allocated nearly $6.9 million of the available funding of $7.38 million on those three priorities over the past year and expect that the upgrading of such facilities will be ongoing.

Poroporoaki

He tangata anō te tangata ki tona kāinga, ā, he ariki ki tona īwi.

The Committee was saddened to learn of Hon Koro Wetere’s resignation in November 2008 due to ill health. As Presiding Member of the Lottery Marae Heritage and Facilities Committee, Koro was instrumental in establishing the Committee and formulating its policies over the past 10 years. His commitment, vast knowledge and experience will be greatly missed.

Haare Williams

Presiding Member

Marae Heritage and Facilities Committee

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<th>2008/2009 allocation</th>
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<td>Number of applications considered</td>
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<td>Number of applications approved</td>
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<tr>
<td>Number of applications submitted online</td>
<td>72</td>
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Outdoor Safety Committee
Te Tahua Whakaruru-hau

VISION
Enhanced water and outdoor safety for New Zealand communities.

MISSION
The wellbeing of New Zealanders and their communities is enhanced.

KAUPAPA
The Lottery Outdoor Safety Committee recognises the aspirations and needs of Māori, and their protocols.
E whakatau ana te Tahua Whakaruru hau i ngā hiahia me ngā tūmanako o te Māori, me ō rātou kawa.

Outcome Statement
Enhanced water and outdoor safety for New Zealand communities.

Committee Priorities
- Search and rescue
- Outdoor safety
- Water safety

Meeting Community Needs
The Committee’s primary focus is on the safety needs of those who participate in a wide range of outdoor activities. This includes national community awareness and prevention programmes aimed at educating the public to safely enjoy the outdoors as well as commitments to ensuring organisations are able to provide life-saving rescue services.

Trends
Applications were received from all areas of the outdoor safety sector, including land, air and marine-based search and rescue, as well as education-based services that specialise in increasing community awareness of accident prevention outdoors.

The Committee funded 52 organisations, an increase of 433 per cent on the 12 applications considered in the previous year. This was the result of local land search and rescue groups applying individually. The number of applications made to the committee is expected to return to normal levels from 2009/2010, as the national organisation of New Zealand Land Search and Rescue will be applying on behalf of local groups.
Grants in Action

By funding organisations like the New Zealand Mountain Safety Council and Water Safety New Zealand, the Committee shows its commitment to educating the community and increasing awareness of safety for users of the outdoors.

New Zealand Mountain Safety Council

The New Zealand Mountain Safety Council is instrumental in delivering the outdoor safety message across a range of land-based outdoor recreation activities undertaken from the high tide mark to the top of Aoraki Mount Cook. Funding of $1,057,305 enabled them to deliver this message at national, regional and local community levels, including running 363 training events with over 4,860 attendees and distributing more than 60,000 safety pamphlets to individuals and organisations.

Water Safety New Zealand

Water Safety New Zealand received funding of $2,300,000 in funding towards the prevention of drowning or injury at New Zealand’s beaches. Funding was used to equip and train lifeguards in essential skills that allow them to be fully prepared for their role. Last year Surf Live Saving NZ lifeguards provided 183,350 patrol hours, 111,225 preventative actions, 1,618 instances of first aid, carried out 272 searches and saved 1,681 lives.

Committee

The Committee continues to hold only one funding meeting a year. The consideration of all applications together ensures funding decisions are consistent. Committee membership has been consistent over the year.

Dr Nagalingam Rasalingam
Presiding Member
Outdoor Safety Committee

<table>
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<td>Grants refunded during 2008/2009 $0</td>
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TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION $8,279,622

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<tr>
<td>Number of applications approved 52</td>
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<td>Percentage of applications approved 100%</td>
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</table>

| Smallest approved grant $979 |
| Average approved grant $159,223 |
| Largest approved grant $2,300,000 |

Online applications

| Number of applications submitted online 21 |
Significant Projects Fund Committee
Tahua Tūmahi Tāpua Rōtō

VISION
Developing and preserving New Zealand’s unique culture and national identity through community participation.

MISSION
To enable large-scale community benefit projects to be completed in the areas of arts, culture and heritage, sport and recreation, conservation and environment, economic development, and visitor services and tourism.

KAUPAPA
Lottery Significant Projects Committee recognises the aspirations and needs of Māori, and their protocols.
E whakatau ana te Tahua Tūmahi Tāpua Rōtō i ngā hiaha me ngā tūmanako o te Māori me o rātou kawa.

Outcome Statement
Developing and preserving New Zealand’s unique culture and national identity through community participation.

Committee Priorities
Applications that are more likely to be priorities for funding are those that can show the:
- project is well designed, planned, managed and sustainable
- organisation has the capability to complete the project
- completed project is likely to deliver significant wider community, regional and/or national benefits
- benefits are in the outcome areas of arts, culture and heritage, sport and recreation, conservation and the environment, economic development and/or tourism and visitor services.

Meeting Community Needs
There is a need for funding to enable the completion of large community capital expenditure projects. Assessments undertaken when the Committee was established indicated several community projects likely to meet the requirement to offer significant benefits at a wider community, regional or national level in the areas of arts, culture and heritage, sport and recreation, conservation and the environment, economic development and/or tourism and visitor services. Several of these projects were well...
advanced in their fundraising efforts but had not exhausted all other avenues of funding.

The current economic climate has not diminished this need.

Trends

Many of the applicants to the first round of the Lottery Significant Projects Fund were seeking to secure cornerstone or seed funding to make their project more attractive to other funders. This is not the intention of the Fund.

In many cases, evidence of the community benefits that would be delivered by the projects was also limited, or the benefit was not significant.

A key issue hampering large-scale community projects is the reduced availability of other funding. Many applicants rely on funds raised from local authorities, charitable trusts and foundations, and individual and corporate sponsors. Due to recent changes in the economic climate, many of these agencies have greatly reduced the sums available for allocation to major capital projects.

Grants in Action

**Oamaru Opera House Restoration and Refurbishment (Waitaki District Council)**

A major refurbishment of the Opera House was undertaken in 2008 with the help of a grant totalling $3,586,846. The Opera House is a New Zealand Historic Places Trust Grade 2 listed building. It forms a central part of the outstanding collection of Victorian and Edwardian stone architecture in the town. The building, constructed in 1907, continues to serve the community with a 700-seat auditorium, chambers, offices and a small movie theatre.

**Otago Natural History Trust (Orokonui Ecosanctuary)**

A grant of $1,363,668 was made towards the establishment of a secure habitat for threatened indigenous plants and fauna, and the restoration of representative examples of Otago’s natural heritage. This work will be supported by the construction of a visitors’ centre to encourage greater awareness of and education in indigenous natural heritage and the need to understand and protect it for the future.

Committee

Two committee members’ terms expired mid-2009. The selection and appointment process for replacement members is currently under way.

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**2008/2009 allocation** $16,000,000

- Brought forward from the 2007/2008 allocation $0
- Grants written back during 2008/2009 $0
- Grants refunded during 2008/2009 $0

**TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION** $16,000,000

- Total amount requested $65,518,311
- Total amount approved $15,438,187
- Percentage of amount requested that was approved 23.5%

**Applications**

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**Online applications**

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Margaret Shields

Presiding Member

Significant Projects Fund Committee
Minister’s Discretionary Fund

Outcome Statement
Strong sustainable communities

Committee Priorities
The Minister’s Discretionary Fund Committee funding priorities in 2008/2009 were overseas travel, specific animal welfare projects and support for volunteer firefighting services.

Meeting Community Needs
The Minister’s Discretionary Fund provides Lottery grants to individuals and groups for purposes outside the scope of any Lottery distribution committee. Its primary focus is on funding the costs of travel to enable applicants to attend an event or conference overseas, where their attendance will be of benefit to the New Zealand community or a significant sector of the community. Successful applicants, either individuals or community organisations, have consistently demonstrated that they were in a position to share the information they brought back with a wide section of the New Zealand community.

New Zealand is geographically isolated, with limited access to up-to-date research and resources, especially in the health and disability sectors. Often, there are no specialist medical practitioners in New Zealand working with, for example, rare genetic disorders, and limited information is available. Grants have enabled community organisations to send a representative to overseas conferences. These representatives bring back a wealth of information that benefits not only those affected with a particular disorder, but also those who work with them, such as medical practitioners and support workers, who can develop new approaches and procedures in dealing with patients.

A range of sectors in the New Zealand community benefit from the activities of the organisations and individuals funded. Grants are also made in a limited number of other areas, including volunteer firefighting and animal welfare.

Non-profit sector animal welfare organisations receive no government funding and are reliant on public fundraising and a volunteer workforce. Grants for animal welfare tend to be for one-off projects rather than contributions to general operating expenses.

Volunteer firefighting groups rely on public fundraising to purchase additional equipment if the volunteer brigade is unable to obtain funding from the National Rural Fire Authority or the New Zealand Fire Service.

Trends
This year, there was unprecedented demand on the Fund. Applicants have commented that fundraising initiatives have been difficult due to the economic downturn.

Funds were fully expended by April 2009. The Board approved additional funds in May to assist until the end of the financial year.

The majority of grants approved were to enable attendance at overseas conferences related to disability, health disorders and social service issues. A number of travel grants were approved for attendance at conferences that focused on health issues arising from genetic mutations and disorders.

There were 13 repeat applications from organisations that have applied to the Fund previously. Grants were approved for all repeat applicants, as they were applying for grants to attend annual conferences that focused on new topics and provided access to up-to-date international research, particularly relevant to the health support sector.

There were four applications from volunteer firefighting groups demonstrating significant community support to help replace or upgrade outdated equipment.
A range of sectors in the New Zealand community benefit from the activities of the organisations and individuals funded.

A high number of applications were from individuals and groups to attend sporting events overseas. A number of applicants advised that attendance was necessary to qualify for individual selection to major events, such as the Commonwealth Games. Sports-related applications are a low priority for funding, as the majority are deemed to confer more individual benefit than benefits to the wider New Zealand community. None of these applicants received funding.

**Grants in Action**

In February 2009, a grant of $1,859 enabled a representative from the New Zealand Family Violence Clearinghouse to fly to Duluth, Minnesota, United States of America. The representative observed the Duluth Model in action at the Duluth Abuse Intervention Project Centre and visited the Minnesota Centre Against Violence and Abuse Electronic Clearinghouse. The Duluth Model co-ordinates community response to domestic violence throughout the world, and is the basis for many family violence interventions in New Zealand. Discussions with law enforcement agencies, community groups and participants provided an understanding of how collaboration between community services, government agencies and academic services works in practice. This has led to work in New Zealand to encourage local-level collaboration in the prevention of domestic violence.

Information gained from the Minnesota Centre Against Violence and Abuse Electronic Clearinghouse has led to the preparation of an issues paper for the New Zealand Family Violence Clearinghouse. This discusses local collaboration and best-practice models to provide leadership and guidance for communities to champion collaboration at a local level.

In May 2009, a grant of $1,557 enabled a PhD student to attend the Indigenous Mapping Conference, held in June 2009 in Wisconsin, United States of America. Indigenous Mapping is a tool for creating maps of cultural knowledge such as oral histories, geographical boundaries and ancestral territories. The Conference brought together indigenous and tribal speakers and people working with indigenous communities to look at strategies for indigenous mapping, cultural cartographic practices, geospatial technologies, cultural knowledge systems and cultural sites. Information was gathered on new research and applications of Geospatial Information Systems (GIS) that can be used for indigenous land and assets, indigenous protocols used when collecting information from indigenous communities, and how other indigenous people are communicating their cultural landscapes.

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**2008/2009 allocation** $365,000

- Brought forward from the 2007/2008 allocation $0
- Grants written back during 2008/2009 $25,949
- Grants refunded during 2008/2009 $0

**TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION** $390,949

- Total amount requested $1,531,135
- Total amount approved $365,593
- Percentage of amount requested that was approved 23.9%

**Applications**

- Number of applications received 219
- Number of applications considered 162
- Number of applications approved 81
- Percentage of applications approved 50%

- Smallest approved grant $720
- Average approved grant $4,513
- Largest approved grant $14,371

**Online applications**

- Number of applications submitted online 161

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Hon Nathan Guy
Minister of Internal Affairs
One national committee, one national subcommittee and 11 regional committees considered applications for community projects in 2008/2009.

Applications may be for developmental or preventative projects, welfare and support services, or to help improve the wellbeing of people in the community.

In allocating funds for projects, community committee members look for projects that will contribute to building strong, sustainable communities and enhance the social, cultural and economic wellbeing of New Zealand communities. Projects should encourage community self-reliance, capacity-building and stability, offer opportunities for social, civil or cultural participation, and reduce or overcome barriers to such participation.

Each committee has differing priorities within these objectives, taking into account its region’s characteristics.
KICK THE HABIT:
CLEAN UP NZ’S E-WASTE
www.eday.org.nz
The Lottery National Community Committee considers applications for projects with a nationwide focus. It funds national organisations and, in some cases, their regional branches. It administers one subcommittee, the Pacific Provider Development Fund, which assists Pacific community groups to strengthen organisational capability so as to improve their access to other Lottery funds.
National Community Committee
Te Tahua Hapori Ngā Whakaurunga

MISSION
The well-being of New Zealanders and their communities is enhanced.

KAUPAPA
Lottery National Community recognises the aspirations and needs of Māori, and their protocols. E whakatau ana Te Tahua Whakatinana Papakāinga i ngā hiahia me ngā ūmānako o te Māori, me ō rātou kawa.

Outcome Statement
The social and economic wellbeing of New Zealand communities is enhanced.

Committee Priorities
• Parents/family/whānau
• Youth development programmes
• Enhancing the quality of life of older people in the community
• Violence prevention
• New migrants/refugees
• People with long-term/significant disability or illness
• People who are considered to be at-risk or disadvantaged
• Community organisations that provide social, youth and disability services in rural locations, particularly areas with rising unemployment due to the economic downturn

Meeting Community Needs
Lottery grants are to be used exclusively for community purposes and fund initiatives to meet priorities identified and developed by communities themselves. These initiatives include developmental activities and services that neither government nor the private sector will provide, but which are sufficiently valued by communities for members to be prepared to contribute labour, money or materials voluntarily. Participation in community initiatives builds a sense of belonging and ups skills individuals while providing services and activities tailored to the needs of particular communities.

Trends
The National Community Committee experienced a peak in demand for resources from the voluntary sector as of December 2008 because of:
• reduced capacity of the philanthropic sector
• reprioritisation of government funding
• cancellation of corporate sponsorship
• competitive public fundraising within the sector
• the loss of long-term share market/financial investments

The level of financial demand on the National Community Committee has substantially increased. Application numbers are up, although this is not readily apparent because of collated client and bulk-funding arrangements. The Committee has increased the number of bulk-funding arrangements it has entered into.

The Committee has encouraged national and local organisations to consider merging similar services and work collaboratively across communities to reduce overhead and project costs, and to provide more effective services.
The Committee has encouraged organisations to consider:

- merging similar services
- actively improving collaboration as a means to cut overhead and project costs
- ceasing to work in silos within communities.

The Committee has noted comments from some community groups regarding the difficulties of accessing Lottery funding for innovative social service programmes. Due to the impact of the economic downturn, there is currently insufficient funding to support ongoing projects, seed funding and new initiatives. The Committee has focused its support on maintaining salaries and baseline operating costs.

Grants in Action

Te Ora Hou Aotearoa Incorporated

Amount of grant: $43,000

This organisation uses a ‘kaupapa Māori’ approach to create nationwide programmes and projects that act as a vehicle to develop relationships with young people and their whānau. The intention is to form a bond that will have a meaningful and positive impact on the daily lives of young Māori. The Committee noted that the programmes are not exclusively for Māori. Organisers have found that the kaupapa model can fit a range of cultures and ethnic groups. The Committee was pleased to see that the organisation’s national body maintains an oversight in the Te Ora Hou regional branches networking with other local community groups to ensure that services are provided where they are needed, without unnecessary duplication of resources.

The Open Home Foundation of New Zealand

Amount of grant: $155,000

The Open Home Foundation was originally established as an alternative to statutory services. However, the demand for proper care and protection for children at risk in New Zealand was so high that the organisation was contracted to provide care and protection services for families with high and complex needs on behalf of the Department of Child, Youth and Family. The Committee was pleased that the Open Home Foundation is expanding its nationwide mentoring programme outside of government contracts, which is more preventative in nature. For example, the Fresh Perspective programme, which provides a service to adults caring for children under 17 years of age who are struggling to cope with parenting. The programme aims to help adults recognise their strengths, identify available support in their community and to improve their parenting skills and their lives.

Committee

Over the year, the Committee discussed engagement with applicants and the community, noting the importance of striking an appropriate balance between maintaining responsiveness to applicants, preserving the integrity of decision-making and avoiding real or perceived conflicts of interest.

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Dr Nagalingam Rasalingam
Presiding Member
National Community Committee
Lottery Community Subcommittee
Pacific Provider Development Fund Subcommittee

Outcome Statement
The wellbeing of Pacific communities within New Zealand is enhanced.

Meeting Community Needs
The Pacific Provider Development Fund’s (PPDF) priority is to strengthen the ability of Pacific community organisations to operate in an effective and accountable way, and to improve their access to funding from other Lottery committees.

Subcommittee Priorities
The Subcommittee gives priority to applicants who demonstrate the potential to benefit most from assistance and subsequently successfully apply for grants from other Lottery committees. In particular, organisations:

- who have never applied for Lottery support and/or to other funders
- who have received a small Lottery grant in the past
- who have previously been declined by Lottery committees

PPDF distributes grants for training and mentoring of Pacific organisations in the following areas:

- vision and mission development
- governance
- management
- financial management
- human resources

Trends
The Subcommittee received a high number of applications from Pacific early-childhood centres (more than 50 per cent) preparing to become fully licensed and also to operate as childcare centres. Each group completes a needs assessment and development plan to determine the type of assistance that best targets particular training requirements. A total of 39 applications were received for funding and 37 grants were awarded.

Grants in Action
Nelson Tasman Pasifika Community
Nelson Tasman Pasifika Community Trust was granted $10,000 towards the costs of training and development of their vision and mission, governance, and for follow-up mentoring workshops.

The group, which has been operating for three and a half years in Nelson, is a key provider of information on health, education and general wellbeing to the region’s Pacific groups and communities. The Trust informs Pacific groups about services relevant to them and provides opportunities to come together, network, and run activities, such as Pasifika Day.

The Trust includes representatives of various Pacific groups and communities in the Nelson/Tasman region. They aim to empower their members through training so they are able to do the same with their Pacific groups, and to encourage leadership and full participation in the community.
Lakes Pacifica Trust

Lakes Pacifica Trust, based in Taupo, was granted $10,000 towards the cost of training for vision and mission redevelopment, governance, management and follow-up mentoring workshops. The Trust’s vision is to build a strong, sustainable Pacific Island community in Taupo and ensure the creation of social and cultural participation, reducing the barriers to participation in the wider community. The Trust’s Board is entirely new and has limited experience in the running of boards, roles and responsibilities, or financial management. Training is essential to ensure the Trust can apply for grants from other Lottery committees and allow them to initiate projects and programmes.

Committee

The Subcommittee noted the Lottery Grants Board’s decision for PPDF to continue for 2 years (ending June 2010). The Subcommittee also supported and endorsed the renewal of the terms of three members which were due to expire in April 2009.

Peta Si’ulepa
Presiding Member
Pacific Provider Development Fund Subcommittee

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Applications

| Number of applications received | 52 |
| Number of applications considered | 39 |
| Number of applications approved | 37 |
| Percentage of applications approved | 94.9% |
| Smallest approved grant | $7,450 |
| Average approved grant | $9,696 |
| Largest approved grant | $10,000 |

Online applications

| Number of applications submitted online | 0 |
Lottery Regional Community Committees

Lottery regional community committees consider applications for projects and activities with a local and regional focus.

Regional community committees are based in 11 locations around New Zealand:
- Auckland
- Bay of Plenty/Gisborne
- Canterbury/Kaikoura
- Hawke’s Bay
- Manawatu/Whanganui
- Northland
- Otago/Southland
- Taranaki
- Waikato
- Wellington/Wairarapa
- West Coast/Nelson-Marlborough

Committee members are locally based and have a good understanding of community issues, demographics and dynamics. This enables them to consider and grant funds to projects that best match the objectives of the committees with the evolving needs of their communities.
Lottery Regional Community Committees
Ngā Tahua Whakatinana Papakāinga ā-Rohe

MISSION/TE WHAKATAKANGA
The wellbeing of New Zealanders and their community is enhanced.

KAUPAPA
Lottery Community recognises the aspirations and needs of Māori, and their protocols.
E whakatau ana te Tahua Whakatinana Papakāinga i nga hiahia me ngā tūmanako o te Māori, me ō rātou kawa.

OUTPUTS
In 2008/2009 the Lottery Grants Board allocated Lottery regional community committees the following base funds to distribute:

- Auckland: $6,897,768
- Bay of Plenty/Gisborne: $2,335,225
- Canterbury/Kaikoura: $2,617,120
- Hawke’s Bay: $1,303,310
- Manawatu/Whanganui: $1,525,045
- Northland: $1,420,074
- Otago/Southland: $1,804,291
- Taranaki: $850,732
- Waikato: $2,605,021
- Wellington/Wairarapa: $2,218,101
- West Coast/Nelson-Marlborough: $1,411,418

Funding was available for projects and events that have a community or social service focus, and that help to improve the quality of people’s lives, including:
- developmental or preventative projects
- welfare and support services
- providing information or raising awareness
- encouragement of participation in communities (for example, improving opportunities and/or people’s abilities, and addressing issues such as equity, isolation, independence and risk)
- encouragement of community and/or cultural identity or understanding
- supporting activities that help develop people and organisations, particularly those acting in a voluntary capacity.
Regional Community Committees

- Otago/Southland (includes Chatham Islands)
- West Coast/Nelson-Marlborough
- Canterbury/Kaikoura
- Northland
- Auckland
- Waikato
- Taranaki
- Bay of Plenty/Gisborne
- Manawatu/Whanganui
- Hawke’s Bay
- Wellington/Wairarapa
- (includes Chatham Islands)
- Canterbury/Kaikoura
- Otago/Southland
Auckland Community

Outcome Statement
The social, cultural and economic wellbeing of Auckland communities is enhanced.

Committee Priorities
- Meeting the specific needs of new and long-established migrants to Auckland
- Initiatives that bring positive change within the community and promote self-reliance and independence
- Support for volunteers, including recruitment, co-ordination and expenses
- Organisations and/or initiatives that meet identified gaps within existing services provision

Meeting Community Needs
The Auckland region is the largest in New Zealand with 32.4 per cent of the population and nearly one quarter of New Zealand’s Māori population. As the region is home to a large number of Pacific and Asian peoples, the Committee is keen to see a proportionate amount of funding for Pacific and Asian groups and communities.

The Committee is sensitive to the issues facing ethnic, migrant and refugee groups in the region and seeks to allocate funding to groups who aim to build community self-reliance and independence.

The Committee is concerned about the communities of South Auckland. Applications from groups that deal with community disadvantage and build community cohesion in these areas will be carefully considered.

The Committee’s June 2009 meeting had a 70 per cent increase in applications, with 125 being considered, compared with 88 in the previous year. This may be an effect of the current recession, as other grant makers reduce their funding and more groups turn to Lottery. Next year, the Committee expects further increases in applications and amounts requested.

There was a notable increase in applications from organisations providing services across all communities, compared with those providing services within their own communities. The Committee would prefer to see applications from community groups who provide services directly to their own community.

Trends
In comparison with last year, there was an overall increase of 6 per cent in new applications. There was a slight increase in new applications from Māori, Asian, African, Middle Eastern and Latin American groups, and a drop in applications from Pacific and refugee groups, but these changes are not statistically significant. There was a significant decrease in incomplete or withdrawn applications.

A total of 69 applications (15 per cent) were declined as the Committee identified them as a lower funding priority.

The Committee was committed to its funding priorities, which reflect the Auckland region’s distinctive characteristics and fit community need in the region.
The Auckland region is ethnically diverse and is home to the highest proportion of Pacific peoples and Asian communities in New Zealand. The Committee is keen for this diversity to be reflected in grants made.

Pressure on Lottery funds and the increased need from community groups facing a drop in income will require robust debate and decision-making by Committee members.

**Grants in Action**

**Chinese New Settlers Services Trust**

The Committee has supported the Chinese New Settlers Services Trust (CNSST) since 2004, with $28,200 allocated in 2008/2009 for the Senior Mutual Support Network, which focuses on activities for the elderly, rest home visits, support meetings for stroke victims and Moon Festival celebrations.

The Chinese community is growing in the Auckland region and organisations such as CNSST are meeting identified gaps within existing services. It also meets specific needs of new migrants to Auckland, and the separate needs of long-established migrant and refugee groups.

CNSST was established in 1998 to first facilitate the successful integration of new Chinese settlers into New Zealand by offering culturally and linguistically appropriate services. Support includes information and drop-in services, programmes for children and youth to maintain their own cultural identity, as well as information on how to cope in a new cultural environment, employment services and language classes for seniors.

**The Auckland Tuvaluan Society Incorporated**

The Committee has supported the services provided by the Auckland Tuvaluan Society Incorporated since 2005. The most recent grant of $30,000 continues to support a social worker’s position, which aids all of the services provided to the Tuvaluan community and fits the Committee priority to support Pacific Island groups.

The Society was established in 1991 to provide a variety of support services that promote the wellbeing of Tuvaluan New Zealanders in the Auckland region. Services and programmes offered include emergency housing, medical appointments, youth holiday programmes, information and advisory services, interpreter services, educational programmes in family violence and child abuse, parenting classes, mentoring, computer training and support in accessing services of Work and Income.

**Committee**

The Committee consists of three members in their second term and two recently appointed members who bring new knowledge of the migrant, refugee, youth and Māori sectors.

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2008/2009 allocation $6,897,768
Brought forward from the 2007/2008 allocation $3,800
Grants written back during 2008/2009 $0
Grants refunded during 2008/2009 $13,683
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION $6,915,251
Total amount requested $19,308,476
Total amount approved $6,913,754
Percentage of amount requested that was approved 35.8%

**Applications**

Number of applications received 598
Number of applications considered 443
Number of applications approved 374
Percentage of applications approved 84.4%

Smallest approved grant $1,000
Average approved grant $18,486
Largest approved grant $75,000

**Online applications**

Number of applications submitted online 446

Rev Bob Scott
Presiding Member
Auckland Community Committee
Central and local government, along with community agencies, combine to respond to identified needs.

The Committee covers a diverse range of communities from small isolated rural settlements to large, fast-growing city populations.

### Bay of Plenty/Gisborne Community

**Outcome Statement**
The social and economic wellbeing of the Bay of Plenty/Gisborne communities is enhanced and community participation is encouraged.

**Committee Priorities**
- Support for salaries is essential for the sustainability of community groups, as Lottery Community is a main source of salary funding
- Trips for low-decile schools
- Youth activities, particularly those targeting the 'at risk'
- After-school programmes
- Young-parent programmes
- Care support groups
- Ongoing support for organisations with a proven history of successful service provision that are meeting the needs of their particular community
- Ethnic organisations

**Meeting Community Needs**
The Committee covers a large area – the Bay of Plenty region includes Rotorua, Tauranga, Western Bay of Plenty, Whakatane and Opotiki, plus the Gisborne region, which includes Gisborne city and the rural areas of the East Coast.

The 2006 census identified 14.6 per cent of New Zealand’s population being of Māori descent. However, this region has areas with a higher concentration of Māori, particularly in the rural areas of the Bay of Plenty and East Coast region. In the city of Gisborne, 41 per cent of the population, and 38 per cent in Rotorua, identify as Māori.

The Western Bay of Plenty region is one of the fastest-growing in the country with a growth rate of 7.8 per cent since 2001. In Tauranga, 17.2 per cent of the population is over the age of 65, which could be attributed to lifestyle choices and climate.

**Trends**
In the Bay of Plenty, a trust which is one of the region’s main funding organisations has cancelled two funding rounds this year because of investment losses. This has had a negative impact on the not-for-profit and charitable organisations who previously received philanthropic trust funding.

It is expected that this trust’s existing clients, including those who received complementary Lottery funding, will now request funding from this Committee.

Application numbers are steady but the amount requested has increased by 3 per cent.

**Grants in Action**

**Welcome Bay Community Centre Trust**
This group was formed in 2006 in response to identified gaps in this area.

In early 2008, a pioneering group of central and local government agencies, as well as non-government agencies, came together in response to growing concern about the high instances
The group determined that Welcome Bay was Tauranga’s highest priority of community need and two key initiatives were identified:

- to create a permanent base for the Welcome Bay Community Centre, which runs youth and family-help programmes, and to employ a part-time coordinator to operate the facility
- employ a part-time Community Development Project worker to facilitate the community to generate solutions and build more self-reliant, sustainable community outcomes.

The Committee were convinced of the need for the project and impressed by the collaboration and support of government, non-government and community agencies to address the problems in the Welcome Bay community. As a result, the Trust, a first time applicant, was approved for a significant grant of $5,000 towards volunteer costs to help with cooking, shopping, supervision of children, cleaning and driving.

Committee
A vacancy was filled during the year by Trish Hanlen of Tauranga. Trish has a wealth of experience and knowledge of the community gained through her work with the Citizens Advice Bureau and the Bay of Plenty Polytechnic.

Rotorua Māori Women’s Welfare League – Parenting and Life Skills Programme
The programme provides weekly marae-based parenting and life skills programmes at Apumoana Marae. It is available for both Māori and non-Māori parents, and encourages the development of confidence, self-esteem and positive attitudes to help participants become better parents. Participants develop parenting and life skills, confidence to communicate, and cultural awareness.

All parents come from within the Rotorua region and some have two or three pre-schoolers. The programme assists up to 20 parents at a time. The Committee approved a grant of $5,000 towards volunteer costs to help with cooking, shopping, supervision of children, cleaning and driving.

Peter Coughlan
Presiding Member
Bay of Plenty/Gisborne Community Committee

2008/2009 allocation $2,335,225
Brought forward from the 2007/2008 allocation $1,558.82
Grants written back during 2008/2009 $0
Grants refunded during 2008/2009 $39,973.21
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION $2,376,757.03
Total amount requested $6,517,702
Total amount approved $2,368,632
Percentage of amount requested that was approved 36.3%

Applications
Number of applications received 242
Number of applications considered 192
Number of applications approved 166
Percentage of applications approved 86.5%
Smallest approved grant $500
Average approved grant $14,269
Largest approved grant $52,000

Online applications
Number of applications submitted online 172
The number of first-time applications to the Committee has continued to increase as ethnic populations and diversity continue to increase. This is especially noticeable in Christchurch, but also in some rural areas where there is increased use of migrant labour in farming and horticulture.

Canterbury/Kaikoura Community

Outcome Statement
The Lottery Canterbury/Kaikoura Community Committee will enhance the social, cultural and economic wellbeing of the Canterbury/Kaikoura communities.

Committee Priorities
- Strengthen families/whānau
- Strengthen and empower communities
- Enhance the quality of life in the community
- Celebrate diversity
- Nurture volunteer activity in the community
- Provide for the needs of an ageing population
- Encourage inclusiveness and participation in the community
- Support the needs of Māori communities, and strengthen Māori, iwi and hapū self-development

Meeting Community Needs
According to Statistics New Zealand, the Canterbury/Kaikoura region has the highest proportion of older people in New Zealand, and this is increasing at a faster pace than the rest of the country. Rural areas have the highest proportions of older people in the region. Canterbury/Kaikoura has many rural areas that face significant isolation issues, such as limited access to services and high transport costs. Ethnically diverse populations continue to increase. This is especially noticeable in Christchurch, but also in some rural areas where there is increased use of migrant labour in farming and horticulture.

Low incomes and affordability are issues in the region. Christchurch has four of the 10 most deprived areas in the country based on the Ministry of Health Deprivation Index.

Trends
The number of applications has continued to increase, with 222 applications considered during the year compared with 205 in the previous year. Most of the first-time applicants were existing, rather than new, groups. Other sources of local funding appear to have declined and existing groups are now turning to Lottery for funding.

About 20 per cent of applications considered were for youth services and included requests for youth worker salaries and mentoring services. There were relatively few applications related to services/programmes for older people, although this is one of the Committee’s priorities.

The main reasons applications were declined was a poor fit with the criteria...
and/or priorities, or they had received significant government funding and were seen as a government responsibility.

Grants in Action
Otautahi Social Services
The Committee made a grant of $13,835 to Otautahi Social Services for administration, salaries, training and supervision. The group’s Whānau Worker provides a home-based service to support and assist whānau in providing a positive home environment for their tamariki and rangatahi. This meets the need for strengthening and keeping whānau together, especially when they are under duress. The grant meets the Committee’s priorities of ‘support the needs of Māori communities, and strengthen Māori, iwi and hapū development’ and ‘strengthen families/whānau’.

Timaru Senior Citizens
The Committee granted $17,500 for the salary of a co-ordinator who manages a drop-in centre, provides support and advocacy for older people and organises social activities. Timaru has an above-average proportion of older people and the service supports them to live independently in their own homes. The grant meets the Committee’s priorities of ‘providing for the needs of an ageing population’, ‘enhancing the quality of life in the community’ and ‘encouraging inclusiveness and participation in the community’.

Committee
There were no changes to the Committee’s membership in the past year. Members of the three South Island regional community committees held a valuable one-day hui in February to share information and undertake training.

Pam Sharpe
Presiding Member
Canterbury/Kaikoura Community Committee

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<tr>
<td>Number of applications submitted online</td>
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The Hawke’s Bay region has a large geographical spread with the rural areas in the north and south experiencing problems related to the lack of public transport. Large numbers of Pacific workers are attracted to the Hastings area for orchard work over the summer months, leaving when the season finishes.

Hawke’s Bay Community

Outcome Statement
Mitigate the adverse effects of Hawke’s Bay’s high levels of disadvantage and deprivation by supporting effective community groups and services.

Committee Priorities
- Groups who are disadvantaged or deprived because of isolation, the elderly, rural populations, people with disabilities and people from ethnic groups
- Provide projects/programmes that focus on young people
- Groups with a social, recreational or cultural focus, for example Pacific groups, support groups for the elderly and disabled and community services

Meeting Community Needs
The Hawke’s Bay region includes Wairoa, Napier, Hastings and Central Hawke’s Bay and has a population of 152,700 (3.6 per cent of the New Zealand population). The population increased by 3.2 per cent between 2001 and 2006, with Hastings having the highest increase and Wairoa decreasing by 5.8 per cent. Wairoa and Central Hawke’s Bay have problems with lack of public transport. Wairoa has no public transport or taxis. The area’s rural location, limited access to services and high unemployment severely disadvantage the community.

During the summer months, the Hastings area attracts many Pacific people for orchard work. They generally leave the area at the end of the season. Pacific Island residents make up about 9 per cent of the Hawke’s Bay population.

The Hawke’s Bay Community Committee is one of the main and largest sources of funding to support the region’s community groups. It is becoming evident that community groups are requesting larger amounts because of the lack of funding support from other avenues. A reduction in the amount of funds available from other key funders is a concern.

Trends
The Committee has continued to fund well established and recognised community organisations that provide essential social services. Approximately 5 per cent of applications in the past year were from new applicants. Repeat applicants generally applied for the same ongoing service costs, as funding for new projects is limited. Salaries continue to be the largest requested item.

The main reason applications were declined was because they did not fit the criteria. Application numbers have remained fairly constant compared with the previous year. The annual allocation budgets are carefully monitored throughout the year, which has meant applicants have not been disadvantaged due to shortage of funds. The Hawke’s Bay Community Committee carried funds forward from the previous year.
There were no Pacific applicants for this period. Many are small groups who have applied to the Community Organisation Grants Scheme (COGS) for several years and that is their preferred source of funding.

**Grants in Action**

**The Wairoa Community Development Trust**

This Trust is relatively new, gaining legal status in 2008. The Combined Adolescent Challenge Training Unit and Support (CACTUS) programme is delivered by the Trust and addresses the Committee’s funding priorities. CACTUS is a physical training and development programme designed to extend young people’s minds and physical capabilities. The programme includes career education, motivational speakers and mentoring to help young people realise their potential and develop the skills and attitudes they need to become active members of society. CACTUS received national recognition by winning the Trust Power National Supreme Award against tough competition.

The Committee supported this Trust by funding $35,000 to run three CACTUS programmes in 2008.

**SeniorNet Hawke’s Bay**

SeniorNet provides computer activities for over 340 clients aged between 55 and 88 years. The group has been operating for over 10 years and is staffed by 40 volunteers. The most popular computer activities are accessing the Internet and using email. Email enables seniors to maintain contact with family and friends, while the Internet provides access to banking, genealogy research, desktop publishing and digital photography.

The group runs a centre that is open each day and provides a place for older people to meet, learn new skills and socialise. The Committee supported this group, as it meets the social and recreational priority for elderly groups. A Lottery grant of $4,260 assisted SeniorNet with the costs of telephone and Internet, monthly newsletters, teaching materials and resource booklets. As a result of the grant, two thirds of the group’s annual administrative costs were met, which enabled them to purchase new computer equipment.

**Committee**

The Committee membership has remained the same over the year and members have a good knowledge of their community and an understanding of the applicant groups. Two Committee members’ terms expire in September 2009.

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**2008/2009 allocation** $1,303,310

Brought forward from the 2007/2008 allocation $19,133

Grants written back during 2008/2009 $0

Grants refunded during 2008/2009 $38,180

**TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION** $1,360,623

Total amount requested $3,611,453

Total amount approved $1,341,607

Percentage of amount requested that was approved 37.1%

**Applications**

Number of applications received 145

Number of applications considered 125

Number of applications approved 112

Percentage of applications approved 89.6%

Smallest approved grant $465

Average approved grant $11,979

Largest approved grant $39,000

**Online applications**

Number of applications submitted online 118

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Alan Dick
Presiding Member
Hawke’s Bay Community Committee
Local schools and community halls are recognised as important places for groups to meet and engage in a range of activities.

Manawatu/Whanganui Community

Committee Outcome Statement
In the Manawatu/Whanganui region, we aim to contribute to the building of strong sustainable communities with an emphasis on social and cultural wellbeing and development.

Committee Priorities
- Groups/projects that assist community development, for example projects involving youth and young parents
- Groups/projects that enhance participation of the isolated, such as geographic or by age, or by disability, ethnicity or illness. Examples include older members of communities or those caring for the very young
- Groups that provide the ‘glue’ in society (social cohesion) such as marae committees, groups that support caregivers, or groups that provide basic needs of food, shelter and companionship
- Groups/projects that contribute to community capacity-building, for example youth leadership and skills development
- Programmes/projects that have long-term community benefit, are sustainable, and contribute to building community capacity and wellbeing

Meeting Community Needs
The Manawatu/Whanganui region makes up 8.1 per cent of New Zealand’s land mass with an estimated population of 220,089. It includes seven local authorities: Wanganui, Ruapehu, Rangitikei, Manawatu, Palmerston North City, Horowhenua, Tararua and Horizons Regional Council.

This region is well aware of the current global economic pressures, particularly on the rural community. Farm debt and the retention of jobs are a concern. Community centres, such as local schools or community halls, are recognised as important places for groups to meet. The community also appreciates the services offered by rural support organisations like Manawatu Rural Support. Salaries, training, supervision, administration costs and domestic travel costs remain the highest requested purposes.

Trends
An increased demand for social services has been noted, including budgeting, counselling, after-school programmes and older person support provided by social service agencies across the region. Applications from migrant and refugee groups show diversity among new applicants particularly in Palmerston North. Many of these groups are conscious of growing expectations regarding civic duty.

Reasons for declined applications ranged from the benefits being of more commercial than community good, lack of evidence that organisations had robust governance and financial reporting structures, the financial position of an organisation showing that it was adequately resourced, and applications not meeting Committee priorities.
Grants in Action

Central King Country Youth Link
This group, which is based at the Kenxtonz Youth Lounge in Taumarunui, submitted a comprehensive application that highlighted the goals and aspirations to address both negative and positive youth issues in the Taumarunui area. An action plan is to be implemented over a three-year period to ensure a voice for youth in Taumarunui. Young people in the northern part of the Ruapehu District Council’s area make up 13 per cent of the population.

The Lounge is affiliated with Taumarunui Baptist Church and has a weekly attendance of between 100 and 200 young people. The Lounge has held a café night run by youth for youth and a 48-hour film festival with films made by the young people and premiered in style.

On the basis of a well prepared and innovative application that was in line with Committee priorities, Youth Link was granted $15,000 to build organisational capacity and enable them to deliver a youth-centred service leading to more confident, connected and positive young people with a sense of purpose.

Ethnic Football Committee
Local community leaders, sporting organisations and social services met to consider how to address alienation and promote positive engagement within the ethnic communities of the Manawatu. They found that many migrant communities have an interest in, or play, football. The Committee approved a grant of $4,000 to help with administration costs, raising community awareness, encouraging joint activities, and resource and/or programme costs.

Using the guidelines of the 2008 Global Football Festival in Christchurch, the first ethnic football festival, entitled Ethkick 09, was held in Palmerston North in March 2009. This was a highly successful two-day event that saw 39 teams participate and hundreds of supporters attend. The event highlighted a growing cultural diversity in the area and the wide community benefits gained by the social interaction.

Committee
Members attended the Philanthropy New Zealand Conference Passion, Pragmatism, Possibilities in March 2009, which looked at the changes and impacts of the global economic environment.

The terms of Committee members Bill Greening (Wanganui) and Roni Fitzmaurice (Palmerston North) expired, in September 2009. An earlier vacancy due to the death of a member has not yet been filled. The Committee has continued operating with only four members. It is expected that these three vacancies will be filled by late 2009.

The Committee operated with only four members for a second year but continued to use the skills, experience, and collective knowledge of all members in their deliberations, which led to good decision-making in allocating available funds.

Jill White
Presiding Member
Manawatu/Whanganui Community Committee

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**Applications**
- Number of applications received: 207
- Number of applications considered: 165
- Number of applications approved: 141
- Percentage of applications approved: 85%

| Smallest approved grant | $400 |
| Average approved grant | $10,911 |
| Largest approved grant | $46,250 |

**Online applications**
- Number of applications submitted online: 153
Northland Community

Outcome Statement
The social, economic and physical wellbeing of Northland’s communities is enhanced.

Committee Priorities
• Transportation and the provision of community services in isolated rural communities
• Projects and initiatives that lead to self-sufficiency, competence, independence and empowerment and address health and wellbeing in the community, for example, projects that support life skills development, youth leadership development and the quality of life and independence of older people

Meeting Community Needs
Northland has many diverse and remote communities with high levels of deprivation. Some communities are thriving, while others are suffering from long-term economic adversity. Northland’s population differs from the national average. Māori make up 31.7 per cent of Northland, compared with the national average of 14.6 per cent. The region has a higher percentage of people under 15 years of age (23.4 per cent) compared with 21.5 per cent in the rest of New Zealand.

ASB Community Trust has been a major funder for Northland organisations. This year they cut their funding due to decreased investment returns related to the global recession. Lion Foundation has also reduced the level of funding available to the community.

Job losses, business closures and an increase in mortgagee sales have had a profound effect on the Northland community.

Trends
There has been an increase in the number of migrants to Whangarei of different ethnic groups.
The level of support requested from food banks and early childhood centres has increased.
There were 59 (38 per cent) applications from new applicants.
Applications for minor capital works were 10 per cent of the total considered and 6 per cent of the total funds granted.
The main purposes for which groups are applying are salary, activity, resource and/or programme costs.
It appears that people are becoming less able to volunteer due to the increases in costs of participation.

Grants in Action
Tai Tokerau Emergency Housing Charitable Trust
Tai Tokerau Emergency Housing Charitable Trust received the Committee’s largest grant of $52,730: $2,730 towards minor capital works and $50,000 for salaries. The Trust provides temporary, safe emergency housing to homeless families while they are seeking permanent, sustainable housing.
People utilising the emergency houses are considered high-need, and staff provide access to integrated welfare services and links with other support services. The three properties operated by the Trust can accommodate 17 families at one time.
The Northland region has many diverse and remote communities with high levels of deprivation. Some communities are thriving while others are suffering from long-term economic adversity. Job losses and stress on home-owners is having a profound effect on many communities.

During the year, they supported 122 families with emergency accommodation, including 174 children. These families were predominately Māori (77 per cent). The Trust works collaboratively with government agencies to consider ways to respond to the increasing need for emergency housing in the region.

Bay of Islands District Foodbank and Far North Community Foodbank Trust

Two foodbank trusts were new applicants, struggling to meet the increased demands on their service in the past 12 months. Most of the increase was first-time users of foodbanks who fell into the lower and middle-income bracket.

Bay of Islands District Foodbank received $2,300 for administration and volunteer costs.

Far North Community Foodbank Trust received $14,120 for administration, operating and volunteer costs. The Trust’s aim is the procurement and distribution of food to those in need of assistance in the Far North area. The Trust members are representative of eight key community and iwi groups working in the field of budgeting support and crisis mitigation.

Committee

The skills and knowledge of Committee members and the breadth of their local knowledge has greatly assisted good decision-making. The Committee is at full complement and membership has been stable over the year.

Yvonne Sharp
Presiding Member
Northland Community Committee

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<td>Number of applications approved</td>
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<td>Percentage of applications approved</td>
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| Smallest approved grant | $750 |
| Average approved grant | $13,754 |
| Largest approved grant | $52,730 |

Online applications

| Number of applications submitted online | 143 |
Otago/Southland Community

Outcome Statement
The work we do enhances the social and economic wellbeing of the Otago and Southland communities.

Committee Priorities
- Support for community inclusion and wellbeing by assisting with salary payments for youth workers and community workers, as well as supporting one-off community projects
- To address the disadvantage of rural isolation by supporting domestic travel
- Reimbursing volunteers for their expenses
- Major projects of well-established organisations with a proven track record, but smaller first-time applicants will not be disadvantaged

The Committee’s philosophy is to fund projects to succeed, and its main criterion is positive community outcomes.

Meeting Community Needs
Few applications were received from Maori, Pacific, or migrant groups, and advisors are looking at ways to better promote Lottery grants to these groups. Various government departments have highlighted housing affordability, migrant support, the high cost of living in Central Otago, and labour market issues as regional concerns. These issues have yet to affect this Committee. Applications received from ethnic groups within the region have been predominately for cultural support.

The Otago/Southland region has a high degree of rural isolation. Addressing this is a priority area for the Committee. There are also high numbers of elderly people choosing to retire to the region for the lifestyle.

Trends
The Committee is strengthening its approach to community outcomes by focusing on the potential of each application, and the impact of a funding contribution. The Committee seeks to ensure that funding is distributed across all communities within their region, and funding seminars target areas that traditionally have had few applications.

The economic recession will no doubt have an effect. This has yet to be seen, although increased competition for funding is evident.

Salary funding for community and youth workers continues to be a high need in this region, with over 60.3 per cent of applications including a salary component.

A high percentage of applications were from repeat clients, including groups with a long history of applications to this Committee. A total of 22 applications (13 per cent) were from new clients.
The Otago/Southland region has a wide geographical spread with a high degree of rural isolation. Large numbers of elderly people are making a lifestyle choice and moving to the Otago/Southland region to retire.

The Ministry of Social Development (MSD) initiatives (Pathway to Partnership and the Community Response Fund) have not brought about a reduction in the number of applications. The groups that received an increase in their funding through MSD contracts are finding that they still have an operational shortfall, and are requesting assistance from this Committee.

**Grants in Action**

**Hampden Celebration Group**

This group approached the Committee for assistance with an event celebrating 130 years as a borough and 150 years of European settlement. The Committee provided a grant of $3,000 towards the advertising and promotion of the event, and towards the costs associated with running the weekend celebration, which supports the "promotion of community participation, inclusion and identity".

**Te Whānau o Hokonui**

Te Whānau o Hokonui are a marae-based social service provider. They provide support and advocacy services, and programmes in the eastern Southland areas. The Committee supported this organisation with the salary for a youth worker, assistance with travel, training and supervision, volunteer costs and programme expenses. The Committee also supported the group with a grant towards minor capital works to be undertaken at the marae. The total grant was $35,000.

**Committee**

There have been no changes to the Committee during the course of this year. As well as holding three funding meetings, Committee members attended the Philanthropy NZ Conference 2009 Passion, Pragmatism, Possibilities – Whataumanawa, Tika, Pōmanawa and a regional liaison meeting.

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**Applications**

| Number of applications received | 209 |
| Number of applications considered | 159 |
| Number of applications approved | 134 |
| Percentage of applications approved | 84.3% |
| Smallest approved grant | $750 |
| Average approved grant | $13,152 |
| Largest approved grant | $39,000 |

**Online applications**

| Number of applications submitted online | 157 |

Frances Diver
Presiding Member
Otago/Southland Community Committee
A close working relationship between funders means a collaborative approach is the norm in the Taranaki region, resulting in well-focused applications.

By 2021, a fifth of Taranaki’s population will be over the age of 65, making it crucial that strong connections are developed and maintained across the region.

Taranaki Community

Outcome Statement
Contributing towards strong and sustainable Taranaki communities with an emphasis on applications that clearly demonstrate outcomes that are beneficial to Taranaki communities.

Committee Priorities
- Salaries
- Training and supervision
- Domestic travel costs
- Ongoing or one-off community projects
- Reimbursement of volunteer expenses
- Programme costs

Meeting Community Needs
The Taranaki region makes up 3 per cent of New Zealand’s area with a population of around 105,000. The largest centre, New Plymouth, has approximately 66 per cent of the population of the region. The main settlements in North Taranaki are Inglewood and Waitara. South Taranaki towns include Hawera, Stratford and Eltham.

Taranaki is seen as an affluent region, mainly because of the presence of the energy sector and dairy farming. However, it has become evident that the recession is affecting the rural sector of Taranaki, with the milk payouts continuing to fall. The rural sector is spending less and, to some extent, this has contributed to small businesses in rural towns struggling and some closing their doors.

The region has hundreds of community organisations covering a wide range of activities. One major concern for these organisations is that volunteer support is decreasing. This is reflected in applications for funding, with funds now being requested for activities previously carried out by volunteers.

It is clear that there is quite an overlap in services and activities, both in terms of community organisations and agencies that deliver services. In the family support and youth development area, there are several players targeting the same, or similar, groups, as well as organisations that deliver the same, or similar, services.

According to Positive Ageing New Plymouth Trust, the population of Taranaki is ageing and, by 2021, a fifth of all people in Taranaki will be over the age of 65. It is crucial that connections with these vulnerable groups within the region (particularly in rural areas) are maintained and developed.

Trends
There has been a general increase in applications from groups with a sporting focus. One application was declined. Although the Committee acknowledged the purpose applied for was eligible, they did not wish to open the ‘floodgates’ to other sporting groups lodging applications. It is the view of the Committee that sports groups have more options for funding than community groups. Another group, Taranaki Dragons Inc, was allocated a small grant ($8,745). Initially the main focus of the group appeared to be dragon-boat rowing, which would have deemed it to be a low priority to the Committee, however, it was evident that the sporting element was
not the most significant component to its members. The key focus was the links between the women, providing general support and wellbeing, having fun and retaining a positive outlook on life. There were 11 applications to the Committee from new applicants.

As a result of close working relationships, a collaborative approach to funding has become the norm in Taranaki. For example, a jointly-funded booklet of funding sources in the region is provided to community groups, which enables a better fit for applicants and funding sources.

**Grants in Action**

**People’s Activity Centre (PAC)**

The Centre was established in 1986 after a public meeting was held responding to concerns for children at risk in the Stratford area. The Centre continues to work with the ‘at risk’ youth considered to be most troubled.

Working out of an old church, activities include after-school programmes, youth group, advocacy, referral services, whānau meetings and performing arts. PAC has recently worked with local agencies to address the concerns of young people regarding confidentiality when visiting existing service providers. An IT project has been developed that would allow young people to access agencies via an online service that would complement the existing drop-in services.

**Taranaki Employment Support Foundation Trust**

Formed in 2000, the Trust provides governance for six established projects: Experience Express (assistance to those aged over 45 seeking employment), Supported Employment Network, New Plymouth Volunteer Service, Computer Access Centre, SCOPE (building capacity of not-for-profit groups) and Settlement Support.

The Committee funded Settlement Support to provide a point of contact for migrants, refugees and their families. It works collaboratively with central and local government, mainstream providers, a range of community organisations and ethnic services. The group was funded to contract a writer/editor to interview migrant families and publish ‘reader’ books to be distributed to more than 50 schools in Taranaki. The books celebrate cultural diversity and show the importance of migration and the contribution that migrants make to communities.

Five books have been produced and launched. They are seen as a pilot for future projects throughout New Zealand.

**Committee**

The Committee acknowledges the passing of member Andrea Needham. It operated with four members during 2008/2009.

2008/2009 allocation $850,732
Brought forward from the 2007/2008 allocation $164,865
Grants written back during 2008/2009 $0
Grants refunded during 2008/2009 $11,500

**TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION** $1,027,097

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<td>Number of applications approved</td>
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<tr>
<td>Percentage of applications approved</td>
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| Smallest approved grant | $900 |
| Average approved grant  | $13,721 |
| Largest approved grant  | $44,152 |

**Online applications**

| Number of applications submitted online | 50 |
Through regular interaction and by creating useful items for fellow human beings, participants achieve a sense of community while benefiting from social contact.

Waikato Community

Outcome Statement
The social and economic wellbeing of Waikato communities is enhanced.

Committee Priorities
- Organisations and community groups working alongside ‘at-risk’ youth and older people
- Organisations with a proven history of successful service provision
- The linking/amalgamating of community services to increase community co-operation and access to services

The Committee considers the unique rural and urban circumstances of all applicants, and is firmly committed to funding for successful outcomes.

Meeting Community Needs
The Committee covers the Waikato Regional Council area which, includes the whole of the Coromandel Peninsula and extends south as far as Turangi-Tongariro. Parts of the Coromandel Peninsula, Port Waikato, Meremere, Huntly, Mangakino and Turangi-Tongariro are areas of high deprivation. Areas on the Coromandel Peninsula north of Coromandel are extremely isolated.

Trends
Application numbers have remained steady for the past three years with 176 applications approved three years ago and 181 applications for both the last two years. A quarter of applications received were from new applicants.

The main reasons for declined applications were outstanding accountability reports, not meeting the criteria for funding or services or projects were considered to be the responsibility of local or central government. In addition there were many applications that were the responsibility of other Lottery distribution committees, Sport and Recreation New Zealand or Creative New Zealand.

The Waikato Committee made 22 grants to groups who provide the opportunity for older people to meet and have outings and activities that provide camaraderie and stimulation. In some instances, this is the member’s only social contact.

COMMITTEE MEMBERS
Bruce Thomas (PM)
Anwar Ghani (Until July 2009)
Alison van der Heyden
Allan Hughes (Until September 2009)
Judith Muru (Until September 2009)
Grants in Action
Paeroa Community Support Trust
The Paeroa Community Support Trust is a ‘one-stop shop’ that has operated since 1996, providing information, programmes, support and services to families, seniors and youth of Paeroa and the surrounding district. They met the Committee priorities of funding community groups working alongside ‘at risk’ youth and older people, organisations with a proven history of successful service provision, and amalgamating community services to increase community co-operation and access to services. They received a grant of $37,400.

Operation Cover-Up Cambridge
This group has about 80 elderly members who meet weekly for companionship and activities. By interacting while knitting and creating a range of useful items for fellow human beings, they achieve a sense of participating in their community and benefit from the social contact. The group also teaches students from a local high school to knit, giving the elderly a feeling of self-worth.

Committee
The Committee is entering a period of change. Two members have resigned due to personal circumstances and another member’s term has expired. This will result in three new Committee members being appointed in 2009.

Bruce Thomas
Presiding Member
Waikato Community Committee

<table>
<thead>
<tr>
<th>2008/2009 allocation</th>
<th>$2,605,021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward from the 2007/2008 allocation</td>
<td>$15,735</td>
</tr>
<tr>
<td>Grants written back during 2008/2009</td>
<td>$0</td>
</tr>
<tr>
<td>Grants refunded during 2008/2009</td>
<td>$21,831</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION $2,642,588

Total amount requested $6,957,679
Total amount approved $2,588,597
Percentage of amount requested that was approved 37.2%

Applications
Number of applications received 270
Number of applications considered 206
Number of applications approved 181
Percentage of applications approved 87.8%

Smallest approved grant $250
Average approved grant $14,302
Largest approved grant $40,500

Online applications
Number of applications submitted online 206
Wellington/Wairarapa Community

Outcome Statement
The Wellington/Wairarapa Community Committee contributes to the building of strong, sustainable communities by encouraging or enabling:

• community self-reliance, capacity-building and stability
• opportunities for social, recreational, civil or cultural participation and reducing or overcoming barriers to such participation

Committee Priorities

• Projects that have elements of innovation
• Projects that build self-esteem and/or leadership
• Projects that demonstrate genuine community initiative
• Volunteer initiatives
• Projects that ‘make a difference’ in the community
• Preventative projects
• Groups that have a record of effective service delivery

Meeting Community Needs
The Tararua/Rimutaka ranges separate the main population areas of Wellington, Hutt Valley, Porirua and Kapiti Coast from the less populated areas of the Wairarapa, extending from Masterton to South Wairarapa. Isolation in rural areas, particularly around Otaki, the area north of Upper Hutt and in South Wairarapa, has been an ongoing issue, with people lacking transport to access services, and volunteers and fieldworkers having to travel long distances to get to clients.

The Wellington, Porirua and Hutt Valley areas are the main destination for new migrant refugees and settlers. This has resulted in new and existing provider groups tailoring their services to assist families through the settlement process. The new migrants are also becoming increasingly determined to take a lead role in providing and setting the direction for support for their communities. The ChangeMakers Refugee Forum, for example, is a collective umbrella organisation for refugee communities in the Wellington region and provides a voice for issues of concern for refugees.

Trends
The Committee continues to direct a large proportion of its allocation to groups that meet two of its priorities: making a difference in the community and having a record of effective service delivery.

This emphasis on essential services has been driven by continued pressure on the Committee’s funds, which has been exacerbated in the last six months by the economic recession and the consequent decrease in the capacity of other funders in the region.

The Committee is aware that the numbers of grants that benefit Māori are low.

However, over the last year, 10 per cent of grants approved benefited Māori. While the proportion of Māori in the region’s population is 11.5 per cent. The level of applications from Pacific groups remains low. The number of applications from ethnic groups is increasing but around one-third of these were declined by the Committee, often because of lack of preparation related to the application or issues around the capacity of the group.
Salaries remain both the most requested single item and the item that the Committee most funds, as it recognizes how crucial they are to the sustainability of community groups. Of the applications that were funded, 77 per cent included a salary. The Committee has not hesitated to fund more than one salary for an organisation or to fund at a higher level. The Committee has made a number of salary grants of $30,000 and above.

Grants in Action

Post and Ante-Natal Distress Support Group (PND)

This well-established support group, set up around 20 years ago by women who experienced postnatal depression, aligns with all of the Committee’s priorities. Initially a volunteer initiative and now a mix of paid workers and trained volunteers, it receives referrals from a range of health professionals and from women themselves. It has a website and a widely-distributed PND Support Guide, written for ‘all mothers of new-born babies who are not feeling as happy or as good as they feel they should be’.

Between 8 and 20 per cent of postnatal women are affected by postnatal depression to some degree but only the most severe cases are able to be addressed by health authorities. The group provides services for the majority of women who can be supported in the community.

Johnsonville RSA Entertainers

This group of 38, mainly retired, men and women provide entertainment to the elderly in rest homes, retirement villages, senior citizens’ clubs, RSAs and similar groups in the greater Wellington region. They entertain at approximately 36 venues each year and annually travel to one of the neighbouring regions of the Wairarapa, Manawatu, Hawke’s Bay or Taranaki. Although all volunteers, the Entertainers’ music is of high quality and their concerts are always popular.

Lottery Community has been supporting the RSA Entertainers for a number of years, contributing to volunteer expenses and the costs of hiring a bus. The group meets a number of the Committee’s priorities – a genuine community initiative, it is innovative and unique in Wellington, it is entirely driven by volunteers and brings enjoyment both to the entertainers and those entertained.

Committee

The membership of the Committee has remained the same since its inception in 2004.

The Committee considers it beneficial to hear community views and issues directly. It held consultation meetings around the region during the year at Lower Hutt, Strathmore, in Wellington, and Upper Hutt. These meetings also aimed to raise awareness about Lottery funding in an effort to increase the number of quality applications.

Peter Dale
Presiding Member
Wellington/Wairarapa Community Committee
The Nelson/Tasman region is experiencing high levels of immigration and one in four people living in the area were not born in New Zealand.

West Coast/Nelson-Marlborough Community

Outcome Statement
The social and economic wellbeing of West Coast/Nelson/Tasman/Marlborough communities is enhanced.

Committee Priorities
- Salaries
- Supervision and training including external
domestic travel
- Volunteers
- New initiatives

The priorities are reviewed at each meeting but have remained constant. Applications for salaries are considered a high priority and remain a strong focus for the Committee. This is in response to clearly identified local needs and as the result of liaison with other funders in the area.

Meeting Community Needs
According to Ministry of Social Development statistics, the issue of most concern for families is debt servicing. This is in contrast to past surveys that revealed affordable housing and health issues as the most prevalent concern.

Given the vast distances in the region and the rising fuel prices, travel costs for field staff in particular have become a more significant issue.

The introduction of Ministry of Social Development initiatives (Pathway to Partnership and Community Response Fund) has not brought about a decreased number of applications. Government funding continues to be insufficient to cover community needs.

Few applications are being received from Maori, as local iwi are focused on the final stages of their Treaty of Waitangi claims. It is anticipated that once this process is finished, there will be an increase in applications from iwi, especially for capacity-building.

The Nelson/Tasman region continues to experience increasing numbers of migrants, with one in four people living in the area born outside New Zealand. The need for increased services for migrants is reflected in applications from the Marlborough Migrant Centre, Nelson Multi-Ethnic Council and Chin Refugee Community.

The committee noted that the continued increase in retired senior citizens coming to reside in the area has added to ‘affordable housing’ issues.
Trends
There is a noticeable movement away from grants for overarching organisations that support migrants to grants for individual ethnic groups as they begin to operate autonomously and start to deliver services. An example of this is the Chin Community of Nelson, which was previously supported as a group by Refugee Services and The Nelson Multi-Ethnic Council. The Chin Community has now gained a Lottery grant to assist them to run a Saturday school for their children.

Of the 96 applications considered, 22 (23 per cent) were from new applicant organisations.

Grants in Action
Nelson Budget Services (NBS) has experienced a significant increase in workload with more referrals for assistance due to the economic downturn. This trend is likely to continue. NBS provides a financial education programme targeting specific groups such as schools, polytechnics, workplaces and young mothers’ groups. They also produce education resources about good financial practices.

The Royal Air Force reunion was looked on favourably by the Committee as it offered the opportunity for remaining members to gather and support one another. Over 60 per cent of the Branch members are World War Two veterans and this reunion and conference may be the last they will be able to attend.

Committee
The Committee has maintained many attendees a stable membership. As well as three funding meetings, members attended the Philanthropy NZ Conference, two forums with other community funders and a regional liaison meeting.

Brent Maru
Presiding Member
West Coast/Nelson-Marlborough Community Committee

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation</th>
<th>Brought forward</th>
<th>Grants written back</th>
<th>Grants refunded</th>
<th>Total Available for Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/2009</td>
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<td>$0</td>
<td>$0</td>
<td>$4,342</td>
<td>$1,415,760</td>
</tr>
</tbody>
</table>

Total amount requested: $2,802,413
Total amount approved: $1,414,918
Percentage of amount requested that was approved: 50.5%

Applications
- Number of applications received: 145
- Number of applications considered: 108
- Number of applications approved: 96
- Percentage of applications approved: 89%

- Smallest approved grant: $1,092
- Average approved grant: $14,739
- Largest approved grant: $59,000

Online applications
- Number of applications submitted online: 121
Statutory Bodies

Three statutory bodies – Creative New Zealand, the New Zealand Film Commission and Sport and Recreation New Zealand (SPARC) – receive a percentage of Lottery Grants Board funding every year to give New Zealand’s best artistic and sporting talent a helping hand.

The Annual Report to Parliament of each of these statutory bodies provides full detail of the expenditure of its Lottery Grants Board allocation in accordance with the Crown Entities Act 2004.
Creative New Zealand

Creative New Zealand, the national development agency for the arts in New Zealand, received an allocation of $22,125,000 from the New Zealand Lottery Grants Board in 2008/2009 to invest resources in New Zealand arts for 2009 for the long-term benefit of New Zealanders.

Creative New Zealand’s work is diverse, ranging from grassroots projects through to support for professional artists and arts organisations. This is done primarily through funding (including residencies and fellowships). Creative New Zealand funds 35 professional arts organisations on a recurrent basis, and each year offers approximately 500 grants to the arts and arts organisations and, under the Creative Communities Scheme, supports approximately 2,500 local arts activities.

Creative New Zealand also offers capability-building programmes, works to develop markets and audiences for New Zealand arts domestically and internationally, and advocates for the arts and artists.

Examples of Creative New Zealand support include:

Polyfest 2009
More than 90,000 people crowded the Manukau Sports Bowl for four days in March 2009. About 9,000 students from almost 60 Māori, Cook Island, Niuean, Samoan and Tongan school cultural groups gave passionate performances competing for their schools. Creative New Zealand supports Polyfest through its contestable funding programme.

New Zealand Children and Youth Circus
For two weeks in May, the strains of circus music and the sight of children learning to juggle, clown, dance and perform acrobatics transformed Te Uku primary school in Raglan. Loud applause filled the air when the kids displayed their new circus skills to the rest of their school and whānau on the last day of term. The programme was run by the New Zealand Children and Youth Circus and funded by the Raglan Community Arts Council.

21st Century Arts Conference
Over 150 arts leaders, including performing and visual arts practitioners, policy-makers and local funders, attended the second 21st Century Arts Conference hosted by Creative New Zealand to help increase the skills of arts organisations. The conference focused on understanding audiences and what motivates them to view the arts, and on how an organisation’s brand shapes audience perceptions.

New Zealand Film Commission
The New Zealand Film Commission (NZFC) received an allocation of $9,587,500 from the New Zealand Lottery Grants Board in 2008/09 to encourage and participate in the development, production, marketing and distribution of films made in New Zealand by New Zealanders.
The NZFC invested in seven feature films during the year. Six NZFC-financed titles were released in New Zealand and one title (Second Hand Wedding) continued its run from the previous financial year.

The Commission also continued its long standing policy of delegating selection of new short films to independent filmmaker groups. The three selection groups committed production financing to nine short films.

More than 180,000 people watched Leanne Pooley’s documentary feature The Topp Twins: Untouchable Girls when it was released theatrically in April. It was the most popular New Zealand feature of the year and the most successful documentary to ever screen theatrically in New Zealand. Second in popularity was Toa Fraser’s feature Dean Spanley. Four other NZFC-financed features were also released in New Zealand cinemas during the year. The total cinema audience for the six titles was nearly 300,000.

Sport and Recreation New Zealand

Sport and Recreation New Zealand (SPARC) received an allocation of $30,890,000 from the Lottery Grants Board in 2008/2009 to help achieve its mission of creating sport and recreation environments where more New Zealanders can participate, support and win.

Active Communities Investment

Active Communities Investment is a national programme to help support community sport and recreation. Grassroots sport and recreation events and programmes all over New Zealand benefit from this funding.

It includes the North Shore City Beach Series, a family-friendly event which is in its fourth year. Over 18 summer evenings, hundreds of participants, from kids and novices through to Olympic-class athletes, come to swim, kayak and run.

Lottery Grants Board money helped fund Sport Bay of Plenty’s highly successful Dads ‘n’ Lads event. Fathers and sons were given weekly mountain bike training sessions by experienced bikers. The 10-week course made the most of the world-class tracks through Rotorua’s Whakarewarewa Forest.

Active Communities also funded a programme through Waimakariri District Council with the North Canterbury Sport and Recreation Trust. Primary school children of all ages and skill levels are coached in up to 16 sports to learn basic but essential skills that will help keep them involved in sport in the future.
FINANCIAL STATEMENTS
New Zealand Lottery Grants Board

For the year ended 1 July 2008 to 30 June 2009
Audit Report

To the readers of New Zealand Lottery Grants Board’s financial statements for the year ended 30 June 2009

The Auditor General is the auditor of New Zealand Lottery Grants Board (the Board). The Auditor General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements included in the annual report of the Board for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Board on pages 1 to 5:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Board’s financial position as at 30 June 2009; and
    - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 2 November 2009 and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor General’s Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader’s overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Board as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Board’s standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board’s responsibilities arise from the Crown Entities Act 2004 and the Gambling Act 2003.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Board.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand
Statement of responsibility
The Secretary for Internal Affairs is responsible for the preparation of the financial statements and the judgements used therein.

The attached financial statements have been prepared on the basis of generally accepted accounting principles and are consistent with the Public Finance Act 1989 and section 290 of the Gambling Act 2003.

Internal control procedures are considered to be sufficient to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion these financial statements fairly reflect the financial position and the results of operations of the New Zealand Lottery Grants Board for the year ended 30 June 2009.

Brendan Boyle
Secretary for Internal Affairs
2 November 2009

Jools Joslin
Secretary, New Zealand Lottery Grants Board

Statement of purpose
The New Zealand Lottery Grants Board exists to make decisions on the allocation of profits received from New Zealand Lotteries.

These decisions are limited to the allocations to Lottery Distribution Committees, the Minister of Internal Affairs (Discretionary Fund) and the three statutory bodies in accordance with Sections 276, 278, and 279 of the Gambling Act 2003 (the Act) and are detailed in Note 6 of the financial statements for ‘Profits of New Zealand Lotteries’.

The three statutory bodies named in Section 279 of the Act, are Creative New Zealand, Sport and Recreation New Zealand (SPARC), and the New Zealand Film Commission.

These financial statements comprise the accounts of the New Zealand Lottery Grants Board.

The operations of the Lottery Distribution Committees and the Minister’s Discretionary Fund are reported in the financial statements for ‘Profits of New Zealand Lotteries’. The operations of the Statutory Bodies are reported in the annual accounts of these entities.
Statement of Accounting Policies

Reporting Entity
The New Zealand Lottery Grants Board is defined as a Crown Entity by the fourth schedule of the Public Finance Act 1989. These financial statements have been prepared in accordance with the Public Finance Act 1989. For the purposes of financial reporting the New Zealand Lottery Grants Board is a public benefit entity.

Reporting Period
The reporting period for these financial statements is the year ended 30 June 2009.

Statement of Compliance
These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These are the New Zealand Lottery Grants Board’s second financial statements complying with NZIFRS and NZIFRS 1 has been applied.

ACCOUNTING POLICIES
The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS balance sheet as at 1 July 2006 for the purposes of the transition to NZ IFRS.

The measurement base applied is that of historical cost.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the thousand.

Judgements and Estimates
The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Budget Figures
The budget figures are those approved by the Minister of Internal Affairs at the beginning of the financial year.

Revenue
Revenue comprises the profits of the New Zealand Lotteries Commission, income from investments and other miscellaneous revenue.

Revenue is measured at the fair market value of consideration received or receivable.

Board Expenses
Board expenses are the costs of the Board including room hire, sundry expenses, Members’ travel costs and fees.

Board expenses are measured at the fair market value of consideration paid.

Goods and Services Tax (GST)
These accounts have been prepared on a GST exclusive basis.

Changes in Accounting Policies
Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. Other than changes arising from adoption of NZIFRS there have been no changes in accounting policies.
Statement of Financial Performance  
For the year ended 30 June 2009

### Revenue

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009</th>
<th>Budget 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Lotto and Lottery Profits</td>
<td>189,280,779</td>
<td>152,500,000</td>
<td>156,821,445</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>189,280,779</td>
<td>152,500,000</td>
<td>156,821,445</td>
</tr>
</tbody>
</table>

### Expenditure

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009</th>
<th>Budget 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Board Members' Fees</td>
<td>5</td>
<td>12,955</td>
<td>15,803</td>
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<tr>
<td>Committee Members' Fees for Members' Meetings</td>
<td>5</td>
<td>9,640</td>
<td>20,886</td>
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<tr>
<td>Other Expenses</td>
<td>4</td>
<td>5,312</td>
<td>11,828</td>
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<td>Distribution to &quot;Profits of New Zealand Lotteries&quot;</td>
<td>1</td>
<td>189,252,872</td>
<td>152,451,483</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>189,280,779</td>
<td>152,500,000</td>
<td>156,821,445</td>
</tr>
</tbody>
</table>

Net Disposable Income | 0.00 | 0.00 | 0.00 |

Net Surplus/(Deficit) | 2 | 0.00 | 0.00 | 0.00 |

### Statement of Financial Position
As at 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009</th>
<th>Budget 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net Assets</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
Statement of Commitments
As at 30 June 2009

At its meeting on 22 July 2009 the New Zealand Lottery Grants Board approved allocations to the Distribution Committees, the Minister of Internal Affairs (Discretionary Funds) and the Statutory Boards amounting to $163,863,826 for the year ended 30 June 2010 (Meeting held on 2 July 2008, allocations of $152,500,000 for the year ended 30 June 2009).

The 2009/2010 allocations will be funded by profits of $152,500,000 based on estimates given at this time, to be received from the New Zealand Lotteries Commission. (Profits received during 2008/2009 were $152,500,000).

The Board has no significant commitments at at 30 June 2009. (2008: Nil).

Notes to the Financial Statements
For the year ended 30 June 2009

NOTE 1
Distribution to “Profits of NZ Lotteries”
Revenue less Board expenses is distributed to “Profits of New Zealand Lotteries” and recognised as income in those accounts.

NOTE 2
OPERATING SURPLUS/ (DEFICIT)
The New Zealand Lottery Grants Board (The “Board”) had nil surplus or deficit for the year ended 30 June 2009 (2008: Nil), neither did it have assets, liabilities or equity as at 30 June 2009 (2008: Nil). The Board expenses were paid from a bank account operated by “Profits of New Zealand Lotteries”. At year end, all surplus is distributed to the Profits of New Zealand Lotteries.

Therefore it is not appropriate for the Board to produce a Statement of Movements in Equity or Statement of Cash Flows.

NOTE 3
RELATED PARTIES & KEY MANAGEMENT PERSONNEL
The New Zealand Lottery Grants Board exists to make decisions on the allocation of profits received from New Zealand Lotteries. The operations of the Lottery Distribution Committees are reported in the financial statements for “Profits of New Zealand Lotteries”.

The operations of the Statutory Bodies are reported in the annual accounts of these entities. The Secretary for Internal Affairs is Trustee of the profits received from the New Zealand Lotteries Commission under the Gambling Act 2003.

The Department of Internal Affairs provides administrative services to the New Zealand Lottery Grants Board, Distribution Committees and the Minister of Internal Affairs on an arms length basis.

The key management personnel has been identified as the six members of the New Zealand Lottery Grants Board. They were paid fees from the NZ Lottery Grants Board and not from the Profits of the New Zealand Lotteries.

The aggregate value of grants approved relating to key management personnel during the year ended 30 June 2009 amounted to $12,000 (30 June 2008: $11,200), although there was no exercise of control or influence in the approval process.
### NOTE 4

**OTHER EXPENSES**

<table>
<thead>
<tr>
<th>Expense</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank fees</td>
<td>3,978</td>
<td>4,447</td>
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<tr>
<td>Printing</td>
<td>1,334</td>
<td>1,310</td>
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<tr>
<td>Other expenses</td>
<td>5,312</td>
<td>5,757</td>
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</table>

### NOTE 5

**DISCLOSURE OF FEES**

The total fees paid to the New Zealand Lottery Grants Board and Committee Presiding Members for attendance at Board and Presiding Members’ meetings during the year 1 July 2008 to 30 June 2009 are shown below.

#### Lottery Grants Board Members’ Fees

<table>
<thead>
<tr>
<th>Name</th>
<th>Total Fees (Gross) 2008/2009</th>
<th>Total Fees (Gross) 2007/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harington, P</td>
<td>5,130</td>
<td>5,130</td>
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<tr>
<td>Mohi, M.M</td>
<td>540</td>
<td>4,860</td>
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<tr>
<td>Nowland-Foreman, G</td>
<td>7,285</td>
<td>6,300</td>
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</table>

**Total** 12,955 [16,290]

#### Distribution Committees’ Presiding Members’ Fees

For attendance at the Presiding Members Policy Advisory Group Meetings.

<table>
<thead>
<tr>
<th>Name</th>
<th>Total Fees (Gross) 2008/2009</th>
<th>Total Fees (Gross) 2007/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradley, M.P</td>
<td>-</td>
<td>300</td>
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<tr>
<td>Coughlan, P</td>
<td>390</td>
<td>390</td>
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<tr>
<td>Dale, P.C</td>
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<tr>
<td>Dick, A.J</td>
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<td>390</td>
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<tr>
<td>Diver, F</td>
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</tr>
<tr>
<td>Harington, P.</td>
<td>1080</td>
<td>-</td>
</tr>
<tr>
<td>Holloway, L</td>
<td>540</td>
<td>540</td>
</tr>
<tr>
<td>Kerridge, P.</td>
<td>435</td>
<td>435</td>
</tr>
<tr>
<td>Kirkman, A.M.</td>
<td>435</td>
<td>-</td>
</tr>
<tr>
<td>Maru, B.T.</td>
<td>390</td>
<td>-</td>
</tr>
<tr>
<td>Rasalingam, N</td>
<td>435</td>
<td>-</td>
</tr>
<tr>
<td>Scott, R</td>
<td>780</td>
<td>390</td>
</tr>
<tr>
<td>Sharp, Y.L</td>
<td>1300</td>
<td>390</td>
</tr>
<tr>
<td>Sharpe, P</td>
<td>780</td>
<td>390</td>
</tr>
<tr>
<td>Shields, M.K.</td>
<td>-</td>
<td>540</td>
</tr>
<tr>
<td>Si’Ulepa, P</td>
<td>-</td>
<td>420</td>
</tr>
<tr>
<td>Taylor, D.</td>
<td>300</td>
<td>323</td>
</tr>
<tr>
<td>Thomas, B.A</td>
<td>825</td>
<td>390</td>
</tr>
<tr>
<td>White, J.J.</td>
<td>390</td>
<td>390</td>
</tr>
</tbody>
</table>

**Total** 9,640 [6,068]
FINANCIAL STATEMENTS
Profits of New Zealand Lotteries
For the year ended 1 July 2008 to 30 June 2009
Audit Report
To the readers of Profits of New Zealand Lotteries’ financial statements for the year ended 30 June 2009

The Auditor General is the auditor of Profits of New Zealand Lotteries. The Auditor General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the Profits of the New Zealand Lotteries for the year ended 30 June 2009.

Unqualified Opinion
In our opinion:

- The financial statements of the Profits of the New Zealand Lotteries on pages 1 to 15:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Profits of the New Zealand Lotteries’ financial position as at 30 June 2009; and
    - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 2 November 2009, and is the date at which our opinion is expressed. The basis of our opinion is explained below. In addition, we outline the responsibilities of the Profits of the New Zealand Lotteries and the Auditor, and explain our independence.

Basis of Opinion
We carried out the audit in accordance with the Auditor General’s Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader’s overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Profits of the New Zealand Lotteries;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Profits of the New Zealand Lotteries and the Auditor

The Profits of the New Zealand Lotteries is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Profits of the New Zealand Lotteries as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Profits of the New Zealand Lotteries’ standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Profits of the New Zealand Lotteries’ responsibilities arise from the Crown Entities Act 2004 and the Gambling Act 2003.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence
When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Profits of the New Zealand Lotteries.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand
Statement of responsibility
The Secretary for Internal Affairs is responsible for the preparation of the financial statements and the judgements used therein.

The attached financial statements have been prepared on the basis of generally accepted accounting principles and are consistent with the Public Finance Act 1989 and section 290 of the Gambling Act 2003.

Internal control procedures are considered to be sufficient to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion these financial statements fairly reflect the financial position, the results of operations and the cashflows of the profits of New Zealand Lotteries for the year ended 30 June 2009.

Brendan Boyle   Jools Joslin
Secretary for Internal Affairs  Secretary, New Zealand Lottery Grants Board
2 November 2009

Statement of purpose
These financial statements comprise the accounts of the Profits of New Zealand Lotteries.

New Zealand Lotteries are Lotteries promoted, organised and conducted by the New Zealand Lotteries Commission under Part 3, subpart 2 of the Gambling Act 2003.

The profits of New Zealand Lotteries, less any costs of administration and miscellaneous expenditure, are distributed by Lottery Distribution Committees and the Minister of Internal Affairs for community purposes, and are expended on specified statutory purposes by the three statutory bodies named in Section 279 of the Act, being Creative New Zealand, Sport and Recreation New Zealand (SPARC) and the New Zealand Film Commission.

The New Zealand Lottery Grants Board allocates the profits of New Zealand Lotteries to the Lottery Distribution Committees, the Minister of Internal Affairs (Discretionary Fund) and the three statutory bodies in accordance with Sections 276, 278 and 279 of the Gambling Act 2003.
Statement of Accounting Policies

Judgements and Estimates
The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods.

Budget Figures
The budget figures are those approved by the Minister of Internal Affairs at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Secretary for Internal Affairs for the preparation of the financial statements.

Revenue
Revenue comprises the profits of the New Zealand Lotteries Commission, interest income from investments and other miscellaneous revenue. Revenue is measured at the fair market value of consideration received or receivable. Profits from the New Zealand Lotteries Commission are recognised when advised by the Commission, while investment and other revenue is recognised when earned and is reported in the financial period to which it relates.

Depreciation
The Department of Internal Affairs owns all of the fixed assets used by staff servicing the New Zealand Lotteries Grants Board, the Distribution Committees and their Sub-Committees. An asset service charge is paid which represents the depreciation expense of the assets used.

Financial Instruments
Designation of financial assets and financial liabilities is determined by the business purpose of the financial instruments, policies and practices for their management, their relationship with other instruments and the reporting costs and benefits associated with each designation.

Financial Assets
Cash and cash equivalents include cash on hand, cash in transit and deposits held at call with banks, both domestic and international, other short-term, highly liquid investments, with original maturities of three months or less. Accounts receivable have been designated as receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Loans and receivables entered into with a duration of less than 12 months are recognised at their normal value. At each balance date, the Secretary of Internal Affairs assesses whether there is any objective evidence that loans and receivables are impaired. Any impairment losses are recognised in the Statement of Financial Performance as bad debts.
Investments
Premiums or discounts on investments are amortised over the life of the investment on a yield to maturity basis. At each balance sheet date the New Zealand Lottery Grants Board assesses whether there is any objective evidence that an investment is impaired.

Goods and Services Tax (GST)
These accounts have been prepared on a GST exclusive basis, except for accounts payable. GST is presented net in the balance sheet.

Taxation
Profits of New Zealand Lotteries are exempt from the payment of income tax in terms of the Income Tax Act 2004. Accordingly, no charge for income tax has been provided.

Receivables
Accounts receivable are recorded at estimated realisable value. At each balance sheet date the New Zealand Lottery Grants Board assesses whether there is any objective evidence that a receivable is impaired.

Cash & Cash Equivalent
Cash and cash equivalent includes cash in bank, call accounts and investments with maturity three months or less. The carrying value of these approximates their fair value.

Grants Approved
The net grants approved by the Distribution Committees in the financial period are recognised as an expense in the Statement of Financial Performance. The grants are discretionary and are recognised as expenditure when approved by the Distribution Committee and the approval has been communicated to the applicant.

Changes in Accounting Policies
Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. Other than changes arising from adoption of NZIFRS there have been no changes in accounting policies.
Statement of Financial Performance  
For the year ended 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Revenue</th>
<th>Actual 2009 $</th>
<th>Budget 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lotto and Lottery Profits</td>
<td>189,252,872</td>
<td>152,500,000</td>
<td>156,793,331</td>
</tr>
<tr>
<td>1</td>
<td>Interest Revenue</td>
<td>5,845,973</td>
<td>5,500,000</td>
<td>7,513,168</td>
</tr>
<tr>
<td>2</td>
<td>Sundry Income</td>
<td>62</td>
<td>-</td>
<td>1,865</td>
</tr>
<tr>
<td></td>
<td>Total Revenue</td>
<td>195,098,907</td>
<td>158,000,000</td>
<td>164,308,364</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Expenditure</th>
<th>Actual 2009 $</th>
<th>Budget 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Administration Expenses</td>
<td>4,938,794</td>
<td>5,088,092</td>
<td>4,660,340</td>
</tr>
<tr>
<td></td>
<td>Asset Service Charge</td>
<td>270,701</td>
<td>182,000</td>
<td>281,384</td>
</tr>
<tr>
<td></td>
<td>Audit Fee</td>
<td>37,073</td>
<td>45,000</td>
<td>37,000</td>
</tr>
<tr>
<td></td>
<td>NZ IFRS Audit Fee</td>
<td>2,500</td>
<td>-</td>
<td>5,500</td>
</tr>
<tr>
<td>10</td>
<td>Distribution Committees’ Fees</td>
<td>129,521</td>
<td>488,479</td>
<td>122,427</td>
</tr>
<tr>
<td>4</td>
<td>Personnel</td>
<td>4,670,882</td>
<td>5,334,429</td>
<td>4,420,164</td>
</tr>
<tr>
<td></td>
<td>Public relations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Expenditure</td>
<td>10,049,471</td>
<td>11,138,000</td>
<td>9,526,815</td>
</tr>
</tbody>
</table>

|      | Net Disposable Income | 185,049,436 | 146,862,000 | 154,781,549 |

|      | Less Grants Approved | 3 & 4 | 163,418,474 | 166,250,000 | 173,653,061 |
|      | Net Surplus/(Deficit) | 21,630,962 | (19,388,000) | (18,871,512) |

Statement of Movements in Equity  
For the year ended 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009 $</th>
<th>Budget 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Operating Surplus/(Deficit) for the year</td>
<td>21,630,962</td>
<td>(19,388,000)</td>
</tr>
<tr>
<td></td>
<td>Movements in Equity for the year</td>
<td>21,630,962</td>
<td>(19,388,000)</td>
</tr>
</tbody>
</table>

|      | Equity brought forward as at 1 July | 64,633,088 | 64,633,088 | 83,504,600 |
|      | Equity as at 30 June | 86,264,050 | 45,245,088 | 64,633,088 |

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
### Statement of Financial Position
As at 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009 $</th>
<th>Budget 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Funds Allocated to Distribution Committees</td>
<td>4,085,358</td>
<td>652,947</td>
</tr>
<tr>
<td>4</td>
<td>Accumulated Funds</td>
<td>82,178,692</td>
<td>44,592,141</td>
</tr>
<tr>
<td></td>
<td>Total Funds Employed (Equity)</td>
<td>86,264,050</td>
<td>45,245,088</td>
</tr>
<tr>
<td></td>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Cash &amp; Cash Equivalents</td>
<td>55,453,190</td>
<td>52,295,258</td>
</tr>
<tr>
<td>6</td>
<td>Short Term Investments</td>
<td>45,142,371</td>
<td>22,521,614</td>
</tr>
<tr>
<td>3</td>
<td>GST Receivable</td>
<td>3,950,150</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Accounts Receivable</td>
<td>36,783,496</td>
<td>9,319,445</td>
</tr>
<tr>
<td></td>
<td>Accrued Interest</td>
<td>432,600</td>
<td>710,876</td>
</tr>
<tr>
<td></td>
<td>Total Current Assets</td>
<td>141,761,807</td>
<td>84,847,193</td>
</tr>
<tr>
<td></td>
<td>Total Assets</td>
<td>141,761,807</td>
<td>84,847,193</td>
</tr>
<tr>
<td></td>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Related Parties Accounts Payable</td>
<td>1,083,848</td>
<td>951,351</td>
</tr>
<tr>
<td></td>
<td>Department of Internal Affairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Accounts Payable (Other)</td>
<td>6,674,490</td>
<td>193,251</td>
</tr>
<tr>
<td>8</td>
<td>Grants Payable</td>
<td>47,739,419</td>
<td>38,457,503</td>
</tr>
<tr>
<td></td>
<td>Total Current Liabilities *</td>
<td>55,497,757</td>
<td>39,602,105</td>
</tr>
<tr>
<td></td>
<td>Working Capital</td>
<td>86,264,050</td>
<td>45,245,088</td>
</tr>
<tr>
<td></td>
<td>Net Assets</td>
<td>86,264,050</td>
<td>45,245,088</td>
</tr>
</tbody>
</table>

* Creditors and other payables are non-interest bearing and are within the normal terms and therefore the carrying value of creditors and other payables approximates their fair value.

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
Statement of Cash Flows
For the year ended 30 June 2009

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009</th>
<th>Budget 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Cash Flows from Operating Activities

**Cash was Provided From:**

- **Lottery Profits**: 161,788,371
- **GST Received**: -3,073,039
- **Interest Received**: 6,124,248
- **Sundry Receipts**: 62

Total: 167,912,681

---

**Cash was Applied To:**

- **Grants Paid**: 3
- **Administration Expenses**: 3,362,073
- **Expenses Paid on behalf of the New Zealand Lottery Grants Board**: 73,212
- **GST Paid**: 877,111

Total: 158,448,954

---

**Net Cash Flows from Operating Activities**: 9,463,727

---

### Cash Flows from Investing Activities

**Cash was Provided From:**

- **Net Sale of Term Investments**: (22,620,757)

**Net Cash Flows from Investing Activities**: (22,620,757)

---

**Net Increase / (Decrease) in Cash Held**: (13,157,030)

**Add Opening Cash & Cash Equivalent**: 68,610,220

**Closing Cash & Cash Equivalent**: 55,453,190

---

**Cash & Cash Equivalent**: 55,453,190

**Closing Cash & Cash Equivalent**: 55,453,190

---

**In order to summarise the investment flows, thereby providing a more meaningful disclosure, the investment inflows/outflows have been netted.**

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
Reconciliation of Net Cash Flows from Operations with Net Surplus/(Deficit) from Operating Activities
For the year ended 30 June 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Actual 2009</th>
<th>Budget 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Surplus/(Deficit) per Statement of Financial Performance</td>
<td>21,630,962</td>
<td>(19,388,000)</td>
<td>(18,871,512)</td>
</tr>
<tr>
<td>Add/(Deduct) Movements in Working Capital Items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Decrease) / Increase in Grants Payable</td>
<td>9,281,918</td>
<td>(9,281,916)</td>
<td>15,313,381</td>
</tr>
<tr>
<td>(Decrease) / Increase in Accounts Payable</td>
<td>6,613,736</td>
<td>(6,481,239)</td>
<td>354,575</td>
</tr>
<tr>
<td>Decrease / (Increase) Accrued Interest</td>
<td>278,274</td>
<td>278,275</td>
<td>282,381</td>
</tr>
<tr>
<td>Decrease / (Increase) Accounts Receivable</td>
<td>(27,464,051)</td>
<td>(27,464,051)</td>
<td>(426,445)</td>
</tr>
<tr>
<td>Decrease / (Increase) GST Receivable</td>
<td>(877,111)</td>
<td>(877,111)</td>
<td>2,161</td>
</tr>
<tr>
<td>Net Cash Flows from Operating Activities</td>
<td>9,463,727</td>
<td>(63,214,042)</td>
<td>(3,345,459)</td>
</tr>
</tbody>
</table>

Statement of Commitments
as at 30 June 2009

There are no commitments at 30 June 2009. (2008: Nil)

Statement of Contingent Liabilities
as at 30 June 2009

There were no contingent liabilities at 30 June 2009. (2008: Nil)
Notes to the Financial Statements
For the year ended 30 June 2009

NOTE 1
INTEREST REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of New Zealand Current Account</td>
<td>217,793</td>
<td>288,416</td>
</tr>
<tr>
<td>Money Market Investments</td>
<td>5,596,551</td>
<td>7,197,447</td>
</tr>
<tr>
<td>Inland Revenue Department ***</td>
<td>31,629</td>
<td>27,305</td>
</tr>
<tr>
<td>Total interest revenue</td>
<td>5,845,973</td>
<td>7,513,168</td>
</tr>
</tbody>
</table>

*** IRD paid use of money interest on the NZ Lottery Grants Board GST refund.

NOTE 2
SUNDRY INCOME

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery from M Fatialota</td>
<td>62</td>
<td>1,865</td>
</tr>
<tr>
<td>Total sundry income</td>
<td>62</td>
<td>1,865</td>
</tr>
</tbody>
</table>

NOTE 3
GRANTS PAYABLE

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 July</td>
<td>38,457,503</td>
<td>23,144,122</td>
</tr>
<tr>
<td>Plus Grants Approved</td>
<td>163,418,474</td>
<td>173,653,061</td>
</tr>
<tr>
<td></td>
<td>201,875,977</td>
<td>196,797,183</td>
</tr>
<tr>
<td>Less Grants Paid</td>
<td>(154,136,558)</td>
<td>(158,339,680)</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>47,739,419</td>
<td>38,457,503</td>
</tr>
</tbody>
</table>

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
### NOTE 4

#### COMMITTEES’ FUNDS

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undistributed Committees’ Funds as at 1 July</td>
<td>652,947</td>
<td>1,802,403</td>
</tr>
<tr>
<td>Transfer from Accumulated funds re Opening balance</td>
<td>550,885</td>
<td></td>
</tr>
<tr>
<td>Transfers to Minister’s Discretionary Fund from Accumulated Funds</td>
<td>50,000</td>
<td>(143,876)</td>
</tr>
<tr>
<td>Transfer to Accumulated funds from Defunct Committees</td>
<td>(210,928)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>600,885</td>
<td></td>
</tr>
<tr>
<td>Funds after Transfers</td>
<td>1,253,832</td>
<td>1,447,599</td>
</tr>
<tr>
<td>Add Funds Allocated for the year</td>
<td>5 166,250,000</td>
<td>172,858,409</td>
</tr>
<tr>
<td>Less Grants Approved for the year</td>
<td>(163,418,474)</td>
<td>(173,653,061)</td>
</tr>
<tr>
<td></td>
<td>2,831,526</td>
<td></td>
</tr>
<tr>
<td>Undistributed Committees’ Funds as at 30 June</td>
<td>4,085,358</td>
<td>652,947</td>
</tr>
</tbody>
</table>

#### ACCUMULATED FUNDS

<table>
<thead>
<tr>
<th>Note</th>
<th>Actual 2009 $</th>
<th>Actual 2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Funds as at 1 July</td>
<td>63,980,141</td>
<td>81,702,197</td>
</tr>
<tr>
<td>Net Surplus / (Deficit)</td>
<td>21,630,962</td>
<td>(18,871,512)</td>
</tr>
<tr>
<td>Transfer to Committee funds re Opening balance</td>
<td>(550,885)</td>
<td></td>
</tr>
<tr>
<td>Transfers from Accumulated Funds to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minister’s Discretionary Fund</td>
<td>(50,000)</td>
<td>143,876</td>
</tr>
<tr>
<td>Transfer to Accumulated Funds from Defunct Committees</td>
<td>(600,885)</td>
<td>210,928</td>
</tr>
<tr>
<td>Add Grants Approved for the year</td>
<td>163,418,474</td>
<td>173,653,061</td>
</tr>
<tr>
<td>Less Funds Allocated for the year</td>
<td>5 (166,250,000)</td>
<td>(172,858,409)</td>
</tr>
<tr>
<td></td>
<td>(2,831,526)</td>
<td></td>
</tr>
<tr>
<td>Accumulated Funds as at 30 June</td>
<td>82,178,692</td>
<td>63,980,141</td>
</tr>
<tr>
<td>Total Equity as at 30 June</td>
<td>86,264,050</td>
<td>64,633,088</td>
</tr>
</tbody>
</table>

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
### NOTE 5

#### ALLOCATIONS

<table>
<thead>
<tr>
<th>Distribution Committees</th>
<th>% of Total 2009</th>
<th>% of Total 2008</th>
<th>Actual 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Committees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National</td>
<td>8.1</td>
<td>7.8</td>
<td>13,443,875</td>
<td>13,443,875</td>
</tr>
<tr>
<td>Outdoor Safety</td>
<td>5.0</td>
<td>7.4</td>
<td>8,277,941</td>
<td>12,777,941</td>
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<tr>
<td>Regional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northland</td>
<td>0.9</td>
<td>0.8</td>
<td>1,420,074</td>
<td>1,420,074</td>
</tr>
<tr>
<td>Auckland</td>
<td>4.1</td>
<td>4.5</td>
<td>6,897,768</td>
<td>7,753,091</td>
</tr>
<tr>
<td>Waikato</td>
<td>1.6</td>
<td>1.5</td>
<td>2,605,021</td>
<td>2,605,021</td>
</tr>
<tr>
<td>BOP/Gisborne</td>
<td>1.4</td>
<td>1.4</td>
<td>2,335,225</td>
<td>2,335,225</td>
</tr>
<tr>
<td>Hawkes Bay</td>
<td>0.8</td>
<td>0.8</td>
<td>1,303,310</td>
<td>1,303,310</td>
</tr>
<tr>
<td>Taranaki/New Plymouth</td>
<td>0.5</td>
<td>0.5</td>
<td>850,732</td>
<td>850,732</td>
</tr>
<tr>
<td>Manawatu/Wanganui</td>
<td>0.9</td>
<td>0.9</td>
<td>1,525,045</td>
<td>1,525,045</td>
</tr>
<tr>
<td>Wellington</td>
<td>1.3</td>
<td>1.4</td>
<td>2,218,101</td>
<td>2,351,187</td>
</tr>
<tr>
<td>Canterbury</td>
<td>1.6</td>
<td>1.5</td>
<td>2,617,120</td>
<td>2,617,120</td>
</tr>
<tr>
<td>West Coast/Marlborough/Tasman</td>
<td>0.8</td>
<td>0.8</td>
<td>1,411,418</td>
<td>1,411,418</td>
</tr>
<tr>
<td>Otago/Southland</td>
<td>1.1</td>
<td>1.0</td>
<td>1,804,291</td>
<td>1,804,291</td>
</tr>
<tr>
<td>Lottery Environment and Heritage</td>
<td>5.6</td>
<td>5.3</td>
<td>9,229,295</td>
<td>9,247,167</td>
</tr>
<tr>
<td>Lottery Health Research</td>
<td>1.9</td>
<td>3.5</td>
<td>3,186,696</td>
<td>6,086,696</td>
</tr>
<tr>
<td>Lottery Marae Heritage &amp; Facilities</td>
<td>4.4</td>
<td>4.2</td>
<td>7,251,488</td>
<td>7,332,114</td>
</tr>
<tr>
<td>Pacific Provider Development Fund</td>
<td>0.3</td>
<td>0.3</td>
<td>556,110</td>
<td>568,454</td>
</tr>
<tr>
<td>Lottery Welfare - Individuals with Disabilities</td>
<td>3.0</td>
<td>2.9</td>
<td>4,911,490</td>
<td>5,020,648</td>
</tr>
<tr>
<td>Significant Projects</td>
<td>9.6</td>
<td>-</td>
<td>16,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Community Sector Research</td>
<td>1.1</td>
<td>-</td>
<td>1,750,000</td>
<td>-</td>
</tr>
<tr>
<td>Lottery Community Facilities Fund</td>
<td>7.8</td>
<td>7.5</td>
<td>13,000,000</td>
<td>13,000,000</td>
</tr>
<tr>
<td>Minister of Internal Affairs</td>
<td>0.2</td>
<td>0.2</td>
<td>315,000</td>
<td>315,000</td>
</tr>
<tr>
<td>Statutory Bodies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creative New Zealand</td>
<td>13.3</td>
<td>16.1</td>
<td>22,125,000</td>
<td>27,745,000</td>
</tr>
<tr>
<td>Sport and Recreation New Zealand (SPARC)</td>
<td>18.6</td>
<td>22.2</td>
<td>30,890,000</td>
<td>38,390,000</td>
</tr>
<tr>
<td>New Zealand Film Commission</td>
<td>6.2</td>
<td>7.5</td>
<td>10,325,000</td>
<td>12,955,000</td>
</tr>
<tr>
<td><strong>Total Allocations</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>166,250,000</strong></td>
<td><strong>172,858,409</strong></td>
</tr>
</tbody>
</table>

$166,250,000 was allocated for 2008/09 by the New Zealand Lottery Grants Board.

An allocation of $1,000,000 was approved by the Board to fund applicant GST expenses that the NZ Lottery Grants Board is not able to recover from IRD.

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
NOTE 6

FINANCIAL INSTRUMENTS

Fair Value

Financial instruments are disclosed in the Statement of Financial Position at their carrying value.

The carrying value of investments at 30 June 2009 was $90,843,904. (2008: $84,609,782) The market value of investments at 30 June 2009 was $91,075,131. (2008: $84,920,268).

Currency and Credit Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. There is no currency risk given that all the financial instruments dealt with are denominated in New Zealand dollars.

Credit risk is the risk that a third party will default on its obligation, causing profits of New Zealand Lotteries to incur a loss. Credit risk is reduced by investing up to fixed limits, only in New Zealand Government Stock, Government Guaranteed Stock, Bank Deposit, Promissory Notes carrying a Standard and Poors rating of not less than A2 and Commercial Paper issued or endorsed by selected registered banks in New Zealand. These limits reduce the credit risk exposure to any one financial institution and/or financial instrument.

Concentration of credit risk with respect to accounts receivable is high, due to reliance on the NZ Lotteries Commission for 99% of revenue for the Profits of New Zealand Lotteries. Reliance is placed in the fact that the NZ Lotteries Commission is a going concern. In addition the allocation of grants by Committees is closely monitored to ensure that commitments are matched by revenue.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. New Zealand Lottery Grants Board only invest in fixed interest rate commercial papers. Interest rate risk is managed through investing only in short term instruments. The Board’s investments in money market investments and NZ Government Guaranteed Stock give rise to interest rate risk.

Liquidity Risk

In meeting its liquidity requirements, the New Zealand Lottery Grants Board maintains a target level of investments that must mature within specified timeframes.

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
## Cash & Cash Equivalent

<table>
<thead>
<tr>
<th></th>
<th>June 2009</th>
<th>June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in bank and on hand</td>
<td>5,751,657</td>
<td>1,122,052</td>
</tr>
<tr>
<td>Call Account</td>
<td>4,000,000</td>
<td>5,400,000</td>
</tr>
<tr>
<td>Investments less than 3 months</td>
<td>45,701,533</td>
<td>62,088,168</td>
</tr>
<tr>
<td><strong>Total Cash &amp; Cash Equivalent</strong></td>
<td>55,453,190</td>
<td>68,610,220</td>
</tr>
</tbody>
</table>

## Contractual maturity analysis of financial instruments

### As at 30 June 2009

<table>
<thead>
<tr>
<th>Investments less than 3 months</th>
<th>Carrying Amount $</th>
<th>Contractual Cash Flows $</th>
<th>Less than 1 year $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Deposits</td>
<td>22,000,000</td>
<td>22,187,004</td>
<td>22,187,004</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>23,701,533</td>
<td>23,849,901</td>
<td>23,849,901</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,701,533</td>
<td>46,036,905</td>
<td>46,036,905</td>
</tr>
</tbody>
</table>

### Short Term Investments

<table>
<thead>
<tr>
<th>Investments less than 3 months</th>
<th>Carrying Amount $</th>
<th>Contractual Cash Flows $</th>
<th>Less than 1 year $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Deposits</td>
<td>10,000,000</td>
<td>10,121,932</td>
<td>10,121,932</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>35,142,371</td>
<td>35,500,000</td>
<td>35,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,142,371</td>
<td>45,621,932</td>
<td>45,621,932</td>
</tr>
</tbody>
</table>

## Contractual maturity analysis of financial instruments

### As at 30 June 2008

<table>
<thead>
<tr>
<th>Investments less than 3 months</th>
<th>Carrying Amount $</th>
<th>Contractual Cash Flows $</th>
<th>Less than 1 year $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Deposits</td>
<td>43,000,000</td>
<td>43,502,662</td>
<td>43,502,662</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>19,088,168</td>
<td>19,450,000</td>
<td>19,450,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>62,088,168</td>
<td>62,952,662</td>
<td>62,952,662</td>
</tr>
</tbody>
</table>

### Short Term Investments

<table>
<thead>
<tr>
<th>Investments less than 3 months</th>
<th>Carrying Amount $</th>
<th>Contractual Cash Flows $</th>
<th>Less than 1 year $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term Deposits</td>
<td>2,000,000</td>
<td>2,043,605</td>
<td>2,043,605</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>20,521,614</td>
<td>21,000,000</td>
<td>21,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22,521,614</td>
<td>23,043,605</td>
<td>23,043,605</td>
</tr>
</tbody>
</table>

Contractual cash flows includes the interest income on the investments at maturity date.

*The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.*
NOTE 7
ACCOUNTS RECEIVABLE

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra profits from New Zealand Lotteries Commission</td>
<td>36,780,779</td>
<td>9,319,445</td>
</tr>
<tr>
<td>Grants refund - W Mullen</td>
<td>2,717</td>
<td></td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>36,783,496</td>
<td>9,319,445</td>
</tr>
</tbody>
</table>

Debtors and other receivables are non-interest bearing and receipts are within the normal terms, therefore the carrying value of debtors and other receivables approximates their fair value.

At each balance sheet date the New Zealand Lottery Grants Board assesses whether there is any objective evidence that the receivable is impaired.

NOTE 8
ACCOUNTS PAYABLE

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Actual 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Internal Affairs</td>
<td>7,746,305</td>
<td>1,134,611</td>
</tr>
<tr>
<td>Inland Revenue Department</td>
<td>12,033</td>
<td>9,991</td>
</tr>
<tr>
<td>Grants</td>
<td>47,739,419</td>
<td>38,457,503</td>
</tr>
<tr>
<td>Total Accounts Payable</td>
<td>55,497,757</td>
<td>39,602,105</td>
</tr>
</tbody>
</table>

Creditors and other payables are non-interest bearing and payment are within the normal terms, therefore the carrying value of creditors and other payables approximates their fair value.

At each balance sheet date the New Zealand Lottery Grants Board assesses whether there is any objective evidence that the payable is impaired.

NOTE 9
RELATED PARTIES & KEY MANAGEMENT PERSONNEL

The Secretary for Internal Affairs is Trustee of the profits received from the New Zealand Lotteries Commission under the Gambling Act 2003.

The Department of Internal Affairs provides administrative services to the New Zealand Lottery Grants Board, the Distribution Committees and the Minister of Internal Affairs on an arms length basis.

The services provided include personnel, the provision of assets, accommodation, administration and other services costing $9,673,095 in the 2008/2009 year ($9,361,866 in the 2007/2008 year).

At 30 June 2009 profits of New Zealand Lotteries owed $1,083,848 in relation to services provided by DIA. (30 June 2008: $961,351).

The key management personnel has been identified as the six members of the New Zealand Lottery Grants Board. They were paid fees from the NZ Lottery Grants Board and not from the Profits of the New Zealand Lotteries.

The aggregate value of transactions relating to the grants approved for Christchurch Methodist Mission amounted to $12,000 (30 June 2008: $11,200) where Garth Nowland-Foreman was a Board member in a voluntary capacity. However, he was not involved in the approval process and approval was based on normal criteria.

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
### NOTE 10

**DISCLOSURE OF FEES**

The total of fees paid to the Distribution Committee members for the year 1 July 2008 to 30 June 2009 are shown below.

#### Distribution Committee Members' Fees

For attendance at Meetings and Reading Fees 2008/2009

<table>
<thead>
<tr>
<th></th>
<th>2008/2009 Total Fees</th>
<th>2007/2008 Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson, T</td>
<td>1,890</td>
<td>2,025</td>
</tr>
<tr>
<td>Ammunson, P</td>
<td>1,398</td>
<td>1,080</td>
</tr>
<tr>
<td>Austin, M.A.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ayrton, C.H.</td>
<td>1,000</td>
<td>1,400</td>
</tr>
<tr>
<td>Bennett, S. M.</td>
<td>2,560</td>
<td>1,881</td>
</tr>
<tr>
<td>Bradley, M. P.</td>
<td>600</td>
<td>1,600</td>
</tr>
<tr>
<td>Burdon, M. C.</td>
<td>1,600</td>
<td>1,300</td>
</tr>
<tr>
<td>Cameron, A.V.</td>
<td>-</td>
<td>1,755</td>
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<tr>
<td>Cardno, F.G.</td>
<td>1,505</td>
<td>-</td>
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<tr>
<td>Coughlan, P</td>
<td>780</td>
<td>2,080</td>
</tr>
<tr>
<td>Crighton, A</td>
<td>1,100</td>
<td>600</td>
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<tr>
<td>Cuthbert, B. G.</td>
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<td>699</td>
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<tr>
<td>Dale, C.J.</td>
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<td>968</td>
</tr>
<tr>
<td>Dale, P. C.</td>
<td>1,215</td>
<td>1,560</td>
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<tr>
<td>DeSouza, R.N.</td>
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<td>-</td>
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<tr>
<td>Dick, A. J.</td>
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<td>1,560</td>
</tr>
<tr>
<td>Diver, F. I.</td>
<td>2,600</td>
<td>2,990</td>
</tr>
<tr>
<td>Dodunski, H</td>
<td>1,400</td>
<td>1,100</td>
</tr>
<tr>
<td>Dunlop, M.E.</td>
<td>645</td>
<td>-</td>
</tr>
<tr>
<td>Faitotonu, S.</td>
<td>900</td>
<td>900</td>
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<tr>
<td>Fitzmaurice, V.</td>
<td>1,800</td>
<td>900</td>
</tr>
<tr>
<td>Fox, R.</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Franklin, A.D.</td>
<td>2,204</td>
<td>-</td>
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<tr>
<td>Gallagher, J.M.</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Gaze, F.</td>
<td>1,690</td>
<td>1,690</td>
</tr>
<tr>
<td>Ghan, A.</td>
<td>600</td>
<td>900</td>
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<tr>
<td>Grammer, B</td>
<td>2,096</td>
<td>2,748</td>
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<tr>
<td>Greening W. A. J.</td>
<td>1,100</td>
<td>900</td>
</tr>
<tr>
<td>Hanlen, P.A.</td>
<td>900</td>
<td>-</td>
</tr>
<tr>
<td>Hanley, W. P.</td>
<td>900</td>
<td>700</td>
</tr>
<tr>
<td>Henry, L. A.</td>
<td>1,100</td>
<td>2,400</td>
</tr>
<tr>
<td>Holloway, L.</td>
<td>2,520</td>
<td>2,880</td>
</tr>
<tr>
<td>Howe, T.</td>
<td>3,480</td>
<td>2,520</td>
</tr>
<tr>
<td>Hughes, A.D.</td>
<td>1,000</td>
<td>-</td>
</tr>
<tr>
<td>Issacs, O.</td>
<td>900</td>
<td>1,100</td>
</tr>
<tr>
<td>Jackson, B.</td>
<td>-</td>
<td>290</td>
</tr>
<tr>
<td>Kahotea, D. T.</td>
<td>968</td>
<td>1,129</td>
</tr>
<tr>
<td>Kerridge P. E.</td>
<td>1,845</td>
<td>3,943</td>
</tr>
<tr>
<td>Kippenberger, L.M.</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>Kirkman, A.M.</td>
<td>1,595</td>
<td>-</td>
</tr>
<tr>
<td>Kohlhase, M</td>
<td>630</td>
<td>525</td>
</tr>
<tr>
<td>Laban, K.C.</td>
<td>968</td>
<td>1,344</td>
</tr>
<tr>
<td>Lawton, B</td>
<td>1,890</td>
<td>2,160</td>
</tr>
<tr>
<td>Lee, M.</td>
<td>900</td>
<td>600</td>
</tr>
<tr>
<td>Leighton, E.P.</td>
<td>2,150</td>
<td>645</td>
</tr>
<tr>
<td>Livingston, L.A.</td>
<td>1,358</td>
<td>-</td>
</tr>
<tr>
<td>Leutele, S.S.</td>
<td>-</td>
<td>900</td>
</tr>
</tbody>
</table>

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
### Note 10 continued

<table>
<thead>
<tr>
<th>Name</th>
<th>2008/2009 Total Fees</th>
<th>2007/2008 Total Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loomis, T.M.</td>
<td>860</td>
<td>-</td>
</tr>
<tr>
<td>Macdonald, J.</td>
<td>1,613</td>
<td>-</td>
</tr>
<tr>
<td>Magill, R.</td>
<td>900</td>
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</table>

**Total fees for 2008/09**: 129,521

**Total fees for 2007/08**: 122,427

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.
NOTE 11
SIGNIFICANT VARIANCES
Explanation of Significant Variances between Actual & Budget Estimate

<table>
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<th></th>
<th>Actual 2008-09</th>
<th>Budget 2008-09</th>
<th>Variance 2008-09</th>
<th>Actual 2007-08</th>
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<td><strong>Revenue</strong></td>
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<td>Lotto &amp; Lottery Profits</td>
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<td>152,500,000</td>
<td>36,752,872</td>
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</table>

Revenue budgets were based on NZ Lotteries forecasts at the start of the year. The increase in actual revenue over budget was driven by two large jackpots during the year. The Board has agreed to use the additional revenue to award a one-off increased allocation for 2009-10.

<table>
<thead>
<tr>
<th></th>
<th>Actual 2008-09</th>
<th>Budget 2008-09</th>
<th>Variance 2008-09</th>
<th>Actual 2007-08</th>
</tr>
</thead>
<tbody>
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<td><strong>Equity</strong></td>
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<td>45,245,088</td>
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<td>64,663,088</td>
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</tbody>
</table>

The increase in equity was due to the increase in revenue for the year. The reserves provide the funding for the increased grant allocations for 2009-10.

The attached accounting policies and notes to the accounts form part of, and should be read in conjunction with, these financial statements.