

NZ Lottery Grants Board

Te Puna Tahua

Annual Report

For the year ended 30 June 2010



NZ Lottery Grants Board
TE PUNA TAHUA
Distributor of NZ Lottery Profits



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For the year ended 30 June 2010





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 2010, 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 2010 provided under section 156 of the Crown Entities Act 2004 is included along with the financial statements in this report.

A handwritten signature in black ink, appearing to read 'Brendan Boyle'.

Brendan Boyle
Secretary
Department of Internal Affairs

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New Zealand Lottery Grants Board

Te Puna Tahua

Vision

New Zealanders building strong sustainable communities together.

Ko te hunga nō Aotearoa e waihanga tahi ana i ngā hapori 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 – *absent*
(*Leader of the Opposition's Representative*)

Tina Wehipeihana-Wilson
(*Appointed by the Governor-General*)

Phil Harington
(*Appointed by the Governor-General*)

Hon Nathan Guy, Minister of Internal Affairs
(*Presiding Member*)

Garth Nowland-Foreman
(*Appointed by the Governor-General*)

Sandra Goudie MP
(*Prime Minister's Representative*)



Outputs

In 2009/2010, the Lottery Grants Board allocated:¹

\$45,311,709 to the Lottery community committees.²

This included funding for:

Regional Community Committees:	\$29,797,192
National Community Committee	\$14,977,455
– subcommittee of the National Community Committee	
Pacific Provider Development Fund Subcommittee	\$537,062

Other committees that received allocations in 2009/2010 included:

Lottery Specialist Committees:	
Community Facilities	\$13,963,616
Community Sector Research	\$1,879,718
Environment and Heritage	\$9,826,153
Health Research	\$3,422,908
Individuals with Disabilities	\$4,742,599
Marae Heritage and Facilities	\$7,395,354
Minister's Discretionary Fund	\$338,349
Outdoor Safety	8,891,538
Significant Projects Fund	\$10,526,418
Statutory Bodies:	
Creative New Zealand	\$33,319,082
New Zealand Film Commission	\$14,437,897
New Zealand Film Commission for New Zealand Film Archive	\$1,110,608
Sport and Recreation New Zealand	\$44,554,225

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 24-35.

Presiding Member's Report



It has been another challenging year for the Lottery Grants Board; as with most philanthropic organisations, applications for funding increased. However, funds carried forward from the record 2008/2009 Lottery profit enabled the Lottery Grants Board to boost its allocations to distribution committees for the year. The Board is focused on providing a stable base of community funding at a time when many funders are under pressure.

Strategic direction

The Board's role is to ensure Lottery funding is used to build strong sustainable communities that are cohesive and inclusive. The aim is for communities to be responsive to addressing their own needs, know what benefits they want to achieve and work with others to achieve common community outcomes.

A focus of the Board in the past year has been the impact of Lottery grants on community outcomes. The Board strengthened its policies to emphasise the importance of sustainability of benefits from grants, and implemented an evaluation programme. The Board commissioned a

survey of Lottery grant applicants to identify their level of knowledge and responsiveness to their communities' needs. This information will be used to track the contribution of Lottery grants to community benefits over time.

The Board also changed its approach to the statutory body allocations policy, allowing them greater independence in managing their financial planning. The amendment to this policy meant that reserves held to meet statutory body allocation obligations no longer needed to be held by the Board, and some funds were transferred from Board reserves to the statutory bodies.

The Presiding Members Policy Advisory Group identified priorities for research into effective approaches and interventions to support decision-making. The Board commissioned two research reports, one reviewing what works when encouraging and supporting volunteering, and the other exploring what generates successful collaboration between community groups. The research findings will assist the distribution committees to make evidence-based funding decisions.

Committee changes

A review of the Pacific Provider Development Fund (PPDF) was undertaken during the year and as a result the Board agreed it was an appropriate time to wind up this fund. It was set up in 2001 as a short-term fund to build the capacity and capability of Pacific community organisations to access funding from Lottery committees. Former PPDF grant recipients are now applying successfully to other Lottery committees.

Welcome

The Board welcomed Tina Wehipeihana-Wilson to her first meeting in December 2009. Ms Wehipeihana-Wilson has a Bachelor of Business Services and a Bachelor of Arts majoring in Māori. She brings a strong background in community involvement, and financial and business development to the Board.

There were a number of changes in national and regional committee membership during the year as terms of appointment came to an end. On behalf of the Board, I would like to thank the departing committee members

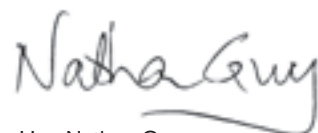
for the knowledge, judgement and skills they have brought to their role, and their commitment to fair and transparent grant decision-making. I also warmly welcome the many new committee members.

The year ahead

The Board is continuing to increase the community benefit of Lottery grants through the implementation of its outcomes-focused grant decision-making policy across all committees. In addition we are working to improve the efficiency of grant decision-making and ensure processes and systems are cost-effective.

Estimates of Lottery profits and allocations to Lottery distribution committees to date should mean little change in the level of Lottery funding available to New Zealand communities in the coming year.

The Board has been able to take advantage of the community-building opportunity offered by New Zealand hosting the Rugby World Cup in 2011. A new distribution committee, the NZ 2011 Festival Lottery Fund, will make grants to encourage community and cultural events coinciding with the Rugby World Cup 2011. This is a unique opportunity to encourage communities to participate in social, recreational and cultural events, and to showcase our arts, culture, heritage and national identity.



Hon Nathan Guy
Minister of Internal Affairs

Secretary's Report

The 2009/2010 year has been yet another eventful year for the Lottery Grants Board secretariat. We have welcomed a new Board member and farewelled the Secretary.

Economic conditions remain similar to last year, so we have to continue to respond sensitively to the needs of applicants and their communities. Many Lottery committees report that client organisations are having difficulty in finding volunteers and are concerned for the future of the services they provide.

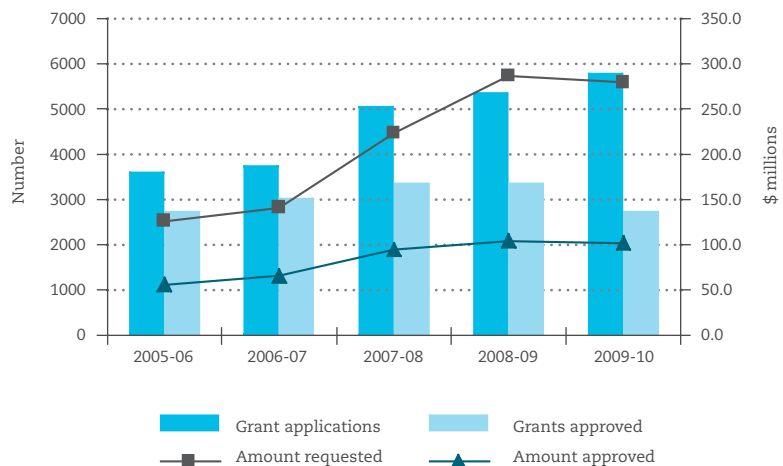
Grant management

We have experienced an 8 per cent increase in grant application numbers during 2009/10, probably because of the reduced capacity of other community funders. Pacific Provider Development Fund, in its last year of operations, was a notable exception, with a 120 per cent increase in applications. The average over-subscription rate of 271 per cent suggests a continuing trend (275 per cent in 2008/09 and 234 per cent in 2007/08).

The gap between applications and grants may have contributed to a significant increase in official requests for information on grant decisions in 2009/10. Requests in the first six months of the year exceeded the total of the previous two years.

The 2009/10 customer satisfaction survey results were similar to last year's. The quality of service was rated 'very good' by 65 per cent of the respondents, while 21 per cent rated it as 'good' and 10 per cent as 'satisfactory'. Comments accompanying ratings of 'poor/very poor' indicated that the biggest problem was long timeframes and difficulty in using Grants Online.

Grant applications and approvals



Grant administration initiatives

We have made significant progress on implementing an outcomes approach to simplify grant decision-making. We reviewed all business processes and grant-making policies to ensure they aligned with the Lottery Outcomes Framework and the redevelopment of all Lottery documentation, forms and templates.

In October 2009, the Department of Internal Affairs agreed to replace Grants Online with a new grants management system, which will allow outcomes-focused grant-making decisions, as well as making it easier to make grant applications online.

Grant monitoring

The 2009/10 Lottery grant audit programme included 42 audits selected on a risk-based approach. These audits look for good financial management practices: good financial records, regular financial reporting to the governing body, more than one signatory for bank accounts and the appointment of a Treasurer. The three most

common areas of non-compliance are failure to submit accountability reports for grant spending, track income sources against actual expenditure, and acknowledge a Lottery grant in financial statements and publicity.

The new system will make compliance easier, and accompanying changes will ensure grant recipients' obligations are stated clearly and suited to their capabilities.

Legal compliance

The general risks the Board needs to manage are: legal compliance, in particular with the Gambling Act 2003; distribution committee compliance with Board policy; and grant applicant compliance with the terms and conditions of grants.

The annual Legislative Compliance Report provides assurance on compliance with the Gambling Act 2003, the Public Finance Act 1989, the Crown Entities Act 2004 and Crown Entities (Financial Powers) Regulations 2005. Compliance was 100 per cent in 2009/10.

Committees

As it is the role of the secretariat to help guide new members, introductory material relating to Pacific cultural awareness was included in a revised Committee Members' Handbook, and in induction material.

Satisfaction surveys

The Committee Members' Satisfaction Survey in May 2010 showed satisfaction with the quality of services provided at 100 per cent (73 per cent of respondents rated the service delivery as 'very good', 25 per cent as 'good' and 2 per cent as 'satisfactory'). Overall satisfaction with administration services was 100 per cent in 2010 (75 per cent of respondents rated the service as 'very good', 23 per cent as 'good', and 2 per cent as 'satisfactory').

Pacific Provider Development Fund

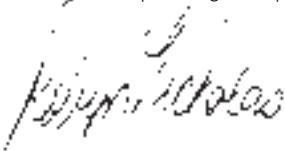
This fund was established in May 2001 to improve responsiveness to Pacific communities. This followed a cultural audit of Board funding, which found that Pacific communities were not receiving an equitable share of Lottery grants, and that Pacific applicants were often declined by Lottery committees because of inadequate financial and management systems.

After a review in 2008, the Board agreed to enhance the fund and to provide a further two years' funding; 2009/10 was the last year the Pacific Provider Development Committee received an allocation of funds.

Since establishment, the Committee has received 804 grant applications and made 666 grants totalling \$3.3 million. At the end of the year there were 103 active grants; most will be completed in 2010/11.

An appreciation

The frontline work of the secretariat focuses on grant processing and monitoring, and supporting grant decision-makers. This work is most ably carried out by staff from the Department's community operations, finance and communications teams and by experts in law, policy and research. I would like to thank the staff, and also the diverse group of people outside the Department who willingly volunteer their time to provide advice and comment on specific grant applications.



Robyn Nicholas
Secretary
New Zealand Lottery Grants Board

Governance and Accountability Statement

The Lottery Grants Board (the 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 purposes³ 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 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 7.

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.

Statutory Bodies

In accordance with Board policy, the Board allocates a guaranteed minimum percentage of 42 per cent of its annual 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 (of which 0.5% is allocated to the New Zealand Film Archive)	7%
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 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 in the House of Representatives.

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.

New Zealand Lottery Grants Board Distribution of Funds 2009/2010



Provides Profits



NZ Lottery Grants Board
TE PUNA TAHUA
Distributor of NZ Lottery Profits

Allocates Funds



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



Committee Members

Hon Dame Margaret Shields (PM)
Frana Cardno
Colin Dale
Enid Ratahi Pryor
Basil Morrison

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

Participation and social cohesion in the community is increased through the development of community facilities.

Committee Priorities

Priority is given to projects that:

- meet clearly identified community need, provide opportunities for widespread and significant community interaction and cohesion, have wide community support or result from community initiative

- provide facilities for
 - rural and isolated communities
 - disadvantaged groups
 - those who do not have ready access to similar or suitable facilities
 - locations of need
- are multi-purpose or promote shared facilities accessible to other community groups, as well as the applicant
- are an appropriate size for the community to develop, run and maintain in the long term, independent of further support from Lottery funding
- provide for collaboration between community groups for social services programmes.

Meeting Community Needs

Communities often struggle with the huge task of raising sufficient funding for buildings to house community activities such as social gatherings, public meetings, sports activities or local theatre. The Community Facilities Fund meets this need. There was an 8 per cent increase in applications this year and requests for three times as much funding as was available. Over 60 per cent of successful applicants received the full amount requested.

The number of applications for community facilities such as community halls was similar to previous years, but feasibility study requests have decreased.

More than half the grants approved were for over \$100,000. The largest grants tended to fund multi-sports facilities and theatres accessible to the wider community. Smaller grants helped community groups upgrade older facilities, such as small halls in rural communities on the West Coast, Wairarapa, South Taranaki and North Auckland. A high priority was for projects that enabled collaboration between community groups for the provision of social services; particularly those that provided services to disadvantaged groups in the community, or in places of need.

Committee

The Lottery Community Facilities Committee members were all appointed on 1 February 2007 and all members' terms have now expired.

Hon Margaret Shields
Presiding Member
Community Facilities Committee

2009/10 Allocation	\$13,963,616
Brought forward	\$514,983
Grants written back during 2009/10	\$573,286
Grants refunded during 2009/10	
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$15,051,885
Total amount requested	\$36,247,209
Total amount approved	\$13,021,274
Percentage of amount requested that was approved	35.9%
Applications	
Number of applications received	199
Number of applications considered	129
Number of applications approved	66
Percentage of applications approved	51.2%
Smallest approved grant	\$4,080
Average approved grant	\$197,292
Largest approved grant	\$750,000
Online applications	
Number of applications submitted online	160



Community Sector Research Committee

Te Tahua Rangahau mo ngā Hapori



Committee Members

Allison Kirkman (*PM*)
 Terrence Loomis
 Ruth de Souza
 Peggy Fairbairn-Dunlop
 Donovan Ryan

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

- Identify a clear community need for research or evaluation.
- Enhance community sector research or evaluation capabilities.
- Provide useful research or evaluation outputs to the community.

- Have regard to the needs and aspirations of Māori.
- Have regard to the needs of older people, Pacific people and other ethnic communities, women, youth, or people with disabilities.

Meeting Community Needs

The Lottery Community Sector Research (LCSR) Committee considered 70 research idea applications from 63 organisations at its July meeting. This is a 15 per cent increase in applications and a 19 per cent increase in organisations applying from the 2008/09 funding year. The increase highlights a successful year of disseminating information regarding the LCSR fund throughout New Zealand's community and voluntary sector. The increase also highlights the sector's need and desire for research / evaluation funding.

Applicants have advised that the availability of funding for the community and voluntary sector is becoming increasingly limited. Therefore, the importance of providing evidence to funders that services are effective and demonstrate best practice is paramount. The LCSR fund plays a key role in providing an opportunity for organisations to develop this evidence.

The LCSR fund encourages organisations to work together to achieve common community outcomes and to be responsive to the communities they serve. The Committee has allocated funding to several projects that are community-led initiatives demonstrating collaboration between organisations.

Allison Kirkman
 Presiding Member
 Community Sector Research Committee

2009/2010 allocation	\$1,879,718
Brought forward from 2008/2009	
Grants written back during 2009/2010	
Grants refunded during 2009/2010	
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$1,879,718
Total amount requested	\$4,855,002 (First Stage)
	\$2,369,867 (Second Stage)
Total amount approved	\$1,271,227
Percentage of amount requested that was approved	26.2% First Stage/ 53.6% Second Stage
Applications	
Number of applications received	70 (First Stage)
Number of applications considered	29 (Second Stage)
Number of applications approved	17
Percentage of applications approved	24.3% First Stage/ 58.6% Second Stage
Smallest approved grant	\$12,000
Average approved grant	\$74,778
Largest approved grant	\$170,000
Online applications	
Number of applications submitted online	0



Environment and Heritage Committee

Te Tahua Taiao Ngā Taonga Tuku Iho



Committee Members

Peter Kerridge (PM)

Dr Des Kahotea

Dr Sue Bennett

Lois Livingston

Dr Judith MacDonald

Mission

To foster the conservation, preservation and promotion of New Zealand's natural, physical and cultural heritage.

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 tū manako o te Māori me o rātou kawa.

Outcome Statement

New Zealand's natural, physical and cultural heritage is conserved, preserved and promoted.

Committee Priorities

- Natural heritage projects which conserve New Zealand's native flora and fauna, identify and conserve critical habitats and ecosystems, and improve education and awareness of issues affecting our native flora and fauna, including ecological restoration projects, and pest and predator management projects.

- Physical heritage projects for the restoration of places of proven historical significance, such as buildings, structures, archaeological sites, wāhi tapu sites, boats and locomotives.
- Cultural heritage projects which conserve and preserve New Zealand's cultural heritage, such as capital works projects for museums, art galleries and archive institutions, conservation of movable cultural property, historical research and publication projects, and oral history projects.

Meeting Community Needs

The Committee made a wide variety of grants across the three heritage sectors, reflecting the variety of projects taking place in the community.

There was an increase in applications in the natural heritage sector. At the request of the Committee, staff promoted the fund to this sector and supported clients to submit viable applications. To encourage quality applications, the Committee has reviewed, clarified and simplified its policies for funding natural heritage projects.

The Committee further developed and clarified its policy in relation to funding research and funding caps, as some of these had been in place for a number of years. It has also updated its policy documentation in line with Committee practices and to remove outdated information. These changes will become operational in the next financial year.

A problem for clients has been sourcing partnership funding for larger projects due to the current economic climate.

The Committee was able to respond to this need by relaxing its priority given to projects which have raised one third of the total project cost at the time of application. On occasion, the need for partnership funding was added as a condition to the grant and longer timeframes were allowed.

Committee

My second term as Presiding Member ended on 30 September 2010. It has been a privilege to serve six years as Presiding Member and I found it a most rewarding experience. I would like to pay tribute to

my fellow committee members for their valued contributions, including Des Kahotea, whose six years as committee member also ended on 30 September, and the excellent professional service provided by the Department of Internal Affairs.

Peter Kerridge
Presiding Member
Environment and Heritage Committee

2009/10 Allocation	\$9,826,153
Brought forward	\$909,267
Grants written back during 2009/10	\$717,904
Grants refunded during 2009/10	\$416
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$11,453,740
Total amount requested	\$27,355,419
Total amount approved	\$11,187,051
Percentage of amount requested that was approved	40.9%
Applications	
Number of applications received	316
Number of applications considered	224
Number of applications approved	149
Percentage of applications approved	66.5%
Smallest approved grant	\$598
Average approved grant	\$75,081
Largest approved grant	\$674,000
Online applications	
Number of applications submitted online	199



Health Research Committee

Te Tahua Rangahau Hauora



Committee Members

Dame Professor Linda Holloway (PM)
 Professor Tim Anderson
 Dr Sarah Young
 Beverly Lawton (until May 2010)
 Dr Bruce Scoggins

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 hiahia me ngā tūmanako o te Māori, me o rātou kawa.

Outcome Statement

The health status of New Zealanders is improved through research.

Committee Priorities

- Support projects relevant to major health problems
- Support research projects leading to programmes of patient and community education about prevention, self-management and self-responsibility
- Pilot projects
- Shared equipment
- PhD scholarships

Meeting Community Needs

Requests from applicants continue to increase and greatly exceed the number the Committee can support within its available allocation. The Committee considered 192 applications in the 2009/10 funding year.

The Lottery Health Research Fund is a significant source of funding for young, emerging researchers and plays a leading role in the development, maintenance and retention of a highly skilled workforce of health and bio-medical researchers in New Zealand.

There has been an increase in the need for independent referee reports to assist the Committee in assessing the merits of the applications, and to determine its priority for funding. Independent referees play an important part in the Committee's grant allocation process, but because of pressure of work it has proved a challenge to source them in a timely manner.

Committee

Three appointments will be made to the Lottery Health Research Committee for the 2010/11 funding year to replace Presiding Member Dame Professor Linda Holloway and Professor Tim Anderson, whose terms have expired. Beverly Lawton submitted her resignation on 25 May 2010 so that she may pursue her own research.

Professor Linda Holloway
 Presiding Member
 Health Research Committee

2009/10 Allocation	\$3,422,908
Brought forward	\$419,336
Grants written back during 2009/10	\$297,982
Grants refunded during 2009/10	\$46,754
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$4,186,980
Total amount requested	\$20,419,753
Total amount approved	\$4,151,544
Percentage of amount requested that was approved	20.3%
Applications	
Number of applications received	210
Number of applications considered	192
Number of applications approved	60
Percentage of applications approved	29.7%
Smallest approved grant	\$21,830
Average approved grant	\$69,192
Largest approved grant	\$131,000
Online applications	
Number of applications submitted online	170

Individuals with Disabilities Committee

Te Komiti iti mo te Tangata Hauā



Committee Members

Tony Howe (PM)
Allison Franklin
Beverley Grammer
Lynne Nicholl
Ken Talbot

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 mō te Tangata Hauā i ngā hiahia me ngā tūmanako o te Māori, me o rātou kawa.

Outcome Statement

Community participation by individuals with disabilities is maintained or increased.

Committee Priorities

- The provision of mobility equipment to individuals with permanent and significant mobility-related disabilities.
- The provision of communication equipment to individuals with permanent and significant communication-related disabilities.

Meeting Community Needs

The Lottery Individuals with Disabilities 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, and attending sporting events, so they will be included in the resulting social interaction.

The Committee also makes grants to people with communication-related disabilities for equipment to facilitate interactive communication with others.

The Committee's work is all about supporting a person's ability to participate in, and contribute to, their community. The cost and/or lack of suitable public transport significantly disadvantages applicants who wish to travel locally or outside of their own communities, particularly as many are on very low incomes.

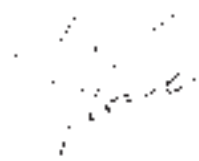
Applications increased from 947 in the previous year to 1038 this year. This year, the Committee made 680 grants to people with disabilities. Most of these grants were for mobility scooters.

Committee

The Committee supports the New Zealand Disability Strategy's vision of a fully inclusive society that highly values the lives and continually enhances the full participation of people with disabilities.

Greater application numbers, coupled with the increasing cost of suitable vehicles and other equipment, continues to place significant pressure on available funds.

More than ever, the Committee has relied on the varied 'lived experience of disability' of its members to exercise flexibility and innovation to meet the needs of as many applicants as possible.



Tony Howe
Presiding Member
Individuals with Disabilities Committee

2009/10 Allocation	\$4,742,599
Brought forward	\$760
Grants written back during 2009/10	\$1,190,428
Grants refunded during 2009/10	\$30,356
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$5,963,383
Total amount requested	\$10,634,813
Total amount approved	\$5,967,412
Percentage of amount requested that was approved	56.1%
Applications	
Number of applications received	1223
Number of applications considered	1038
Number of applications approved	680
Percentage of applications approved	65.5%
Smallest approved grant	\$30
Average approved grant	\$8,776
Largest approved grant	\$30,550
Online applications	
Number of applications submitted online	0



Marae Heritage and Facilities Committee

Te Tahua Marae Tuku Iho Me Ngā Whakaurunga



Committee Members

Haare Williams (PM)
 Paora Ammunson
 John Clarke (from February 2010)
 Mihi Namana (until February 2010)
 Marina Sciascia (from February 2010)
 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 tika o te tohatoha atu i te pūtea ki ngā whānau, hapū, iwi, me ngā rōpū Māori hoki hei whanake, hei tiaki hoki i ngā whakaurunga marae.

Outcome Statement

Marae facilities are developed and conserved.

Committee Priorities

- Repairs and maintenance
- Whareniui
- Wharekai
- Wharepaku
- Fire safety equipment
- Regional spread of funding

Meeting Community Needs

Of the 49 successful grants awarded, 22 marae received grants for over \$100,000 to upgrade or build wharekai, wharepaku or wharetupuna.

Grants were also approved to upgrade marae wharekai and wharepaku facilities to meet the health and safety requirements of local councils.

Marae have been under pressure because of increased building and consent costs in a difficult economic climate. To meet the one-third contribution requirement, marae are looking for partnership funding. Some have received funding grants from energy companies, and there has also been support from community trusts.

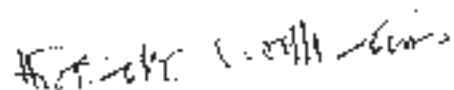
The Committee has encouraged marae to insure their facilities and take safety measures such as installing fire sprinklers and alarm systems. The Committee is prioritising the rising number of applications that include sprinkler systems in the main facilities, whareniui and wharekai. In isolated areas, however, costs increase significantly because of additional requirements for local council consent and travel costs.

Marae are beginning to recognise the benefits of employing professional project managers and registered builders. Those in isolated areas have less opportunity for competitive pricing, with fewer providers competing. The requirement for professional project managers increases costs and the Committee has now agreed to provide funding towards this.

Committee

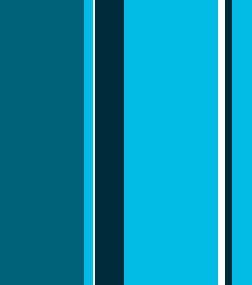
Mihi Namana's term was completed in January 2010 and Haare Williams was officially appointed Presiding Member in January 2010.

The Committee continues to meet offsite once a year. This year, they visited Te Awamarahi Marae in Auckland and were impressed with the upgrade of the kitchen facilities they had funded. The meeting was held at the ASB Community Trust in Auckland, and the Committee thanks the Trust for their manaakitanga.



Haare Williams
 Presiding Member
 Marae Heritage and Facilities Committee

2009/10 Allocation	\$7,395,354
Brought forward	\$97,908
Grants written back during 2009/10	\$1,023,163
Grants refunded during 2009/10	
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$8,516,425
Total amount requested	\$14,832,464
Total amount approved	\$8,322,752
Percentage of amount requested that was approved	56.1%
Applications	
Number of applications received	158
Number of applications considered	80
Number of applications approved	59
Percentage of applications approved	73.8%
Smallest approved grant	\$3,226
Average approved grant	\$141,064
Largest approved grant	\$900,000
Online applications	
Number of applications submitted online	88



Outdoor Safety Committee

Te Tahua Whakaruru-hau



Committee Members

Dr Nagalingam Rasalingam (PM)

Bette Cuthbert

Duncan Taylor

Gay Simpkin

Jan Coll (from February 2010)

Ken Laban (until February 2010)

Mission

The well-being 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 primary focus of the Lottery Outdoor Safety Committee is to enhance the services of water, land and air-based search and rescue organisations. The Committee also funds organisations involved in preventative outdoor safety education to ensure that the public is aware of the dangers and informed of the measures they can take to prevent incidents occurring in the outdoors.

The Committee is the single biggest funder in the outdoor safety sector, providing assistance to both national offices and local branches of the main outdoor safety sector organisations. Most organisations request funding for administration and salaries, and many rely on this funding to provide their services to the community.

The Committee considered funding applications totalling \$17,560,722. This was twice the amount of available funding and is a continuing trend.

Organisations involved in the search and rescue sector have rescued over 7500 people during the past year, and provided advice or further assistance to more than 775,000 people. These figures are expected to rise further, as more and more New Zealanders visit beaches and national parks and take part in outdoor activities.

Committee

One new appointment was made to the Lottery Outdoor Safety Committee during the 2009/10 funding year, with Jan Coll replacing Ken Laban, whose term had expired. Duncan Taylor was reappointed to the Committee for a further term.

Dr Nagalingam Rasalingam
Presiding Member
Outdoor Safety Committee

2009/10 Allocation	\$8,891,538
Brought forward	\$1
Grants written back during 2009/10	
Grants refunded during 2009/10	\$19,092
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$8,910,631
Total amount requested	\$17,560,722
Total amount approved	\$8,755,101
Percentage of amount requested that was approved	49.9%
Applications	
Number of applications received	19
Number of applications considered	12
Number of applications approved	12
Percentage of applications approved	100.0%
Smallest approved grant	\$5,000
Average approved grant	\$729,592
Largest approved grant	\$2,406,323
Online applications	
Number of applications submitted online	17



Significant Projects Fund Committee

Tahua Tūmahi Tāpua Rōtō



Committee Members

Hon Dame Margaret Shields (*PM*)

Frana Cardno

Colin Dale

Enid Ratahi Pryor

Basil Morrison

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 hiahia 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

- Arts, culture and heritage
- Sport and recreation
- Conservation and environment
- Economic development
- Visitor services and tourism

Meeting Community Needs

The Committee made a wide variety of grants this year to complete projects of significance. The grants will provide accessible facilities for a wide cross-section of the population and some will also attract international visitors. These projects will provide added benefits in the communities where they are located.

Grants were made to both rural and urban projects, and ranged from the modest (\$0.59m) to the major (\$2.69m). A swimming pool complex, visitor centres, a zoo upgrade and a museum development were all supported during the year. All of the grants allowed projects, which otherwise would not have been able to proceed, to get under way as the applicants had exhausted all other avenues of funding. A wide range of applicant groups, from small charitable trusts to local authorities, presented projects.

The Committee's requirement for applicants to have raised at least 60 per cent of the total project cost presented challenges for some potential applicants, who found major fund-raising campaigns difficult to deliver during the recent economic downturn.

During the year, successful projects from the previous round of funding were completed and opened to the public. These included Waitaki District Council's restoration of the historic Oamaru Opera House and Saxton Fields Sports Stadium Society's new sports complex in Nelson. The Committee is proud to note the satisfactory outcomes of the investment of Lottery monies.

Committee

The Lottery Significant Projects Fund Committee meets on an annual basis to make funding decisions. Due to the long period between meetings, the Committee held a training session in February 2010 to discuss policy and receive monitoring reports on the previous year's projects. This provided a useful lead in to the funding meeting in March 2010.

Hon Margaret Shields
Presiding Member
Significant Projects Fund Committee

2009/10 Allocation	\$10,526,418
Brought forward	\$526,411
Grants written back during 2009/10	\$0
Grants refunded during 2009/10	\$0
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$11,052,829
Total amount requested	\$30,941,097
Total amount approved	\$8,619,454
Percentage of amount requested that was approved	27.9%
Applications	
Number of applications received	16
Number of applications considered	15
Number of applications approved	6
Percentage of applications approved	40.0%
Smallest approved grant	\$594,852
Average approved grant	\$1,521,307
Largest approved grant	\$2,694,000
Online applications	
Number of applications submitted online	0



Minister's Discretionary Fund



Outcome Statement

Strong sustainable communities.

Committee Priorities

- Overseas travel
- Animal welfare
- Volunteer fire fighting services

Meeting Community Needs

New Zealand is a small country, so it is important that organisations keep up with overseas research and developments in their sectors. This is particularly true in areas where there are limited opportunities in New Zealand to expand and develop knowledge through face-to-face contact.

The Minister's Discretionary Fund therefore aims to enable people to attend events or conferences overseas when it will benefit their organisation and/or network and the

wider community in New Zealand. Grant applicants are required to demonstrate they are in a position to share the knowledge and information they gain with their community.

This year, the majority of grants were made to those who work in the health and disability sector. Reports from grant recipients show how the information and knowledge gained was used to greatly benefit families and communities. Grant recipients also shared their knowledge and experience with appropriate health professionals and support workers who provide services to clients with special needs.

A number of grants were also made to applicants attending events with an environmental and sustainability focus.

Hon Nathan Guy
Minister of Internal Affairs

2009/10 Allocation	\$338,349
Brought forward	\$25,490
Grants written back during 2009/10	\$1,098
Grants refunded during 2009/10	\$12,079
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$377,016
Total amount requested	\$6,670,702
Total amount approved	\$366,862
Percentage of amount requested that was approved	5.5%
Applications	
Number of applications received	245
Number of applications considered	229
Number of applications approved	75
Percentage of applications approved	32.8%
Smallest approved grant	\$800
Average approved grant	\$4,891
Largest approved grant	\$13,988
Online applications	
Number of applications submitted online	179

Lottery Community Committees

One national committee, one national subcommittee and 11 regional committees considered applications for community projects in 2009/2010.

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.

National Community Committee

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



Committee Members

Dr Nagalingam Rasalingam (*PM*)

Bette Cuthbert

Duncan Taylor

Gay Simpkin

Jan Coll (*from February 2010*)

Ken Laban (*until February 2010*)

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 tūmanako o te Māori, me ō rātou kawa.

Outcome Statement

The social and economic well-being 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 disabilities or illnesses
- People who are considered to be at risk or disadvantaged

Meeting Community Needs

Priorities for the Committee have been to mitigate gaps in community group funding because of the reduced capacity of other funders, and to support volunteers who help others.

One of the main funding gaps was assistance with salaries for employees and field workers. The Committee noted that approximately 60 per cent of grants for 2009/10 contributed to salaries. Most of these related to community groups providing information, advice and support to people and families in the health and disability sector. People with long-term or significant disabilities or illnesses are a Committee funding priority. Organisations assisted by salary contributions include the Brain Injury Association of New Zealand Incorporated, Alzheimers New Zealand, and Age Concern New Zealand.

A focal point has been the support of volunteers, and the leadership, management, and administrative capacity required to rally them. This includes opportunities for volunteers to participate in community organisations. The Committee has supported a number of hospices through contributions towards the salary of volunteer managers' and volunteers' expenses. This acknowledges the need for free hospice services in local communities and recognises the willing support volunteers give to worthwhile projects in the community.

Committee

Jan Coll was appointed to the Committee in February 2010, replacing Ken Laban whose term had expired. Duncan Taylor was also reappointed for a further three-year term beginning in February 2010.

Dr Nagalingam Rasalingam
Presiding Member
National Community Committee

2009/10 Allocation	\$14,977,455
Brought forward	\$8,080
Grants written back during 2009/10	\$13,330
Grants refunded during 2009/10	\$128,367
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$15,127,232
Total amount requested	\$37,344,726
Total amount approved	\$13,217,862
Percentage of amount requested that was approved	35.4%
Applications	
Number of applications received	587
Number of applications considered	549
Number of applications approved	497
Percentage of applications approved	90.5%
Smallest approved grant	\$1,000
Average approved grant	\$26,595
Largest approved grant	\$524,000
Online applications	
Number of applications submitted online	499

Lottery Community Subcommittee



Pacific Provider Development Fund Subcommittee



Committee Members

Peta Si'ulepa (PM)
 Marilyn Kohlhase
 Unaisi Raelqe
 Ikipa Tongatule

Outcome Statement

The well-being of Pacific communities within New Zealand is enhanced.

Committee Priorities

Pacific organisations that have:

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

Meeting Community Needs

Pacific Provider Development Fund (PPDF) distributes grants for the training and mentoring of Pacific organisations in:

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

Committee

The 2009/10 financial year was the final year of PPDF. Established in 2001, PPDF had the aim of strengthening the ability of Pacific community organisations to operate

in an effective and accountable way, thus improving their capability to access funding from other Lottery distribution committees.

Following an evaluation carried out in 2008, the Board agreed to continue the Fund until June 2010.

The PPDF subcommittee met twice to consider applications for the 2009/10 financial year. At its meeting on 2 December 2009, the subcommittee considered 25 applications, of which they approved 24 and declined one. The last PPDF meeting was held on 11 June 2010. The subcommittee considered 78 applications, of which they approved 71 and declined seven.

All seven declined applicants have been successful in receiving PPDF assistance in previous years. In all cases, this was their third application to PPDF.

In the first part of the year the Committee has observed an increase in applications from early childhood education centres across the six main Pacific groups: Samoan, Cook Islands, Tongan, Fijian, Niuean and Tokelau.

Also evident is the emergent and increasingly important role of Pacific church-based programmes targeting youth, women and families. In the context of Aotearoa NZ, the role of the Pacific church is receiving recognition within central and local government, as well as the community and private sectors, as the equivalent of the marae base for Pacific peoples and an important vehicle for economic and social transformation for Pacific peoples.

Peta Si'ulepa
 Presiding Member
 Pacific Provider Development
 Fund Subcommittee

2009/10 Allocation	\$537,062
Brought forward	\$261,579
Grants written back during 2009/10	\$55,826
Grants refunded during 2009/10	
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$854,467
Total amount requested	\$1,040,000
Total amount approved	\$812,770
Percentage of amount requested that was approved	78.2%
Applications	
Number of applications received	116
Number of applications considered	103
Number of applications approved	95
Percentage of applications approved	92.3%
Smallest approved grant	\$5,923
Average approved grant	\$8,466
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 well-being 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

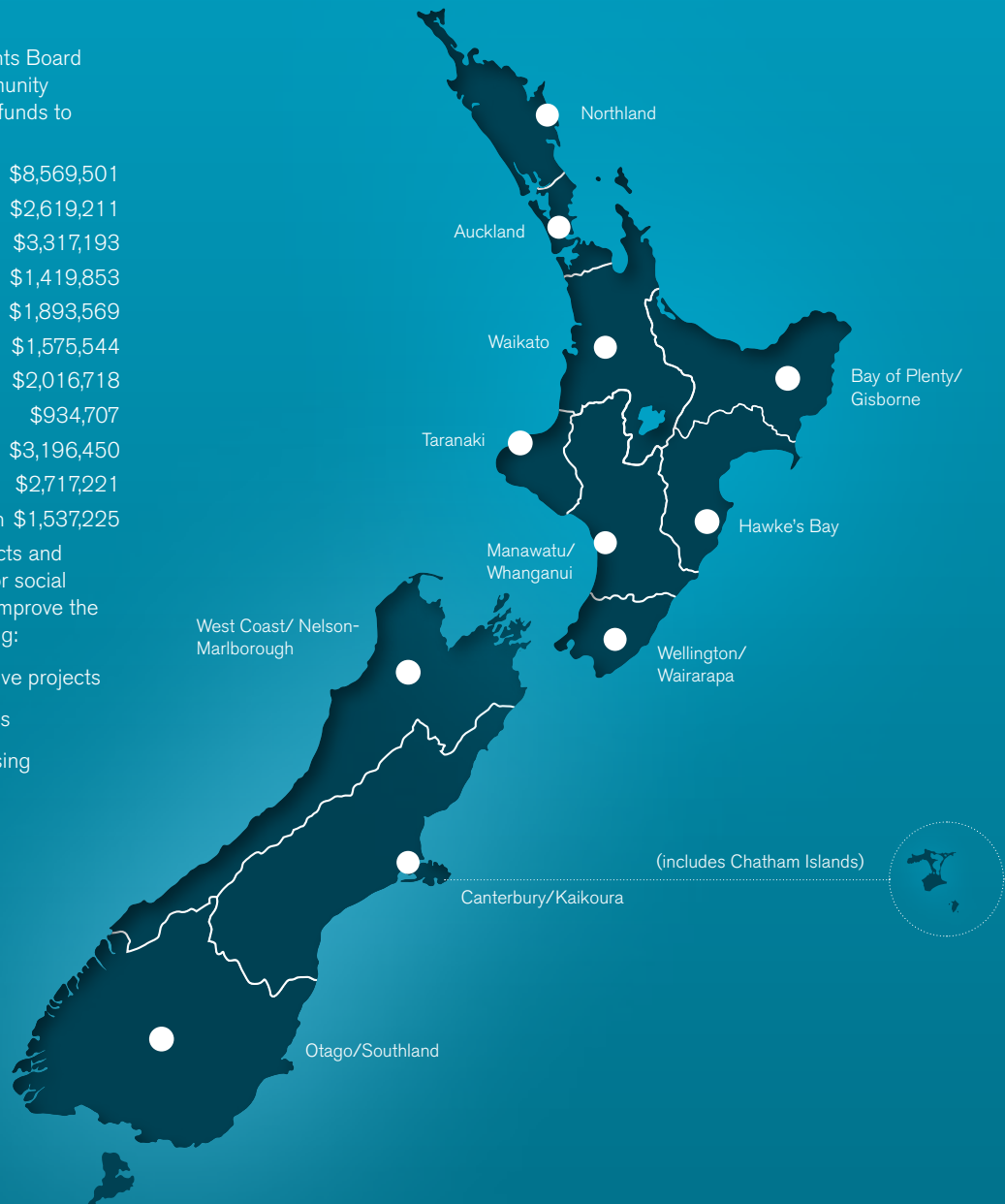
In 2009/2010 the Lottery Grants Board allocated Lottery regional community committees the following base funds to distribute:

Auckland	\$8,569,501
Bay of Plenty/Gisborne	\$2,619,211
Canterbury/Kaikoura	\$3,317,193
Hawke's Bay	\$1,419,853
Manawatu/Whanganui	\$1,893,569
Northland	\$1,575,544
Otago/Southland	\$2,016,718
Taranaki	\$934,707
Waikato	\$3,196,450
Wellington/Wairarapa	\$2,717,221
West Coast/Nelson-Marlborough	\$1,537,225

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.





Auckland Community



Committee Members

Rev Bob Scott (*PM*)
 Roger Burrill (*from February 2010*)
 Lyn Henry (*until February 2010*)
 April Nicholson (*until February 2010*)
 Lindsay Rea
 Jeremy Sole (*from February 2010*)
 Pramjit Suchdev

Outcome Statement

The social, cultural and economic well-being of Auckland communities is enhanced.

Committee Priorities

- The specific needs of migrants, including new migrants to Auckland, and the separate needs of long-established migrant groups.
- Initiatives that bring about positive change within the community and promote self-reliance and independence.
- The support of volunteers, including recruitment and coordination expenses.
- Organisations and/or initiatives that meet identified gaps within existing service provision.

Meeting Community Needs

One of the main issues facing communities this year was the effects of the economic climate and the ongoing need for emergency and social services. The Committee has therefore continued to prioritise funding towards family and social services,

budgeting services, and collaborations of existing services to meet these needs in the community.

Family and social services continue to be the highest number of applicant groups requesting funds. The next highest number of applications is from groups providing youth services. Salaries are the most frequent item requested by community groups and consequently the highest item funded by the Committee.

Applications from groups for the elderly who engage their members to increase participation in the community and to help with social isolation issues are regularly received.

Requests for minor capital works have increased and are made on a one-off basis for projects such as kōhanga reo playgrounds, rewiring buildings, completing marae renovations, and school playgrounds in rural areas. The largest grant of this sort was \$26,743.

There has also been an increase in the number of newly established migrant groups. The Committee encourages groups to work together, although this is not always possible due to factors such as cultural difference, location and accessibility.

In comparison with 2008/09, there has been an increase of 11.5 per cent in applications received and 19 per cent more applications were submitted online.

Committee

The Committee has held three two-day meetings throughout the year to allocate grants. The changes in membership have seen Lyn Henry and April Nicholson replaced by Jeremy Sole and Roger Burrill.

Rev Bob Scott
 Presiding Member
 Auckland Community Committee

2009/10 Allocation	\$8,569,501
Brought forward	\$1,497
Grants written back during 2009/10	
Grants refunded during 2009/10	\$19,261
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$8,590,259
Total amount requested	\$24,367,642
Total amount approved	\$8,026,479
Percentage of amount requested that was approved	32.9%
Applications	
Number of applications received	634
Number of applications considered	474
Number of applications approved	406
Percentage of applications approved	85.7%
Smallest approved grant	\$585
Average approved grant	\$19,770
Largest approved grant	\$65,545
Online applications	
Number of applications submitted online	477

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.



Bay of Plenty/Gisborne Community



Committee Members

- Peter Coughlan (PM)
- Molly Pardoe
- Sue Price (from February 2010)
- Wendy Tozer (from February 2010)
- Jacky James (from February 2010)
- Mary Burdon (until February 2010)
- Trish Hanlen (until February 2010)
- Olive Isaacs (until February 2010)

Outcome Statement

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

Committee Priorities

- Support volunteers
- Support for salaries is essential for the ongoing sustainability of community groups, as Lottery is the main source of salary funding
- Youth activities, particularly targeting those at risk
- Elderly support
- Support for rural communities
- Trips for low-decile schools
- After-school programmes
- Young parent programmes
- Community and social development Initiatives
- Ethnic organisations

Meeting Community Needs

The Committee covers the whole of the Bay of Plenty including the territorial authority boundaries of Rotorua, Tauranga, Western Bay of Plenty, Whakatane and Opotiki. It also encompasses the whole of the Gisborne Regional Council areas of Gisborne City and the rural, isolated townships/settlements around the East Coast.

The 2006 New Zealand Census identified 14.6 per cent of the New Zealand population as being of Māori descent. However, this region has a much higher rate, particularly in the rural areas of the Bay of Plenty and East Coast. About 41 per cent of the population of Gisborne City and 31 per cent of Rotorua also identify as Māori.

Of the 162 applications considered, 43 per cent were received from groups identifying as Māori.

The Western Bay of Plenty region is one of the fastest-growing in the country, with 17.2 per cent of the Tauranga population over the age of 65 (about 15,600 people).

One of the main issues confronting community organisations is the need to obtain ongoing salary funding; hence the funding of salaries to community groups is a priority to enable them to sustain their services.

A total of 162 applications for funding were considered. Of these, 63 per cent were approved for salary requests. The largest salary grant approved was \$32,000 and the lowest \$3000.

Committee

During the year, the Committee bade farewell to three retiring members and welcomed three new members who bring a range of expertise and community knowledge to the Committee.

Peter Coughlan
Presiding Member
Bay of Plenty/Gisborne Community
Committee

2009/10 Allocation	\$2,619,211
Brought forward	\$8,125
Grants written back during 2009/10	
Grants refunded during 2009/10	\$11,925
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$2,639,261
Total amount requested	\$5,811,571
Total amount approved	\$2,211,368
Percentage of amount requested that was approved	38.1%
Applications	
Number of applications received	204
Number of applications considered	162
Number of applications approved	146
Percentage of applications approved	90.1%
Smallest approved grant	\$300
Average approved grant	\$15,146
Largest approved grant	\$52,000
Online applications	
Number of applications submitted online	153

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.



Canterbury/Kaikoura Community



Committee Members

- Quentin Hix (*PM from February 2010*)
- Pam Sharpe (*PM until February 2010*)
- Anna Crighton
- Don Rowlands
- Christine Korako (*from February 2010*)
- Dugald McLean (*from February 2010*)
- Siale Faitotonu (*until February 2010*)
- Louise Tankersley (*until February 2010*)

Outcome Statement

The Lottery Canterbury/Kaikoura Community Committee will enhance the social, cultural and economic well-being 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

There has been an increase from the previous year in both the number of applications considered and the total amount of funding requested. This may reflect the reduction in funding and changed funding models from other funding sources.

There has also been an increase in the number of applications from youth services, and requests for youth worker salaries, largely due to the promotion of a new youth work model within the region.

The Committee has decided to focus on supporting community groups with their front-line service delivery costs, with a particular priority being salary grants.

Committee

Three new Committee members were appointed at the beginning of 2010, including a new Presiding Member, to replace members whose terms had expired. A combined induction training day was held in February with other newly appointed regional community committee members from the South Island.



Quentin Hix
Presiding Member
Canterbury/Kaikoura Community Committee

2009/10 Allocation	\$3,317,193
Brought forward	\$15,685
Grants written back during 2009/10	
Grants refunded during 2009/10	\$49,182
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$3,382,060
Total amount requested	\$7,489,561
Total amount approved	\$2,817,304
Percentage of amount requested that was approved	37.6%
Applications	
Number of applications received	302
Number of applications considered	236
Number of applications approved	209
Percentage of applications approved	88.6%
Smallest approved grant	\$500
Average approved grant	\$13,480
Largest approved grant	\$63,473
Online applications	
Number of applications submitted online	271

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.



Hawke's Bay Community



Committee Members

Alan Dick (PM)
 Carl Pedersen
 Mary Kippenberger
 Tom Mulligan (from February 2010)
 Diana Petersen (from February 2010)
 Pat Magill (until February 2010)
 Rangi Manuel (until February 2010)

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

- Coordinated funding: improved collaboration between community funders, government agencies, key stakeholders and private sector businesses.
- Maximisation of volunteer potential: improved opportunities for young people to participate in community life and gain new skills, and for elderly to share their skills.
- Addressing isolation: enhance delivery of services in Wairoa and Central Hawke's Bay, and increase community participation of ethnic, disabled and rural communities.

Meeting Community Needs

The Committee provided funding for a range of community initiatives, including a pilot initiative developed by community service provider Business Community Link

(BCL). This assists community organisations by managing all their financial accounts at a cost-effective rate, leaving them to concentrate on delivering core services. An evaluation of the pilot indicated groups found BCL met their needs in terms of confidentiality and robust financial management. The Committee has approved further funding.

They also supported the Napier Community House Trust with a grant of \$46,250 to assist in reducing the power, phone and cleaning costs of the 24 community service provider groups operating from the community house. This is an incentive for groups to remain part of the Community House, a 'one-stop' shop that encourages the provision of coordinated services.

The Committee considered an emerging issue for some community groups in trying to market their services, attract volunteers and target different funding sources to sustain service delivery. Some groups suggested that the solution was to improve their websites and develop social media communications to target a wider range of community networks. The Committee has agreed to support applications for website development from groups that can demonstrate how investment in this area will enhance community awareness, service delivery and client outcomes.

Committee

The Hawke's Bay Committee has been fortunate to have a good gender balance, Māori representation, community knowledge and involvement and an understanding of funding processes. Two new members were welcomed at the March 2010 meeting. The terms of the current Presiding Member and one other Committee member expired in September 2010.

Alan Dick
 Presiding Member
 Hawke's Bay Community Committee

2009/10 Allocation	\$1,419,853
Brought forward	\$19,017
Grants written back during 2009/10	
Grants refunded during 2009/10	\$45,162
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$1,484,032
Total amount requested	\$3,037,376
Total amount approved	\$1,287,152
Percentage of amount requested that was approved	42.4%
Applications	
Number of applications received	148
Number of applications considered	117
Number of applications approved	107
Percentage of applications approved	91.5%
Smallest approved grant	\$481
Average approved grant	\$12,029
Largest approved grant	\$46,250
Online applications	
Number of applications submitted online	122

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.



Manawatu/Whanganui Community



Committee Members

- Jill White (*PM until September 2010*)
- Oriana Paewai (*until September 2010*)
- Dot McKinnon (*from February 2010*)
- Bernard Wanden (*from February 2010*)
- Neil Riddle (*from February 2010*)
- Veronica Fitzmaurice (*until February 2010*)
- Bill Greening (*until February 2010*)

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

- Carry out community development
- Enhance participation of the geographically and/or culturally isolated
- Provide the 'glue' in society (social cohesion)
- Contribute to community capacity-building

Meeting Community Needs

The Committee was mindful of the impact of the economic climate during this period. As a consequence, grant-making was strongly focused towards the Committee's priorities – particularly targeting social service agencies that could contribute to community capacity-building and groups supporting the participation of those who were geographically or culturally isolated.

Support for salaries for social service agencies is seen by the Committee as building capacity in communities, particularly when the community is going through difficult times. Agencies like Manchester House in Feilding provide a wide range of services and are able to improve outcomes for that community.

Examples of addressing isolation were grants to a variety of ethnic groups in Palmerston North, which is a refugee resettlement centre, and to some groups based in isolated communities along the Whanganui River.

This focus meant that some lower priority applications were declined. The Committee considered this was more appropriate and more effective than trying to spread the amount available thinly across the range of applications received.

Committee

At the March 2010 meeting there were three new committee members: Dot McKinnon from Whanganui, Bernard Wanden from Horowhenua and Neil Riddle from Rangitikei. The terms for Bill Greening from Whanganui and Roni Fitzmaurice from Palmerston North expired during 2009/10 and the Committee thanks them for their service.

All new members attended the Lower North Island training day held in Palmerston North on 22 February 2010.

Jill White
Presiding Member
Manawatu/Whanganui Community
Committee

2009/10 Allocation	\$1,893,569
Brought forward	\$991
Grants written back during 2009/10	
Grants refunded during 2009/10	\$6,989
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$1,901,549
Total amount requested	\$6,228,696
Total amount approved	\$1,693,496
Percentage of amount requested that was approved	27.2%
Applications	
Number of applications received	213
Number of applications considered	184
Number of applications approved	147
Percentage of applications approved	79.9%
Smallest approved grant	\$700
Average approved grant	\$11,520
Largest approved grant	\$60,000
Online applications	
Number of applications submitted online	167

Local schools and community halls are recognised as important places for groups to meet and engage in a range of activities.



Northland Community



Committee Members

Yvonne Sharp (PM)

Heather Ayrton

Margaret Ryan-Bell

Murray Broadbelt (from February 2010)

Neil Clements (from February 2010)

Maxine Shortland (until February 2010)

Colleen Urlich (until February 2010)

Outcome Statement

The social, economic and physical well-being of Northland's communities is enhanced.

Committee Priorities

To fund projects and initiatives that:

- lead to self-sufficiency, competence, independence, and empowerment
- address health and well-being in the community.

Meeting Community Needs

The Tai Tokerau community has been profoundly affected by job losses, business closures and an increase in mortgagee sales.

The Committee has funded groups to build their organisational capacity and capability to better service the needs of the community. Fifty-eight per cent of the funds have been distributed to these organisations for salaries, and 3 per cent for volunteer costs. This is in the same proportion as requests for funding.

There has also been a strong emphasis on youth initiatives and services for the elderly to foster involvement in their communities. These include regional gatherings such as the Tai Tokerau Kapa Haka Festival, and shared recreational activities for the elderly.

There has been a small increase in applications from service providers, new organisations, and those that haven't previously applied for funding. Marae development seminars have resulted in a small number of marae applying for equipment to serve their community.

The emerging minor capital works applications allow accessibility for the community and groups needing to meet health and safety requirements.

The Committee's continued support of the Ngāpuhi and Waitangi festivals allowed people from a wide range of ethnicities to take part in these celebrations.

Committee

Two new members were appointed in February 2010: Murray Broadbelt and Neil Clements, replacing Maxine Shortland and Colleen Urlich, whose terms had expired. The skills and knowledge of Committee members have greatly assisted in good decision-making.

Yvonne Sharp
Presiding Member
Northland Community Committee

2009/10 Allocation	\$1,575,544
Brought forward	\$49,260
Grants written back during 2009/10	
Grants refunded during 2009/10	\$11,241
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$1,636,045
Total amount requested	\$3,865,602
Total amount approved	\$1,488,776
Percentage of amount requested that was approved	38.5%
Applications	
Number of applications received	160
Number of applications considered	116
Number of applications approved	102
Percentage of applications approved	87.9%
Smallest approved grant	\$779
Average approved grant	\$14,596
Largest approved grant	\$36,500
Online applications	
Number of applications submitted online	121

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.



Otago/Southland Community



Committee Members

- Frances Diver (PM)
- Jacqui Foley
- Rex Fox
- Nigel Moore (from February 2010)
- Beverley Evans (from February 2010)
- Dougal Soper (until February 2010)
- Trudi Sunitsch (until February 2010)

Outcome Statement

The work we do enhances the social and economic well-being of the Otago and Southland communities.

Committee Priorities

- Assist with the salary payments of youth workers and community workers.
- Support one-off community projects.
- Address disadvantage of isolated communities by supporting domestic travel.
- Support volunteers by reimbursing their expenses.
- Support major projects for well-established organisations with a proven track record, but ensure smaller first-time applicants are not disadvantaged.

Meeting Community Needs

The Otago/Southland Community Committee covers a large geographical area, where communities are often isolated, with a lack of social services, networking opportunities, and training options. We continue to give support to often

marginalised communities, including those that face rural isolation, or to migrant communities. This support includes not only salaries, but volunteer reimbursement and travel assistance.

The major need of Otago and Southland communities is salary funding for youth and community workers. This Committee has contributed by making salary funding a priority, and providing significant grants towards salaries. During the year, 65 per cent of all applications included a salary component. This is slightly down on the 2008/09 percentage, but also reflects the increase in the number of applications received.

Committee

The Committee bade farewell to Trudi Sunitsch and Dougal Soper this year. Trudi and Dougal have both served on the Committee since 2004 and made valuable contributions towards its decisions.

Lottery induction training was provided in February to the two new members, Nigel Moore and Beverley Evans.



Frances Diver
Presiding Member
Otago/Southland Community Committee

2009/10 Allocation	\$2,016,718
Brought forward	\$239,698
Grants written back during 2009/10	
Grants refunded during 2009/10	\$12,183
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$2,268,599
Total amount requested	\$4,374,561
Total amount approved	\$1,704,493
Percentage of amount requested that was approved	39.0%
Applications	
Number of applications received	225
Number of applications considered	179
Number of applications approved	138
Percentage of applications approved	77.1%
Smallest approved grant	\$961
Average approved grant	\$12,351
Largest approved grant	\$31,000
Online applications	
Number of applications submitted online	195

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.



Taranaki Community



Committee Members

Heather Dodunski (*PM from September 2009*)

Frank Gaze (*until September 2009*)

Michael Mulqueen

Matthew Hammond (*from February 2010*)

Lynn Bublitz (*from February 2010*)

Janette Brocklehurst (*from February 2010*)

Elizabeth McAllister (*until February 2010*)

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

- Contribution to salaries
- Training and supervision costs
- Domestic travel costs
- Ongoing or one-off community projects
- Reimbursement of volunteer costs
- Programme costs

Meeting Community Needs

A major concern for Taranaki's community organisations is the decrease in the level of volunteer support. This is reflected in the growing number of applications for funding for activities previously carried out by volunteers. Domestic travel, volunteer costs, and expenses continue to feature in application requests. Founders and driving

members of organisations are having difficulty finding volunteers to take over leadership roles.

There are many community organisations active in the Taranaki region, mainly local representatives of a national organisation. It is clear that many community organisations and agencies overlap in services and activities. In the family support and youth development area, many are delivering the same, or very similar, services. The Committee has declined a number of requests in the last year because of this duplication of services and groups.

There has been a marked increase in applications from Māori organisations, from 3 per cent in 2008/09 to 9 per cent in 2009/10. This is close to the 8.5 per cent proportion of Māori in the general Taranaki population.

Committee

The Committee's membership has changed significantly, with three new members appointed in February 2010. The entire Taranaki Committee attended induction training in February 2010.

Heather Dodunski
Presiding Member
Taranaki Community Committee

2009/10 Allocation	\$934,707
Brought forward	\$39,175
Grants written back during 2009/10	
Grants refunded during 2009/10	\$16,817
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$990,699
Total amount requested	\$1,610,114
Total amount approved	\$907,146
Percentage of amount requested that was approved	56.3%
Applications	
Number of applications received	87
Number of applications considered	66
Number of applications approved	59
Percentage of applications approved	89.4%
Smallest approved grant	\$1,000
Average approved grant	\$15,375
Largest approved grant	\$40,000
Online applications	
Number of applications submitted online	77

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.



Waikato Community



Committee

Three new members were appointed in February 2010, replacing members whose terms had expired. One of the newly appointed members was unable to take up the appointment due to leaving to work overseas.

Bruce Thomas
Presiding Member
Waikato Community Committee

Committee Members

Bruce Thomas (*PM*)
Alison Van der Heyden
Dennis Catchpole (*from 1 February 2010*)
Beryl Lusty (*from February 2010*)
Allan Hughes (*until February 2010*)
Judith Muru (*until February 2010*)

Outcome Statement

The social and economic well-being 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/amalgamation of community services to increase community co-operation and access to services.

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. Within this region there are areas of deprivation and isolated communities.

There was a 16 per cent increase in applications approved during the year, with 91.3 per cent of applications approved, including salary grants. Total salary grants were \$2,303,031, being 72.6 per cent of the total grants approved.

2009/10 Allocation	\$3,196,450
Brought forward	\$53,991
Grants written back during 2009/10	
Grants refunded during 2009/10	\$12,484
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$3,262,925
Total amount requested	\$7,890,343
Total amount approved	\$3,173,854
Percentage of amount requested that was approved	40.2%
Applications	
Number of applications received	263
Number of applications considered	230
Number of applications approved	210
Percentage of applications approved	91.3%
Smallest approved grant	\$250
Average approved grant	\$15,114
Largest approved grant	\$42,000
Online applications	
Number of applications submitted online	196

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, Tokoroa and Turangi-Tongariro are areas of high deprivation, and areas on the Coromandel Peninsula north of Coromandel are extremely isolated.



Wellington/Wairarapa Community



Committee Members

Peter Dale (PM)

Pat Hanley

Susan Perry (from 1 February 2010)

Michelle Laurenson (from 1 February 2010)

Mele Wendt (from 1 February 2010)

Margaret Lee (until February 2010)

Star Olsen (until February 2010)

Sir Ron Scott (until February 2010)

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 support volunteering
- Projects that build self-esteem and/or leadership
- Projects that increase the community's caring capacity
- Initiatives with elements of innovation and 'risk' to both funder and applicant
- Initiatives that respond to or build on an opportunity in the community
- Groups that have a record of effective service delivery

Meeting Community Needs

The Wellington/Wairarapa area is characterised by the large urban areas of Wellington, the Hutt Valley and Porirua, and the less populated areas of the Kapiti Coast and the Wairarapa. The Committee is committed to consultation and raising its profile, and holds community meetings at least once a year. In June, the Committee convened a community meeting on the Kapiti Coast; where there are a lot of retired people and a lack of community resources that cater to this group.

Feedback from this meeting and others around the region confirms that Lottery Community funding of salaries and day-to-day operating costs is crucial to the sustainability of many community organisations. Seventy-five per cent of applications approved during this period include a salary component.

In the Wellington/Wairarapa region, Lottery grants are one of the largest sources of non-sport-related community grants. The Committee responded to the challenges of the economic climate by directing funding to applicants providing essential social services possibly affected by reduced funding from other community funders. The Committee has maintained the level of, or increased, its contribution to organisations working in the family violence area, working with at-risk youth, providing support for low-income families and providing support for family members with health issues or a disability.

The Committee directs a large proportion of its allocation to groups that make a difference in the community and have a record of effective service delivery.

Committee

The Committee's membership has remained the same for the six years since it was established in 2004. In February 2010, the terms of three foundation members, Sir Ron Scott, Margaret Lee and Star Olsen, expired. They were replaced by three new members from around the region – Susan Perry, Michelle Laurenson and Mele Wendt.

A joint induction, with support from Presiding Members, was held in Palmerston North in February 2010 for new members of the Wellington/Wairarapa, Manawatu/Whanganui, Hawke's Bay and Taranaki Community Committees.

Peter Dale
Presiding Member
Wellington/Wairarapa Community Committee

2009/10 Allocation	\$2,717,221
Brought forward	\$5,037
Grants written back during 2009/10	
Grants refunded during 2009/10	\$25,654
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$2,747,912
Total amount requested	\$6,512,334
Total amount approved	\$2,345,860
Percentage of amount requested that was approved	36.0%
Applications	
Number of applications received	263
Number of applications considered	188
Number of applications approved	163
Percentage of applications approved	86.7%
Smallest approved grant	\$500
Average approved grant	\$14,392
Largest approved grant	\$68,000
Online applications	
Number of applications submitted online	227



West Coast/Nelson-Marlborough Community



Committee Members

Alison McAlpine (PM from 1 February 2010)

Brent Maru (PM until February 2010)

Butch Bradley

David Ogilvie

Jim Mears (from February 2010)

Maria Williams (from February 2010)

Sharon Pugh (until February 2010)

Kathleen Reilly (until February 2010)

Outcome Statement

The social and economic well-being of West Coast/Nelson/Tasman/Marlborough communities is enhanced.

Committee Priorities

- Salaries
- Travel
- Volunteers
- New initiatives/service
- Training and supervision (includes external training)

The priorities are reviewed at each meeting and have remained the same as for the 2008/09 funding year. However, the order of priority changed at the first meeting of new Committee members in March 2010, with salaries funding remaining at the top of the list. This reflects organisational needs to meet their payroll commitments for salaried positions that are integral to the goal of the overall project, programme or services offered. A particular issue for West Coast-based applicants is the small number of local funding agencies that specifically grant adequate funding levels to pay a salary.

Meeting Community Needs

In response to the changing economic environment and the increased demand for essential services, the Committee is moving from funding 'nice to have' activities and projects to increasing support for core services that target family/whānau well-being.

The amount available for distribution remains stable. There has not been a significant increase in the number of new applicants, although groups previously granted funding are asking for larger amounts. This trend means that a lower percentage of applications is being fully funded.

This year, the Committee has also set aside approximately \$266,000 in reserve for multi-year funding, which is expected to come into effect in 2011.

Committee

Three new members were appointed in January 2010. The Committee is well-balanced, with members representing tangata whenua and Marlborough, Nelson City, Tasman and West Coast regions. In February 2010, induction and training was delivered in Christchurch to all new South Island community committee appointees to facilitate consistency in their approach to decision-making.

The Committee was represented at the Canterbury Regional Funders' Forum in June 2010, where guest speakers presented a range of information on funding models, social lending and creating learning cultures for improved impact.

Alison McAlpine
Presiding Member
West Coast/Nelson-Marlborough Community Committee

2009/10 Allocation	\$1,537,225
Brought forward	\$843
Grants written back during 2009/10	
Grants refunded during 2009/10	\$15,777
TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION	\$1,553,845
Total amount requested	\$3,065,786
Total amount approved	\$1,287,817
Percentage of amount requested that was approved	42.0%
Applications	
Number of applications received	142
Number of applications considered	120
Number of applications approved	96
Percentage of applications approved	80.0%
Smallest approved grant	\$640
Average approved grant	\$13,415
Largest approved grant	\$55,000
Online applications	
Number of applications submitted online	116

The Nelson/Tasman region is experiencing high levels of immigration. One in four people living in the area was not born in New Zealand.



Statutory Bodies

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

Detail of the expenditure of the Board's allocation to each of these bodies is reported on in their individual annual reports tabled in the House of Representatives under 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 \$33,319,082 from the New Zealand Lottery Grants Board in 2009/10 to invest resources in New Zealand arts for the long-term benefit of New Zealanders.

More than 430 grants were awarded through the contestable funding programme; approximately 2500 local arts activities were supported under the Creative Communities Scheme; 19 arts awards were presented; 12 bursaries, scholarships and residencies were awarded; nine capability-building programmes provided opportunities for professional development to help artists achieve success, and 30 international producers and festival directors were hosted.

Vital to the ongoing development of New Zealand artists are Creative New Zealand's capability programmes, an advocacy programme and work around developing audiences and markets for New Zealand arts.

Examples of Creative New Zealand support include ARTSspeak Pasifika, a national forum for the development of Pacific arts in Auckland in June 2010. Hosted by Creative New Zealand, ARTSspeak Pasifika brought together Pasifika artists working across the disciplines of visual arts, performing arts, literature, film and television, music and heritage arts to share their experiences and skills.

From Northland to Invercargill, Creative New Zealand funds community arts through the Creative Communities Scheme in partnership with local authorities. In February 2010 local performers revived *The Complete Works of William Shakespeare (Abridged)* for six performances in Queens

Park, Invercargill. The *Complete Works* took the audience on a romp through all 37 of Shakespeare's plays, using music, puppetry, slapstick and stand-up comedy.

Each year Creative New Zealand hosts 150 arts leaders for an inspiring conference that focuses on audience development and the challenges facing arts organisations. Now in its third year, the 2010 conference focus was on organisations being vision-led, brand-driven, outcome-oriented, interdisciplinary and interactively-engaged in the technology-charged 21st century.

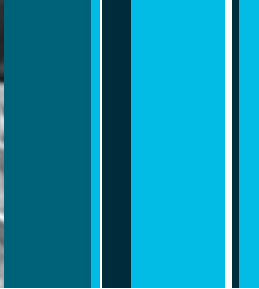
New Zealand Film Commission

The New Zealand Film Commission (NZFC) received an allocation of \$14,437,897 from the New Zealand Lottery Grants Board in 2009/10 to encourage and participate in the development, production, marketing and distribution of films made in New Zealand by New Zealanders. The New Zealand Film Archive received an allocation of \$1,110,608 from the New Zealand Lottery Grants Board.

The New Zealand Film Commission invested in nine feature films during the year. Six NZFC-financed titles were released here. *Boy*, the second feature film by director Taika Waititi, has broken New Zealand box office records and is now one of our top-grossing films of all time.

The New Zealand Film Commission continues its long-standing policy of delegating a selection of new short films to independent filmmaker groups. The three selection groups committed production financing to eight new short films.

Throughout the year the NZFC offers professional training and development initiatives to filmmakers by either organising



or supporting workshops and seminars. NZFC continues to support the infrastructure of the film industry with grants to: Film New Zealand; the New Zealand Film Archive – Ngā Kaitiaki O Ngā Taonga Whitiāhua; Ngā Aho Whakaari – Māori in Film, Video and Television; the Screen Production and Development Association of New Zealand (SPADA) and the SPADA conference; the Screen Directors Guild of New Zealand; the New Zealand Writers Guild; Script to Screen – Te Tari Tuhi A Whakaahua; and Women in Film and Television – Ngā Mareikura Whitiāhua o Aotearoa (WIFT NZ).

NZFC also sponsored the Qantas Film and Television Awards and supported the New Zealand Federation of Film Societies along with the New Zealand International Film Festival, the Wairoa Māori Film Festival, the V48HOURS Film Festival and the Show Me Shorts Film Festival.

Sport and Recreation New Zealand

Sport and Recreation New Zealand (SPARC) received an allocation of \$44,554,225 from the New Zealand Lottery Grants Board in 2009/10 to help inspire New Zealanders to be active, participate and win.

SPARC aims to get more Kiwi kids involved in sport and recreation, see more adults enjoying a lifetime of sport and recreation, and more Kiwis winning on the world stage. It does this by investing in more than 70 sport and recreation organisations.

One way is supported community sport and recreation is through SPARC's Active

Communities investment. This funding is helping New Zealanders all around the country.

It includes the hugely popular Wiggle & Rhyme active movement classes for children from birth to two years old. Based in Auckland libraries, the programme is a result of collaboration between councils and regional sports trusts and sees very young children taught fundamental movement skills.

Active Communities funding has also seen the development of a tool for councils to use to assess sports fields. As most parents and their children will know, wet winter weather forces the closure of many sports grounds around the country. This tool gives councils the information they need to assess the pressure points, plan usage and upgrades and ultimately get the best from their ongoing investment.

Getting a City on its Feet is no mean feat but that's what the Tauranga programme has done in year five of an initiative for a more active community. With its sponsors, a network of volunteers and hundreds of regular walkers, it has got more people walking more often.

FINANCIAL STATEMENTS

New Zealand Lottery Grants Board

For the year 1 July 2009 to 30 June 2010

Audit Report

To the readers of New Zealand Lottery Grants Board's financial statements for the year ended 30 June 2010

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 on her behalf. The audit covers the financial statements included in the annual report of the Board for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Board on pages 40 to 44:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Board's financial position as at 30 June 2010; and
 - the results of its operations for the year ended on that date.

The audit was completed on 28 October 2010, 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 Secretary of Internal Affairs 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 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. 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. 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 disclosures are adequate.

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

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

Responsibilities of the Secretary of Internal Affairs and the Auditor

The Secretary of Internal Affairs is responsible for preparing the financial statements 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 2010 and the results of its operations for the year ended on that date. The Secretary of Internal Affairs' responsibilities arise from the Public Finance Act 1989 and the Gambling Act 2003.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

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

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 of Internal Affairs is responsible for the preparation of the financial statements and the judgements used therein.

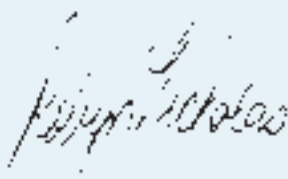
The attached financial statements have been prepared on the basis of generally accepted accounting principles and are consistent with the Public Finance Act 1989 and Section 290 of the Gambling Act 2003.

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 2010.



Brendan Boyle
Secretary of Internal Affairs
28 October 2010



Robyn Nicholas
Secretary, New Zealand Lottery Grants Board

Statement of Purpose

The New Zealand Lottery Grants Board makes 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 and are detailed in Note 7 of the financial statements for 'Profits of New Zealand Lotteries'. The three statutory bodies named in Section 279 of the Gambling Act 2003 are Creative New Zealand, Sport and Recreation New Zealand, and the New Zealand Film Commission.

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

The operations of 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 Comprehensive Income

For the year ended 30 June 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Revenue				
Lotto and Lottery Profits		160,501,125	152,500,000	189,280,779
Total Revenue		160,501,125	152,500,000	189,280,779
Expenditure				
Board Members' Fees	5 & 7	7,380	12,955	12,955
Committee Members' Fees for Members'				
Meetings	5 & 7	15,863	9,640	9,640
Other Expenses	6	7,372	5,312	5,312
Distribution to 'Profits of New Zealand Lotteries'	3	160,470,510	152,472,093	189,252,872
Total Expenditure		160,501,125	152,500,000	189,280,779
Total Comprehensive Income	4	-	-	-

Statement of Financial Position

As at 30 June 2010

The Board does not have any liabilities or assets as at 30 June 2010. (2009: Nil)

Statement of Commitments

As at 30 June 2010

The Board has no significant commitments as at 30 June 2010. (2009: Nil).

The notes form an integral part of, and should be read in conjunction with, these financial statements

Notes to the Financial Statements

For the year ended 30 June 2010

Note 1: 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.

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.

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 2010.

Basis of Preparation

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 International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefits entities.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

Comparatives

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Effects from Accounting Standards Adoption

The Board has adopted the following revision to the accounting standards during the financial year, which have had only a presentational or disclosure effect.

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Board has decided to prepare a single Statement of Comprehensive Income for the year ended 30 June 2010 under the revised standard.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to the New Zealand Lottery Grants Board are:

NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The New Zealand Lottery Grants Board has not yet assessed the effect of the new standard and expects it will not be early adopted.

Functional and Presentation Currency

The functional currency of the New Zealand Lottery Grants Board is New Zealand dollars. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Note 2: Significant Accounting Policies

The measurement base applied is that of historical cost. The accrual basis of accounting has been used unless otherwise stated. The following significant accounting policies have been applied:

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.

Note 3: Distribution of 'Profits of NZ Lotteries'

Revenue less Board expenses is distributed to 'Profits of New Zealand Lotteries' and recognised as expenses in the New Zealand Lottery Grants Board and is recognised as income in the Profits of New Zealand Lotteries' accounts.

The 2010 allocations were funded by profits of \$154,000,000 received from the NZ Lottery Commission during the year. An additional allocation of \$14,200,000 to all the committees was approved on 25 August 2009 and a further \$20,000,000 allocation for the Statutory Bodies was approved on 15 December 2009.

At its meeting on 3 July 2010, the New Zealand Lottery Grants Board approved allocations to the distribution committees, the Minister of Internal Affairs (Discretionary Funds) and the Statutory Bodies amounting to \$153,536,487 for the year ended 30 June 2011 (2010: \$163,863,826). Extra profits will be paid to the Board after 30 June 2010 amounting to \$6,501,125, of which 42% amounting to \$2,730,473 has been approved for the Statutory Bodies.

The 2011 allocations will be funded by profits of \$155,000,000 based on estimates given at this time, to be received from the New Zealand Lotteries Commission. (2010: \$154,000,000).

Note 4: Operating Surplus (Deficit)

The New Zealand Lottery Grants Board (The 'Board') had nil comprehensive income for the year ended 30 June 2010 (2009: 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 5: Related Parties and Key Management Personnel

The New Zealand Lottery Grants Board enters into transactions with other entities on an arm's length basis. Transactions that occur are within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Profits of New Zealand Lotteries would have adopted if dealing with that unrelated entities at arm's length.

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 arm's length basis.

The key management personnel have 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. (See Note 7 on page 44)

The aggregate value of grants approved relating to key management personnel during the year ended 30 June 2010 amounted to \$14,000 – (2009: \$12,000), although there was no exercise of control or influence in the approval process.

Note 6: Other Expenses

	Actual 2010 \$	Actual 2009 \$
Bank fees	4,613	3,978
Printing	2,759	1,334
Other expenses	7,372	5,312

Note 7: 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 2009 to 30 June 2010 are shown below.

Lottery Grants Board Members' Fees	Total Fees (Gross)	Total Fees (Gross)
	2010	2009
	\$	\$
Harrington, P	3,510	5,130
Mohi, M.M	-	540
Nowland-Foreman, G	3,330	7,285
Wilson, T W	540	-
Total	7,380	12,955

Three key management personnel namely Hon Minister Nathan Guy, Hon Minister Chris Hipkins and Hon Minister Sandra Goudie were not paid any fees during the year.

Distribution Committees' Presiding Members' Fees For attendance at the Presiding Members Policy Advisory Group Meetings.	Total Fees (Gross)	Total Fees (Gross)
	2010	2009
	\$	\$
Coughlan, P.	780	390
Dale, P.C.	390	-
Dick, A.J.	390	780
Diver, F.	780	780
Dodunski, H.	390	-
Gaze, C.F.	390	-
Hanley, P.	390	-
Harrington, P.	1,080	1080
Holloway, L.	540	540
Kerridge, P.	870	435
Kirkman, A.M.	870	435
Maru, B.T.	390	390
Nowland-Foreman, G.	900	-
Ogilvie, D.	300	-
Pedersen, C.	300	-
Rasalingam, N.	435	435
Scoggins, B.	405	-
Scott, R.E.	450	780
Sharp, Y.L.	780	1300
Sharpe, P.	390	780
Shields, M.K.	1,620	-
Si'Ulepa, P.	420	-
Talbot, K.	638	-
Taylor, D.	-	300
Thomas, B.A.	780	825
Tongatule, I.	315	-
Williams, H.	870	-
White, J.J.	-	390
	15,863	9,640

FINANCIAL STATEMENTS

Profits of New Zealand Lotteries

For the year ended 1 July 2009 to 30 June 2010

Audit Report

To the readers of Profits of New Zealand Lotteries financial statements for the year ended 30 June 2010

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 on her behalf. The audit covers the financial statements included in the annual report of Profits of New Zealand Lotteries for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Profits of New Zealand Lotteries on pages 48 to 62:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Profits of New Zealand Lotteries' financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 28 October 2010, 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 Secretary of Internal Affairs 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 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. 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. 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 Profits of New Zealand Lotteries;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

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

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

Responsibilities of the Secretary of Internal Affairs and the Auditor

The Secretary of Internal Affairs is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Profits of New Zealand Lotteries as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The Secretary of Internal Affairs' responsibilities arise from the Public Finance Act 1989 and the Gambling Act 2003.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and Public Finance Act 1989.

Independence

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

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



Leon Pieterse
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

Statement of Responsibility

The Secretary of Internal Affairs is responsible for the preparation of the financial statements and the judgements used therein.

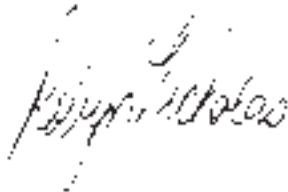
The attached financial statements have been prepared on the basis of generally accepted accounting principles and are consistent with the Public Finance Act 1989 and Section 290 of the Gambling Act 2003.

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 Profits of New Zealand Lotteries for the year ended 30 June 2010.



Brendan Boyle
Secretary of Internal Affairs
28 October 2010



Robyn Nicholas
Secretary, New Zealand Lottery Grants Board

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Revenue				
Lotto and Lottery Profits		160,470,510	152,500,000	189,252,872
Interest Revenue	3	3,985,960	2,288,000	5,845,973
Sundry Income		300	-	62
Total Revenue		164,456,770	154,788,000	195,098,907
Expenditure				
Administration Expenses		4,910,563	4,928,438	4,938,794
Asset Service Charge		316,103	347,704	270,701
Audit Fee		39,520	45,000	37,073
NZ IFRS Audit Fee		-	-	2,500
Distribution Committees' Fees	13	112,986	371,598	129,521
Doubtful Debts		56,139	-	-
Personnel Costs		4,951,221	5,196,260	4,670,882
Total Expenditure		10,386,532	10,889,000	10,049,471
Net Distributable Income		154,070,238	143,899,000	185,049,436
Less Grants Approved	4&5	192,234,546	178,063,825	163,418,474
Total Comprehensive Income		(38,164,308)	(34,164,825)	21,630,962

Explanation of significant variances are contained in Note 12.

The notes form an integral part of, and should be read in conjunction with, these financial statements

Statement of Financial Position

As at 30 June 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Equity				
Funds Allocated to Distribution Committees	5	12,645,111	4,085,358	4,085,358
Accumulated Funds	5	35,454,631	48,013,867	82,178,692
Total Funds Employed (Equity)		48,099,742	52,099,225	86,264,050
Assets				
Current assets				
Cash & Cash Equivalents	7	62,664,689	21,288,365	55,453,190
Short Term Investments	7	36,717,107	45,142,371	45,142,371
GST Receivable		3,685,662	3,950,150	3,950,150
Accounts Receivable	8	6,510,860	36,783,496	36,783,496
Accrued Interest		436,546	432,600	432,600
Total Current Assets		110,014,864	107,596,982	141,761,807
Total Assets		110,014,864	107,596,982	141,761,807
Liabilities				
Current Liabilities				
Accounts Payable (Department of Internal Affairs)	10	996,103	1,083,848	1,083,848
Accounts Payable (Other)		225,410	6,674,490	6,674,490
Grants Payable	4	60,693,609	47,739,419	47,739,419
Total Current Liabilities	9	61,915,122	55,497,757	55,497,757
Working Capital		48,099,742	52,099,225	86,264,050
Net Assets		48,099,742	52,099,225	86,264,050

Explanation of significant variances are contained in Note 12.

Statement of Movements in Equity

For the year ended 30 June 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Total Comprehensive Income		(38,164,308)	(34,164,825)	21,630,962
Movements in Equity for the year		(38,164,308)	(34,164,825)	21,630,962
Equity brought forward as at 1 July		86,264,050	86,264,050	64,633,088
Equity as at 30 June	5	48,099,742	52,099,225	86,264,050

Explanation of significant variances are contained in Note 12.

The notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Cashflows

For the year ended 30 June 2010

	Note	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Cash Flows from Operating Activities				
<i>Cash was Provided From:</i>				
Lottery Profits		190,743,147	152,500,000	161,788,371
GST Received		264,488	-	-
Interest Received		3,982,014	2,288,000	6,124,248
Sundry Receipts		300	-	62
		194,989,949	154,788,000	167,912,681
<i>Cash was Applied To:</i>				
Grants Paid	4	179,280,356	178,063,825	154,136,558
Administration Expenses		16,876,467	10,889,000	3,362,073
Expenses Paid on behalf of the New Zealand Lottery Grants Board		46,892	-	73,212
GST Paid		-	-	877,111
		196,203,715	188,952,825	158,448,954
Net Cash Flows from Operating Activities		(1,213,766)	(34,164,825)	9,463,727
Cash Flows from Investing Activities				
<i>Cash was Provided From:</i>				
Proceeds from maturity of investments		184,800,435	-	101,038,289
<i>Cash was Applied to:</i>				
Purchase of investments		(176,375,170)	-	(123,659,046)
Net Cash Flows from Investing Activities		8,425,265	-	(22,620,757)
Net Increase / (Decrease) in Cash Held		7,211,499	(34,164,825)	(13,157,030)
Add Opening Cash & Cash Equivalent		55,453,190	55,453,190	68,610,220
Closing Cash & Cash Equivalent		62,664,689	21,288,365	55,453,190

The notes form an integral part of, and should be read in conjunction with, these financial statements.

Reconciliation of Net Cash Flows from Operations with Total Comprehensive Income

For the year ended 30 June 2010

	Actual 2010 \$	Budget 2010 \$	Actual 2009 \$
Total Comprehensive Income	(38,164,308)	(34,164,825)	21,630,962
Add/(Deduct) Movements in Working Capital Items			
(Decrease) / Increase in Grants Payable	12,954,190	-	9,281,918
(Decrease) / Increase in Accounts Payable	(6,536,825)	-	6,613,736
Decrease / (Increase) Accrued Interest	(3,947)	-	278,274
Decrease / (Increase) Accounts Receivable	30,272,636	-	(27,464,051)
Decrease / (Increase) GST Receivable	264,488	-	(877,111)
Net Cash Flows from Operating Activities	(1,213,766)	(34,164,825)	9,463,727

Statement of Commitments

As at 30 June 2010

There are no commitments at 30 June 2010. (2009: Nil)

Statement of Contingent Liabilities

As at 30 June 2010

There were no contingent liabilities at 30 June 2010. (2009: Nil)

The notes form an integral part of, and should be read in conjunction with, these financial statements

Notes to the Financial Statements

For the year ended 30 June 2010

Note 1: Statement of Accounting Policies

Reporting Entity

Under the provisions of the Gambling Act 2003, the Secretary of Internal Affairs is responsible for keeping the accounts of the Profits of New Zealand Lotteries.

The operations of the Lottery distribution Committees are reported in the financial statements for 'Profits of New Zealand Lotteries'. The New Zealand Lottery Grants Board exists to make decisions on the allocation of profits received from New Zealand Lotteries.

These financial statements have been prepared in accordance with the Public Finance Act 1989. For the purposes of financial reporting the Profits of New Zealand Lotteries is a public benefit entity.

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2010 approved by the New Zealand Lottery Grants Board on 28 October 2010.

Basis of Preparation

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 International Financial Reporting Standards (NZIFRS) and other applicable Financial Reporting Standards, as appropriate for public benefits entities.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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.

Comparatives

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Effects from accounting standards adoption

The Board has adopted the following revision to the accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from

transactions with owners. The Board has decided to prepare a single Statement of Comprehensive Income for the year ended 30 June 2010 under the revised standard.

Amendments to NZ IFRS 7 *Financial Instruments: Disclosures*, The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to the Profits of New Zealand Lotteries are:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also required a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year 30 June 2014. The Profits of New Zealand Lotteries has not yet

assessed the effect of the new standard and expects it will not be early adopted.

NZ IAS 24 *Related Party Disclosures (Revised 2009)* replaces NZ IAS 24 *Related Party Disclosures (Issued 2004)*. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Profits of New Zealand Lotteries has not yet assessed the effect of the new standard and expects it will not be early adopted.

Functional and Presentation Currency

The functional currency of the Profits of New Zealand is New Zealand dollars.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Note 2: Significant Accounting Policies

The measurement base used in preparing the financial statements is historical cost. The accrual basis of accounting has been used unless otherwise stated. The following significant accounting policies have been applied:

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 on an accrual basis when earned and is reported in the financial period to which it relates.

Asset Service Charge

The Department of Internal Affairs owns all of the fixed assets used by staff servicing the New Zealand Lottery 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

Financial assets and financial liabilities are measured at fair value plus transaction costs. Any profits or loss from the financial transaction is recognised in the Statement of Comprehensive Income.

Financial Assets

Cash and Cash Equivalents

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. The carrying value of these approximates their fair value.

Accounts Receivable

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 Comprehensive Income as doubtful 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 2007. Accordingly, no charge for income tax has been provided.

Grants Approved

The net grants approved by the distribution committees in the financial period are recognised as an expense in the Statement of Comprehensive Income.

The grants are discretionary and are recognised as expenditure when they have been both approved by the Distribution Committee and the approval has been communicated to the applicant.

Note 3: Interest Revenue

	Actual 2010 \$	Actual 2009 \$
Bank of New Zealand Current Account	195,981	217,793
Money Market Investments	3,788,629	5,596,551
Inland Revenue Department (Use of money interest)	1,350	31,629
Total interest revenue	3,985,960	5,845,973

Note 4: Grants Payable

	Actual 2010 \$	Actual 2009 \$
Balance as at 1 July	47,739,419	38,457,503
Plus Grants Approved	192,234,546	163,418,474
	239,973,965	201,875,977
Less Grants Paid	(179,280,356)	(154,136,558)
Balance as at 30 June	60,693,609	47,739,419

Note 5: Funds Employed

Funds Allocated to Distribution Committees

These are funds available to Committees to distribute during the year.

	Actual 2010 \$	Actual 2009 \$
Undistributed Committees' Funds as at 1 July	4,085,358	652,947
Transfer from Accumulated funds re Opening balance	-	550,885
Transfers to Minister's Discretionary Fund from Accumulated Funds	-	50,000
Funds after Transfers	4,085,358	1,253,832
Add Funds Allocated for the year (refer to note 6)	200,794,299	166,250,000
Less Grants Approved for the year	(192,234,546)	(163,418,474)
Undistributed Committees' Funds as at 30 June	12,645,111	4,085,358

Accumulated Funds

These are reserves available to the Board to meet planned distributions in subsequent years in the event that NZ Lotteries Commission revenue falls below forecast.

	Actual 2010 \$	Actual 2009 \$
Accumulated Funds as at 1 July	82,178,692	63,980,141
Net Surplus / (Deficit)	(38,164,308)	21,630,962
Transfer to Committee funds re Opening balance	-	(550,885)
Transfers from Accumulated Funds to Minister's Discretionary Fund	-	(50,000)
Add Grants Approved for the year	192,234,546	163,418,474
Less Funds Allocated for the year (refer to note 6)	(200,794,299)	(166,250,000)
Accumulated Funds as at 30 June	35,454,631	82,178,692

The accumulated funds carried forward include allocations of \$3,500,000 to Statutory Bodies and \$9,480,000 for the NZ 2011 Festival Lottery Fund. The 2011 allocation to distribution committees is \$88,436,000, which is \$8,388,000 below 2011 forecast net income. The shortfall will be met from accumulated funds.

Note 6: Fund Allocations

The Profits of New Zealand Lotteries distributes funds by way of distribution committees. The funding allocation to these committees are set out below:

	%	%	Actual	Actual
	of Total	of Total	2010	2009
	2010	2009	\$	\$
Distribution Committees				
<i>Community Committees</i>				
National	7.5	8.1	14,977,455	13,443,875
Outdoor Safety	4.4	5.0	8,891,538	8,277,941
<i>Regional Committees</i>				
Northland	0.8	0.9	1,575,544	1,420,074
Auckland	4.3	4.1	8,569,501	6,897,768
Waikato	1.6	1.6	3,196,450	2,605,021
BOP/Gisborne	1.3	1.4	2,619,211	2,335,225
Hawke's Bay	0.7	0.8	1,419,853	1,303,310
Taranaki/New Plymouth	0.5	0.5	934,707	850,732
Manawatu/Wanganui	0.9	0.9	1,893,569	1,525,045
Wellington	1.4	1.3	2,717,221	2,218,101
Canterbury	1.7	1.6	3,317,193	2,617,120
West Coast/Nelson-Marlborough	0.8	0.8	1,537,225	1,411,418
Otago/Southland	1.0	1.1	2,016,718	1,804,291
Lottery Environment and Heritage	4.9	5.5	9,826,153	9,148,059
Lottery Health Research	1.7	1.9	3,422,908	3,186,696
Lottery Marae Heritage & Facilities	3.7	4.1	7,395,354	6,885,007
Pacific Provider Development Fund	0.3	0.3	537,062	500,000
Lottery Welfare – Individuals with Disabilities	2.4	2.7	4,742,599	4,415,317
Significant Projects	5.2	9.6	10,526,418	16,000,000
Community Sector Research	0.9	1.1	1,879,718	1,750,000
Lottery Community Facilities Fund	7.0	7.8	13,963,616	13,000,000
Minister of Internal Affairs	0.2	0.2	338,349	315,000
Distribution to Statutory Bodies				
Creative New Zealand	16.6	13.3	33,319,082	22,125,000
Sport and Recreation New Zealand (SPARC)	22.2	18.6	44,554,225	30,890,000
New Zealand Film Commission	7.7	6.2	15,548,505	10,325,000
Other				
GST	0.5	0.6	1,074,125	1,000,000
Total Allocations	100	100	200,794,299	166,250,000

Allocations are approved by the Board to fund unrecoverable applicant's GST expenses.

Note 7: Financial Instruments

Fair Value

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

The carrying value of investments as at 30 June 2010 was \$89,995,879. (2009: \$90,843,904).

The market value of investments as at 30 June 2010 was \$90,243,405. (2009: \$91,075,131). All investments are valued using quoted market price.

Currency 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

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 invests, 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 to meet projected grant payments and other accounts payable (refer to note 9).

As grants payable recognises grants approved but unpaid as at balance date due to grant conditions not having been met, the timing of these payments are not certain. Payments are typically settled within a year of board approval. Other accounts payable are typically settled within 30 days of receipt of an invoice.

Contractual maturity analysis of financial instruments

Investments less than 3 months (Cash & Cash Equivalents)	Carrying Amount		Contractual Cash Flows	
	2010 \$	2009 \$	2010 \$	2009 \$
Cash in bank	4,385,917	5,751,657	4,385,917	5,751,657
Call Account	5,000,000	4,000,000	5,000,000	4,000,000
Term Deposits	23,500,000	22,000,000	23,729,549	22,187,004
Commercial Papers	29,778,772	23,701,533	30,000,000	23,849,901
Total	62,664,689	55,453,190	63,115,466	55,788,562

Short Term Investments (less than 1 year)	Carrying Amount		Contractual Cash Flows	
	2010 \$	2009 \$	2010 \$	2009 \$
Term Deposits	5,000,000	10,000,000	5,055,223	10,121,932
Commercial Papers	31,717,107	35,142,371	32,000,000	35,500,000
Total	36,717,107	45,142,371	37,055,223	45,621,932

Contractual cash flows for term deposits and commercial papers includes the interest income on the investments at maturity date.

Note 8: Accounts Receivable

	Actual 2010 \$	Actual 2009 \$
Extra profits from New Zealand Lotteries Commission	6,501,125	36,780,779
Grants refund - W Mullen	2,717	2,717
Books in Prison Trust	63,157	-
Provision for Doubtful Debts	(56,139)	-
Total Accounts Receivable	6,510,860	36,783,496

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.

Note 9: Accounts Payable

	Actual 2010 \$	Actual 2009 \$
Department of Internal Affairs	996,103	1,083,848
Other suppliers	213,948	6,662,457
Inland Revenue Department	11,462	12,033
Grants (Refer to Note 4)	60,693,609	47,739,419
Total Accounts Payable	61,915,122	55,497,757

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.

The payables to DIA, other suppliers and IRD are 30 days while the grants are contingent on the delivery of grants requirements.

Note 10: Related Parties and 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 Profits of New Zealand Lotteries enters into transactions with other entities on an arm's length basis. Transactions that occur are within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Profits of New Zealand Lotteries would have adopted if dealing with that unrelated entities at arm's length.

The Department of Internal Affairs provides administrative services to the New Zealand

Lottery Grants Board, the distribution committees and the Minister of Internal Affairs. The services provided by DIA include personnel, the provision of assets, accommodation, administration and other services costing \$10,177,888 in the 2010 year (2009: \$9,880,377). At 30 June 2010 profits of New Zealand Lotteries owed \$996,103 in relation to services provided by DIA. (2009: \$1,083,848).

The aggregate value of transactions relating to the grants approved for Christchurch Methodist Mission amounted to \$Nil as at 30 June 2010 (2009: \$12,000) and grants approved for Tangata Whenua Community & Voluntary Sector Research Centre amounted to \$14,000 as at 30 June 2010 (2009: Nil) where Garth Nowland-Foreman was a Board

member in a voluntary capacity. However, he was not involved in the approval process with the approval being based on normal criteria.

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.

Note 11: Categories of Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	Actual 2010 \$	Actual 2009 \$
Loans and receivables		
Cash and Cash Equivalents	62,664,689	55,453,190
Short Term Investments	36,717,107	45,142,371
Accounts Receivable	6,510,860	36,783,496
Total loans and receivables	105,892,656	137,379,057
Financial liabilities measured at amortised cost		
Accounts Payable	61,915,122	55,497,757
Total Payables	61,915,122	55,497,757

The nature of the Profits of New Zealand Lotteries' financial instruments is such that the fair value is reflected by the carrying value of financial assets and financial liabilities.

Note 12: Significant Variances

Explanation of Significant Variances between Actual and Budget Estimates.

Revenue budgets were based on NZ Lotteries forecasts at the start of the year. The variance of \$7,970,510 represents additional revenue of \$6,501,125 above forecast as well as \$1,500,000 allocated for the NZ 2011 Festival Lottery Fund received from NZ Lottery Commission on 30 June 2010.

The Statutory Bodies were paid \$20,000,000 extra allocation out of accumulated funds during 2009/2010.

Note 13

DISCLOSURE OF FEES

Fees are paid for attendance of committee meetings and for reading materials. Distribution committee members fees for the year 1 July 2009 to 30 June 2010 are shown below.

	2010 Total Fees Paid \$		2009 Total Fees Paid \$
Anderson, T.	1,890	Anderson, T.	1,890
Ammunson, P.	-	Ammunson, P.	1,398
Ayrton, C.H.	1,000	Ayrton, C.H.	1,000
Bennett, S.M.	1,371	Bennett, S.M.	2,560
Bradley, M.P.	700	Bradley, M.P.	600
Burdon, M.C.	300	Burdon, M.C.	1,600
Broadbelt, M.	750	Broadbelt, M.	-
Brocklehurst, J.	600	Brocklehurst, J.	-
Bublitz, L.	600	Bublitz, L.	-
Burrill, R.	1,400	Burrill, R.	-
Cardno, F.G.	215	Cardno, F.G.	1,505
Catchpole, D.	400	Catchpole, D.	-
Clarke, J.	430	Clarke, J.	-
Clements, N.	750	Clements, N.	-
Coll, J.	323	Coll, J.	-
Coughlan, P.	1,105	Coughlan, P.	780
Crichton, A.	600	Crichton, A.	1,100
Cuthbert, B.G.	1,290	Cuthbert, B.G.	1,398
Dale, C.J.	1,182	Dale, C.J.	968
Dale, P. C.	1,170	Dale, P. C.	1,215
DeSouza, R.N.	323	DeSouza, R.N.	645
Dick, A. J.	1,170	Dick, A.J.	1,430
Diver, F. I.	1,950	Diver, F.I.	2,600
Dodunski, H.	1,080	Dodunski, H.	1,400
Dunlop, M.E.	645	Dunlop, M.E.	645
Evans, B.	900	Evans, B.	-
Faitotonu, S.	300	Faitotonu, S.	900
Fitzmaurice, V.	300	Fitzmaurice, V.	1,800
Fox, R.	1,500	Fox, R.	2,000
Franklin, A.D.	2,204	Franklin, A.D.	2,204
Gallagher, J.M.	1,500	Gallagher, J.M.	2,000
Gaze, C.F.	390	Gaze, F.	1,690
Ghani, A.	300	Ghani, A.	600
Grammer, B.	2,043	Grammer, B.	2,096
Greening W.A.J.	300	Greening W.A.J.	1,100
Hammond, M.	600	Hammond, M.	-
Hanlen, P.A.	300	Hanlen, P.A.	900
Hanley, W.P.	900	Hanley, W. P.	900
Henry, L.A.	600	Henry, L.A.	1,100
Hix, Q.	910	Hix, Q.	-
Holloway, L.	3,780	Holloway, L.	2,520
Howe, T.	2,973	Howe, T.	3,480
Hughes, A.D.	-	Hughes, A.D.	1,000

Note 13 continued

	2010 Total Fees Paid \$		2009 Total Fees Paid \$
Issacs, O.	300	Issacs, O.	900
James, J.	550	James, J.	-
Kahotea, D.T.	1,370	Kahotea, D.T.	968
Kerridge P.E.	1,776	Kerridge P.E.	1,845
Kippenberger, L.M.	900	Kippenberger, L.M.	900
Kirkman, A.M.	870	Kirkman, A.M.	1,595
Kohlhase, M.	710	Kohlhase, M.	630
Korako, C.	600	Korako, C.	-
Laban, K.C.	968	Laban, K.C.	968
Laurenson, M.	600	Laurenson, M.	-
Lawton, B.	3,510	Lawton, B.	1,890
Lee, M.	300	Lee, M.	900
Leighton, E.P.	322	Leighton, E.P.	2,150
Livingston, L.A.	1,215	Livingston, L.A.	1,358
Loomis, T.M.	645	Loomis, T.M.	860
Lusty, B.	700	Lusty, B.	-
Macdonald, J.	645	Macdonald, J.	1,613
Magill, R.	300	Magill, R.	900
Manuel, R. T.	300	Manuel, R. T.	300
Maru, B.T.	390	Maru, B.T.	1,560
McAllister, E.	300	McAllister, E.	800
McAlpine, A.	910	McAlpine, A.	-
McKinnon, D.	300	McKinnon, D.	-
McLean, D.	600	McLean, D.	-
Mears, J.	700	Mears, J.	-
Moore, N.	900	Moore, N.	-
Morrison, B.J.	1,485	Morrison, B.J.	2,130
Mulligan, T.	600	Mulligan, T.	-
Mulqueen, M.F.	900	Mulqueen, M.F.	1,100
Muru, J.	300	Muru, J.	600
Namana, M.K.	968	Namana, M.K.	1,720
Nicholl, W.L.	1,828	Nicholl, W.L.	2,204
Nicholson, A.D.	600	Nicholson, A.D.	2,400
Ogilvie, D.J.	900	Ogilvie, D.J.	1,400
Olsen, S.N.	300	Olsen, S. N.	900
Paewai, O.N.M.	900	Paewai, O.N.M.	1,100
Pardoe, M.E.	750	Pardoe, M.E.	900
Pedersen, C.	900	Pedersen, C.	900
Perry, S.	700	Perry, S.	-
Petersen, D.	600	Petersen, D.	-
Price, S.	550	Price, S.	-
Pugh, S.L.	500	Pugh, S.L.	1,900
Raelge, U.L.	630	Raleque, U.L.	630

Note 13 continued

	2010 Total Fees Paid \$		2009 Total Fees Paid \$
Rasalingam, N.	2,175	Rasalingam, N.	1,885
Rea, L.J.	1,800	Rea, L.J.	2,100
Reilly, K.M.	300	Reilly, K.M.	1,500
Riddle, N.	600	Riddle, N.	-
Rigarlsford, A.J.	-	Rigarlsford, A.J.	945
Rowlands, D.	900	Rowlands, D.	1,100
Ryan, D.G.	645	Ryan, D.G.	860
Ryan-Bell, M.E.	600	Ryan-Bell, M.E.	600
Sciascia, M.	215	Sciascia, M.	-
Scogins, B.A.	1,620	Scogins, B.A.	1,890
Scott, R.E.	2,990	Scott, R.E.	3,719
Scott, R.S.	300	Scott, R.S.	600
Sharp, Y.L.	1,170	Sharp, Y.L.	1,235
Sharpe, P.	390	Sharpe, P.	1,430
Shields, M.K.	2,160	Shields, M.K.	1,080
Shortland, M.	300	Shortland, M.	600
Simpkin, G.	968	Simpkin, G.	1,398
Si'ulepa, N.I.	840	Si'ulepa, N.I.	1,260
Sole, J.	1,400	Sole, J.	-
Soper D.E.H.	600	Soper D.E.H.	2,400
Suchdev, P.	1,200	Suchdev, P.	1,500
Sunitsch, T.	600	Sunitsch, T.	2,000
Talbot, K. W.	2,204	Talbot, K.W.	2,939
Tankersly, L.	-	Tankersly, L.	600
Taylor, D.W.	1,290	Taylor, D.W.	1,881
Thomas, B.A.	1,170	Thomas, B.A.	1,860
Tongatule, I.	662	Tongatule, I.	630
Tozer, W.	550	Tozer, W.	-
Ulrich, C.E.	-	Ulrich, C.E.	900
Van der Heyden, A.R.	900	Van der Heyden, A.R.	900
Walsh, V.	405	Walsh, V.	-
Wanden, B.	600	Wanden, B.	-
Wendt, M.	800	Wendt, M.	-
Wetere, K.T.	-	Wetere K.T.	435
Whaitiri, W.	1,290	Whaitiri, W.	860
White, J.J.	1,170	White, J.J.	1,430
Williams, H.M.	1,595	Williams, H.M.	1,918
Wilson, M.E.	836	Wilson, M.E.	-
Wilson, T.M.	720	Wilson, T.M.	-
Young, S.	1,890	Young, S.	2,025
Total fees paid	112,986	Total fees paid	129,521

New Zealand Lottery Grants Board

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