



Lottery Grants Board
Te Puna Tahua
LOTTO FUNDS FOR YOUR COMMUNITY

New Zealand Lottery Grants Board

Te Puna Tahua



Annual Report

For the year ended 30 June 2019
G.7B

New Zealand Lottery Grants Board

Te Puna Tahua

Annual Report

For the year ended 30 June 2019

Presented to the House of Representatives pursuant to section 295 of the Gambling Act 2003

Cover photo credit: Photographer, Norman Apirana. Photo of Ātea a Rangi Star Compass at Waitangi Regional Park in Hastings



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**Te Tari Taiwhenua
Internal Affairs**

To the Minister of Internal Affairs

In accordance with section 295 of the Gambling Act 2003, I present the report of the Lottery Grants Board (Board) and of each distribution committee for the 12 months ended 30 June 2019, together with a copy of the accounts of Profits of New Zealand Lotteries for the same period. The role of the Board is to determine the proportions in which the profits of Lotto NZ are allocated for distribution.

Annual Accounts

The 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.

New Zealand Lotteries Commission conducted lotteries throughout this financial year under section 238 of the Gambling Act 2003. The profits of New Zealand Lotteries are paid 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 2019 provided under section 156 of the Crown Entities Act 2004 is included along with the financial statements in this report.

A handwritten signature in blue ink that reads "Paul James".

Paul James

Secretary
Department of Internal Affairs
New Zealand Lottery Grants Board

Lottery Grants Board
c/o Department of Internal Affairs
45 Pipitea Street
PO Box 805
WELLINGTON 6140
0800 824 824

Te Puna Tahua

New Zealand Lottery Grants Board

Vision/Te Whāinga

New Zealanders building strong, sustainable communities together.

Ko te hunga nō Aotearoa e waihangā tahi ana i ngā hapori pakari.

Mission/Te Whakatakanga

Contribute funding to support the vision in a considered, responsive and timely way.

Ko te tuku pūtea hei tautoko i te whāinga mā te ara taute, māhorahora, arotau hoki.

Relationships/Tātai hono

The Lottery Grants Board recognises the aspirations and needs of Māori and their protocols.

E mārama ana a Te Puna Tahua ki ngā wawata me ngā hiahia o te iwi Māori, me ō rātou tikanga.

Board Members

Photo: from left to right, top row:

Hon Tracey Martin
(Minister of Internal Affairs, Presiding Member)

Maxine Shortland
(Appointed by the Governor-General)

Photo: from left to right, middle row:

Robyn Wallace
(Appointed by the Governor-General)

Khoa Nguyen
(Appointed by the Governor-General)

Photo: from left to right, bottom row:

Hon Ruth Dyson MP
(Prime Minister's Representative)

Stuart Smith MP
(Leader of the Opposition's Representative)

Outputs

In 2018/19, the Lottery Grants Board allocated funding to the Lottery Community Committees, as follows:

Regional Community Committees	\$42,969,068
National Community	\$15,457,070

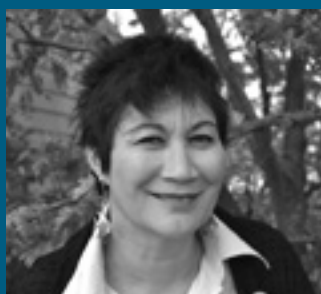
Lottery Specialist Committees received the following allocations:

Community Facilities	\$20,013,461
Community Sector Research	\$649,729
Environment and Heritage	\$12,676,016
Fund for Community Benefit Related to the 2021 America's Cup	\$20,000,000
Health Research	\$4,415,648
Individuals with Disabilities	\$6,118,088
Minister's Discretionary Fund	\$2,528,609
Oranga Māori	\$12,540,216
Outdoor Safety	\$8,832,158
Significant Projects	\$26,000,000

Statutory Bodies 42%:

Creative New Zealand	15%	\$39,193,683
New Zealand Film Commission	6.5%	\$16,983,929
Ngā Taonga Sound and Vision	0.5%	\$1,306,456
Sport New Zealand*	20%	\$52,258,244

*Sport New Zealand were also allocated \$2,638,177 for the water safety sector





Presiding Member's Report

In 2018/19 the Lottery Grants Board (Board) allocated more than \$261 million of Lottery profits for distribution to support a range of activities and projects in New Zealand communities.

The Lottery profits created opportunities to support activities not previously funded, including the establishment of a new fund, while continuing to support communities affected by natural disasters.

Responding to emerging needs

2018/19 saw continued support for communities affected by natural disasters, including working closely with the Tasman District Council to distribute \$1.79 million of funding to those affected by the Tasman fires. It was the first time the Board used its natural disaster emergency reserve. The Board holds a natural disaster emergency reserve to enable it to respond quickly to the needs of communities in these situations.

The recovery of communities impacted by the Hurunui, Marlborough and Kaikoura earthquake continues to be supported through the Hurunui Kaikoura Marlborough Community Facilities Earthquake Relief Fund. This funding supports communities to rebuild their facilities and restore community wellbeing.

An additional \$300,000 was allocated to the Lottery Minister's Discretionary Fund to support capacity building by funding governance training for organisations that provide support to children.

Tuia - Encounters 250 Programme

The Tuia - Encounters 250 Programme completed its last funding round in February 2019, distributing a total of \$9 million through 50 grants since it

opened. Funding enabled the Board to support the events and programmes that acknowledge the first onshore meetings between Māori and Europeans in Aotearoa New Zealand.

Oranga Marae

The Board has continued to support marae achieve their aspirations through the Oranga Marae programme, which was allocated an additional \$3 million in 2018/19. Over \$14 million has been awarded to marae through 21 grants in 2018/19.

Community Benefit related to the 2021 America's Cup

The Board allocated \$20 million to establish the Community Benefit related to the 2021 America's Cup Fund. This Fund provides an opportunity for communities across the country to benefit from Auckland hosting the 2021 America's Cup, as well as ongoing benefits from the capital investment for communities after the event. In 2018/19, three organisations received grants from this Fund.

Lottery Significant Projects

The Board allocated \$26 million to the Lottery Significant Projects Fund in 2018/19. This Fund supported organisations that are undertaking major community-based capital expenditure projects. In particular, this Fund supported eight community organisations implement projects related to arts, culture, heritage, sports, recreation and visitor services.

Board and Committees

There have been several changes in membership of the committees, with new committee members being welcomed in both the national and regional committees. The Board and I would like to thank all outgoing members for their service to the

community and welcome the new committee members into their roles. We would like to thank all continuing members of Lottery distribution committees for their ongoing commitment to support New Zealand communities.

I would also like to thank my fellow Board Members for their contribution during 2018/19 and the Department's staff who administer lottery funding on our behalf.

Year ahead

Lotto NZ's 2019/20 profit forecast has enabled the Board to allocate \$252 million to support communities. The Board has agreed to continue the Lottery Significant Projects Fund for a fifth consecutive year.

Hon Tracey Martin
Minister of Internal Affairs

Secretary's Report

2018/19 has been a productive year with the establishment of a new fund and increased collaboration with other funders to meet the needs of the community and voluntary sector in addition to the administration of the core funding distribution.

Grants administration

The Department of Internal Affairs (Department) received 4,576 applications requesting approximately \$446 million in 2018/19. Distribution committees (committees) made 2,769 grants totalling over \$186 million, a 30.9 percent increase on 2017/18.

The number of applications received has declined by 5 percent since 2016/17 due to the introduction of multi-year funding for a number of committees. 10 percent of all Lottery committee grants are for multi-year funding.

Cross agency collaboration

Oranga Mārae

The Oranga Mārae Programme continues to support the cultural and physical revitalisation of marae through a joint approach between the Department and Te Puni Kōkiri. Oranga marae enables access to Crown and Lottery Funding through one programme and as such is quite unique. Advisors from both Te Puni Kōkiri and the Department are available to support marae with their development plans and the application process.

Tuia – Encounters 250 Programme

Working with the Ministry of Culture and Heritage has enabled the Tuia-Encounters 250 Programme to support projects and events that connect and build New Zealanders' understanding of New Zealand's dual heritage, and the first meetings between Māori and Europeans. The Ministry of Culture and Heritage supported the decision making committee by providing insight on many

of the events and projects, for which funding was requested.

Responsiveness to Community

Department staff continued to work with Hurunui, Kaikōura and Marlborough earthquake-affected communities to assist them to access funding for the rebuild, restoration and replacement of community facilities. A community-led approach is used to ensure the building continues to meet community need, now and into the future.

In early 2019 Department staff worked with Tasman District Council to identify how the communities affected by Tasman District fires could be supported through Lottery. As a result the Board allocated an additional \$1.792 million to the Minister's Discretionary Fund to support the recovery of the community, specifically the restoration of land, prevention of soil erosion and costs of community organisations.

Multi-year funding/Responding to the sector

2018/19 saw an increase in the number of multi-year grants awarded to organisations through 11 Lottery Community committees and now sits at 15 percent of Lottery Community grants. Multi-year funding was also made available for the Lottery Outdoor Safety Fund.

Multi-year funding provides organisations long term funding assurance and reduces the time needed to make multiple applications, enabling community organisations to focus on service delivery to communities.

Community benefit related to the America's Cup

A new fund was established to support community benefit relating to the 2021 America's Cup. The Fund aims to connect

communities around New Zealand to the 2021 America's Cup event being hosted in Auckland. I was very pleased with the team's ability to develop and implement this Fund in a short space of time.

In appreciation

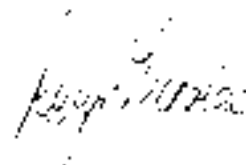
There have been a number of new presiding and committee members appointed this year. I would like to extend a warm welcome to each of them. Thank you also to out-going presiding and committee members for their dedication over their terms.

I would like to acknowledge the range of skills and expertise every committee member has contributed to their role. They provide a valuable service to support New Zealand communities to be resilient and achieve their aspirations. Our communities are well supported by the careful and timely distribution of Lottery funds.

Thank you also to Department staff who support the work of the Board, committees and our communities. Your continued commitment makes a real difference to New Zealand communities.

Looking ahead to 2019/20

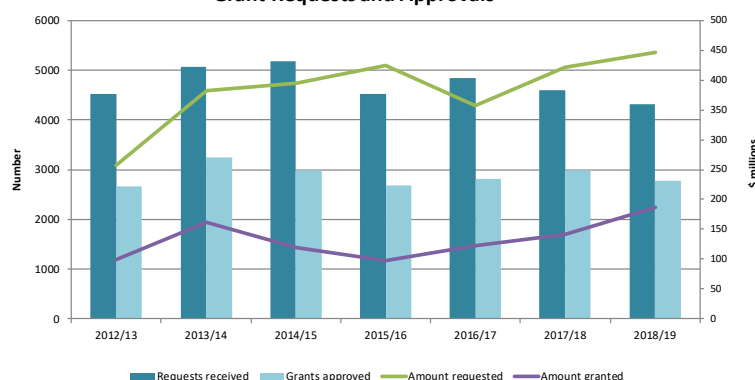
I look forward to the further development of the Oranga Mārae Programme and on-going opportunities for increased collaboration with other funders to make things easier for communities to access Lottery funding.



Robyn Nicholas

Secretary
New Zealand Lottery Grants Board

Grant Requests and Approvals



Board Liaison Members' Report

2018/19 has been another productive and eventful year for the Lottery Grants Board (Board).

As Board Liaison Members we attend a combination of regional and national distribution committee decision meetings across the country. We are the link between the Board and the distribution committees (committees) and provide guidance and support on Board policy and directions.

This year the Board was pleased to reactivate the Lottery Significant Projects Fund for a fifth consecutive year. Other highlights for the Board are:

- additional \$3 million funding to support physical and cultural revitalisation of marae
- an additional \$2 million to support the building and maintenance of community facilities
- additional \$300,000 to support children's organisations to help them to improve their financial planning and/or governance ability
- \$1.792 million to help the recovery effort in Tasman

- \$20 million to encourage community benefit across New Zealand from Auckland hosting the 2021 America's Cup.

We also attended a Presiding Members Policy Advisory Group meeting, which provided an opportunity for Presiding Members from all committees to meet face to face, receive training and an opportunity to share their innovative and collaboration work with each other. This year discussions included increasing the use/effectiveness of multi-year funding.

We would like to acknowledge the work of all the committees and their commitment to ensure Board funds are distributed to provide benefit for New Zealand communities.

Thank you to fellow Board members, distribution committee members and Department staff who continue to provide us with on-going support, to fulfil our roles.

Khoa Nguyen, Maxine Shortland and Robyn Wallace

Board Liaison Members



Khoa Nguyen



Maxine Shortland



Robyn Wallace

Governance and Accountability Statement

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

The Board is made up of six members. The Minister of Internal Affairs is responsible for the Board and is the Presiding Member. A representative of the Prime Minister and a representative of the Leader of the Opposition are ex-officio members. Three community members are appointed by the Governor-General.

The Board is empowered by the Gambling Act 2003 to make allocations to:

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

The 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 the Board.

The 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 distribution committee considers it to be relevant and appropriate.

The Board determines general policies and issues general directions with which the committees must comply when distributing grants. A policy advisory group comprising the Presiding Members

of committees provides advice to the Board on strategic and policy issues, and promotes consistent Lottery grant policy development. The Board Liaison Members also attend these meetings.

Distribution channels

In addition to the Minister's Discretionary Fund, there are 21 Lottery committees. The statutory bodies and committees funded by the Board are shown on page 8.

Each 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. Most committees have two distribution meetings each year, but some have one funding round, or consider applications as they are received.

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

Applications that are for a community purpose described by the Gambling Act 2003, but not within the scope of a committee, are referred to the Minister's Discretionary Fund.

Distribution of Lottery funding

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 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 applications, committees consider:

- the community need for the activity or service
- community benefit assessment and support for the activity
- the fit with 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 allocated a guaranteed minimum percentage of 42 per cent of its annual income from the New Zealand Lotteries Commission (Lotto NZ) to the statutory bodies listed in section 279 of the Gambling Act 2003.

The percentages received by each are:

- Creative New Zealand 15%
- New Zealand Film Commission 6.5%
- Ngā Taonga Sound & Vision 0.5%
- Sport 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.

Ngā Taonga Sound & Vision was previously part of the New Zealand Film Commission but is now a charitable trust and has a Memorandum of Understanding with the Minister for Arts, Culture and Heritage.

Sport 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, committees 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 range of services purchased from the Department 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.

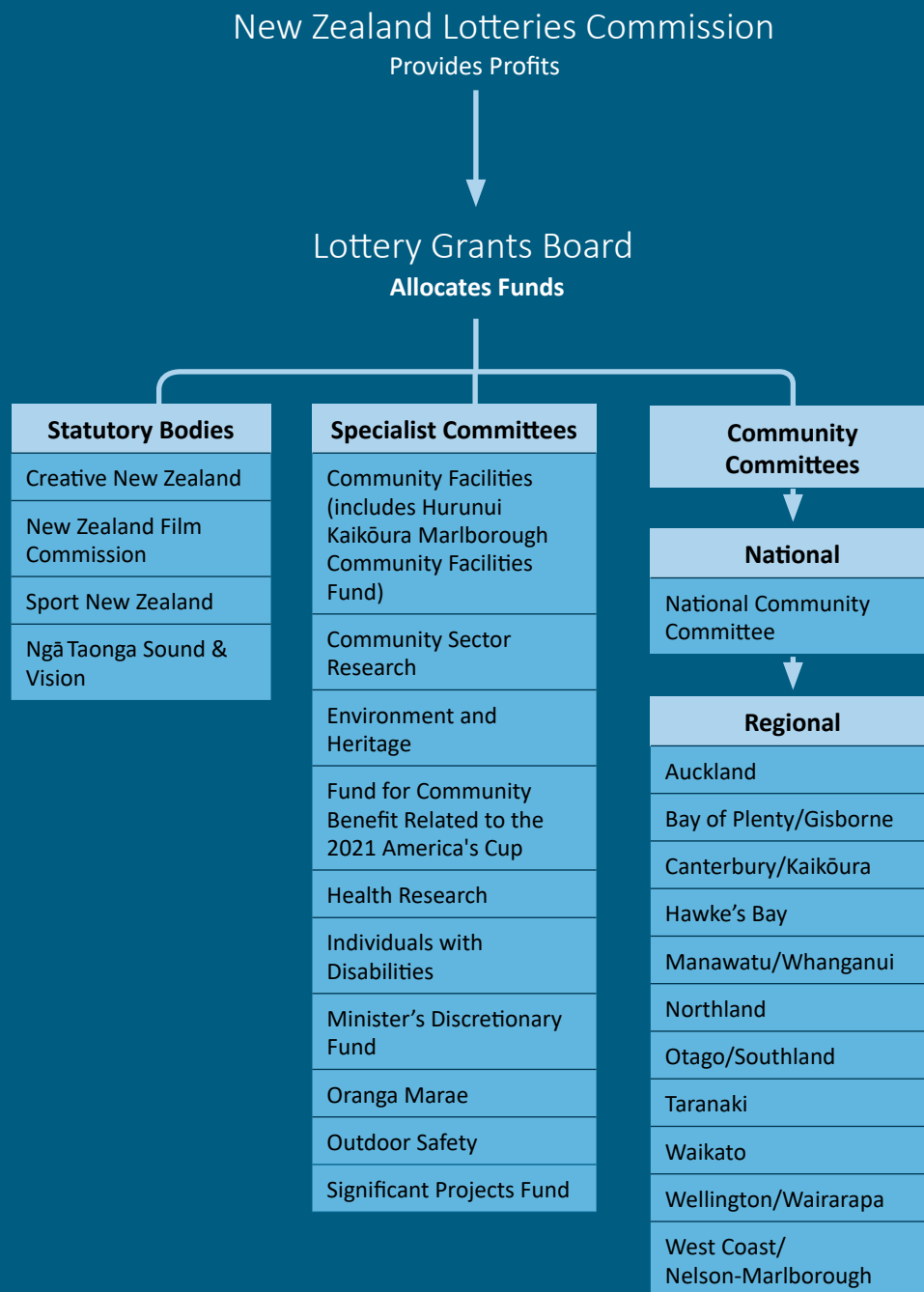
Accountability

The Board does not hold bank accounts. Instead, the Department 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 Gambling Act 2003 are paid for from this account. The Board accounts for its funds in its annual report, which is tabled in the House of Representatives.

1. 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 2018/19



A full list of grants made is available on the Community Matters website at www.communitymatters.govt.nz

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, physical and cultural revitalisation of marae, aspirations and outdoor safety. A Minister's Discretionary Fund considers initiatives that fall outside the responsibility of other committees and have demonstrable community benefit.

- Community Facilities (which includes a Board allocation for communities impacted by the Hurunui/Kaikōura/Marlborough earthquake)
- Community Sector Research
- Environment and Heritage (which includes a Board allocation for Tuia – Encounters 250 Programme)
- Fund for Community Benefit related to the 2021 America's Cup
- Health Research
- Individuals with Disabilities
- Minister's Discretionary Fund
- Oranga Marae
- Outdoor Safety
- Significant Projects Fund.

Community Facilities Committee

Te Tahua Hapori Ngā Whakaurunga



Committee Members

Mary Bourke (Presiding Member)

Julie Hardaker

Robyn Wallace (to July 2018)

Pengbo Jiang (from October 2018)

Tina Karaitiana (from October 2018)

Shirish Paranjape (from October 2018)

Tātai hono Relationships

The Committee recognises the aspirations and needs of Māori and their protocols.

E whakatau ana te Tahua Hapori Ngā Whakaurunga i ngā hiahia me ngā tūmanako o te Māori me o rātou kawa.

Outcome Statement

Increased Community participation and social cohesion is increased through the development of community facilities.

Committee Priorities

Priority is given to projects that:

- are community-led and well-supported by the community
- will meet a community need
- are the right size for that community
- will provide new opportunities for people to be involved with and connected with the community, especially:
 - rural and isolated communities
 - disadvantaged groups
 - people who can't easily access similar or suitable community facilities.

The Committee prefers applications for community facilities that will be used for

more than one purpose and/or shared.

The Committee also prefers applications that show the community is able to develop, run and look after the facility in the future, without needing further Lottery funding.

Meeting Community Needs

During the 2018/2019 year the Fund allocated \$20,638,020 towards a diverse range of multi-purpose capital work projects. Most will cater predominantly for local need, and in some instances also fulfil a regional need.

Examples of grants provided in 2018/2019:

- \$180,000 was granted to Māoriland Charitable Trust towards the renovation of a former retail store into a multi-purpose community cinema, arts and performing arts facility in Otaki. The space will be used for public workshops, art and cultural activities, and to support local youth groups in training and development opportunities
- \$131,138 was granted to Hurunui District Council towards the restoration and upgrade of Waiau Community Hall built in 1912. Waiau is a small, rural community in North Canterbury that services surrounding districts. The hall is well-used by the community and the only facility in Waiau not significantly damaged from the effects of the November 2016 earthquake. The grant will help improve this heritage building's functionality and enable it to be used by community well into the future
- \$600,000 was granted to Te Ora Hou Northland towards the construction of a multi-purpose youth and whānau community centre and recreation centre in Tikipunga, Whangarei. The hub development will support collaborative delivery of a wide range of wrap-around services in health, employment, education and social services for whānau and young people.

Committee

There were significant changes to the Committee membership this year.

Robyn Wallace resigned in July 2018 to become a member of the Lottery Grants Board. Tina Karaitiana, Pengbo Jiang and Shirish Paranjape were appointed to the Committee in October 2018, bringing diverse experiences and perspectives, local community experience and financial expertise. Acknowledgement was made to outgoing members Janie Annear and Andrew von Dadelszen in March 2018 for their longstanding contribution and counsel in Committee decision-making.

Although 2018/2019 saw the highest allocation to the Fund, it continues to be significantly over-subscribed. The most significant challenges have been the number of funding applications, the scale of the capital works projects, and balancing applicants' expectations for medium to large scale capital works projects. The Committee continues to support capital works projects which are accessible to the general public, shared between multiple groups to avoid duplication of resources, and meet the changing needs of local communities.

Mary K. Bourke

Mary K. Bourke

Presiding Member
Community Facilities Committee

2018/19 Allocation	\$20,013,461
Funding returned in 2018/19	\$662,579
Total amount available for distribution	\$20,676,040
Total amount requested	\$48,478,794
Total amount approved	\$20,638,020
Percentage of amount requested that was approved	43%
Number of applications received	216
Number of applications considered	186
Number of applications approved	130
Percentage of applications approved	69%
Largest approved grant	\$750,000
Average approved grant	\$158,754
Smallest approved grant	\$1,800

Hurunui Kaikōura Marlborough Community Facilities Earthquake Fund

Pūtea Rota mō ngā Ratonga Hapori Rū ki Hurunui Kaikōura Wairau



Sub-Committee Members

Dugald McLean (Presiding Member)

Terry Donaldson

Christine Korako

Pam Woodward

Alison McAlpine

Outcome Statement

To rebuild, restore or replace community facilities in the earthquake-impacted communities of Hurunui, Kaikōura and Marlborough.

Committee Priorities

- capital works projects from rural and isolated communities which restore and rebuild community assets to a pre-quake or slightly improved state
- restoration and/or rebuild of assets identified by the local community as central to restoring community engagement and wellbeing.

Meeting Community Needs

Following the November 2016 earthquake and subsequent aftershocks The Lottery Grants Board set up a special \$7.5 million capital works fund to help rebuild, restore or replace community facilities in the earthquake-affected communities of Hurunui, Kaikōura or Marlborough.

Communities across this region have come together to identify the key facilities in their areas to repair, rebuild or restore.

\$294,826 was granted as a contribution towards the rebuild of the Waiau Playcentre. Since the earthquake this Playcentre has been operating out of a very restrictive space and because of this the license only allows for 10 children at each session. The new space will allow the numbers enrolled to increase. The Playcentre has been an integral part of this community for a number of years and provides a safe learning environment for children through play as well as a place for parents to socialise, connect and support their children's learnings. The space will also be available for use by other community organisations where they can hold regular events and activities.

Kaikōura Community Theatre, otherwise known locally as the Mayfair Theatre, was awarded a grant of \$328,170 towards the planning and development of the theatre re-build. The theatre required a complete rebuild following the earthquakes, however, the historic art deco façade was unable to be retained. This project is considered a symbol of progress in the district as a key part of the post-quake recovery.

A grant of \$99,631 was awarded for repairs to the earthquake damaged Ward Hall. The hall is a critical focal point for the community providing a hub where community activities and events take place, providing a space for people to gather, participate and socialise. The repair has also provided an opportunity for some additional upgrades to be completed which have been supported by the Marlborough District Council.

Sub-Committee

The Sub-Committee was established in December 2016 to distribute this Fund. The Committee review each request on an ongoing basis allowing prompt and timely decision making to enable projects to commence.

Thank you to all committee members who continue to complete their work enabling communities to continue in their recovery

DSA McLean

Dugald McLean

Presiding Member
Hurunui Kaikōura Marlborough
Earthquake Relief Fund Sub-Committee

2018/19 Allocation	-
Carried forward funding from 2017/18	\$6,661,159
Funding returned in 2018/19	-
Total amount available for distribution	\$6,661,159
Total amount requested	\$2,526,567
Total amount approved	\$2,174,951
Percentage of amount requested that was approved	86%
Number of applications received	11
Number of applications considered	8
Number of applications approved	7
Percentage of applications approved	87%
Largest approved grant	\$942,420
Average approved grant	\$ 310,707
Smallest approved grant	\$28,770

Community Sector Research Committee

Te Tahua Rangahau mo ngā Hapori



Committee Members

Nan Wehipeihana (Presiding Member from May 2019)

Conway Powell (Presiding Member, resigned October 2018)

Rendt Gorter

Ang Jury (from November 2018)

Hilary Stace (from November 2018)

El-Shadan (Dan) Tautolo (from May 2019)

Tātai hono Relationships

The 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

Research and evaluation by the community, with the community and for the community is enhanced.

Committee Priorities

Priority is given to projects that:

- help address community priorities or needs, particularly for disadvantaged communities or minority groups
- support community hapū or iwi led development initiatives
- benefit more than one organisation, geographic community or community of interest

- involve community organisations or communities, hapū and iwi working together
- build community knowledge or research skills.

Meeting Community Needs

The Committee funds research and evaluation projects by community organisations that will benefit both the grant recipient and the wider community. Grants awarded in 2018/19 enabled eight organisations to evaluate their current service delivery models and two organisations to conduct needs analyses.

Examples of grants included:

- \$25,000 to Connecting Communities Wairarapa to fund a project to determine the feasibility of establishing a food rescue service in Wairarapa
- \$35,000 to Brothers in Arms Charitable Trust to find out more about its community volunteer mentoring model. Its anecdotal evidence suggests that if a young person with complex social needs receives community volunteer mentoring from a trusted reliable adult for 12 months or more, this can strengthen their core life skills which can be a catalyst for positive adolescent development
- \$10,482 to the Billy Graham Youth Foundation to assist its national advisory service to evaluate its current service delivery model ensuring its relevance for the future. The foundation enables youth to enrol in programmes for educational, social and physical development provided by any boxing academy in New Zealand. The foundation currently supports academies in seven communities and more applications to the foundation are expected.

Committee

This year the Committee held four grant decision meetings in a year. As anticipated, holding more frequent grant decision meetings enabled more timely assistance to projects.

Nan Wehipeihana and Conway Powell became Committee members in August 2011. When Conway resigned in October 2018, the Committee asked Nan to act as Presiding Member and were pleased to have the Minister formalise the appointment in May 2019.

Committee members appreciated Conway's leadership and style. During his 8 year term on the Committee Conway contributed multiple perspectives to decision making coming from his knowledge and experience of communities in his region and nationwide, business, and research, flavoured by living in the South Island.

For the first time for some years there is a full Committee at the end of a year. At the December 2018 meeting Ang Jury and Hilary Stace were welcomed, and then in June 2019, El-Shadan. The Committee is looking forward to working together to support communities meet their research and evaluation needs.

Nan Wehipeihana

Presiding Member
Community Sector Research Committee

2018/19 Allocation	\$649,729
Funding returned in 2017/18	-
Total amount available for distribution	\$649,729
Total amount requested	\$1,746,658
Total amount approved	\$348,010
Percentage of amount requested that was approved	20%
Number of applications received	31
Number of applications considered	29
Number of applications approved	11
Percentage of applications approved	38%
Largest approved grant	\$83,450
Average approved grant	\$31,637
Smallest approved grant	\$8,000

Environment and Heritage Committee

Te Tahua Taiao Ngā Taonga



Committee Members

Philippa Fourie (Presiding Member)

Bridget Mosley

Vivienne Shaw

Maggie Bayfield

Elizabeth Pishief (from October 2018)

Tātai hono Relationships

The Committee recognises the aspirations and needs of Māori and their protocols.

E whakatau ana Te Tahua

Whakamaharatanga kit e Pakanga

Tuatahi o te Ao, te Taiao me ngā Taonga

Tuku Iho I ngā hiahia me ngā tūmanako o

te Māori me rātou kawa.

Outcome Statement

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

Committee Priorities

Priority is given to Natural Heritage projects that:

- protect and restore habitats and ecosystems for native plants or animals
- protect and conserve native plants or animals that are rare, in danger, or at risk in their habitats
- improve public access and information about native plants and animals.

Priority is given to Physical Heritage projects that:

- restore and protect places, structures or large built objects of significance to our history
- protect and conserve a place, structure or large built object for the future
- improve public access and information about places, structures or large built objects of significance to our history.

Priority is given to Cultural Heritage projects that:

- protect collections that are at risk of being damaged or lost
- make collections available to the community
- improve public access and information, particularly for young people to learn about and experience our cultural heritage
- conserve and protect moveable cultural property, such as photographs, paintings, furniture and other artefacts.

Meeting Community Needs

In 2018/19 the Committee saw collaboration emerging as a theme, with organisations working together to share resources, particularly in the natural heritage area, and looks forward to seeing how this progresses. It is also seeing an increase in natural heritage projects where the site is of cultural importance and work is being undertaken to take it back to how the site was in its earlier days. An example of this is the work being undertaken by the Ngāi Tahu Māori Rock Art Trust which was awarded a grant of \$19,757 towards the costs of restoring and replanting a 10 hectare area of wetland/limestone escarpment which surrounds a group of 13 nationally significant Māori rock art sites in Opihi.

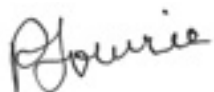
The Committee also appreciates that there's been a growing awareness of the need to protect important collections from the impact of weather with many local museums looking to put measures in place to protect their collections and also make these more accessible to the wider communities, such as having the information online. Canterbury Museum was awarded a grant of \$290,000 towards the costs of digitising the Standish and Preece Collections from the late 1800s to early 1900s.

With the spotlight on the seismic safety of buildings, following the significant earthquakes New Zealand has endured, the Committee is seeing an increasing number of heritage building projects seeking funds towards restoration and seismic strengthening. This is crucial to the long-term preservation of buildings with heritage significance, as well as the safety of the people accessing those buildings. One such example is the grant of \$500,000 awarded to Heritage New Zealand to restore and strengthen Old St Paul's Presbyterian Church damaged in the November 2016 Kaikoura earthquake.

Committee

The Committee was pleased to welcome onboard Elizabeth Pishief, who brings valuable knowledge in the area of archaeology and heritage, adding to the rich pool of knowledge and breadth of discussions at Committee meetings.

Lottery Environment and Heritage continues to be oversubscribed, resulting in challenges as to how best to distribute its funding. The Committee works to balance the needs of the community, and the alignment of applications with the priorities of the Fund and of the Lottery Grants Board.



Philippa Fourie

Presiding Member
Environment and Heritage Committee

2018/19 Allocation	\$12,676,016
Funding returned in 2018/19	\$306,829
Total amount available for distribution	\$12,982,845
Total amount requested	\$32,753,582
Total amount approved	\$12,768,679
Percentage of amount requested that was approved	39%
Number of applications received	138
Number of applications considered	128
Number of applications approved	87
Percentage of applications approved	68%
Largest approved grant	\$850,000
Average approved grant	\$146,766
Smallest approved grant	\$3,238

Tuia - Encounters 250 Programme

Tuia – Te Kaupapa Tūtakitaki 250



Committee Members

Philippa Fourie (Presiding Member)

Bridget Mosley

Vivienne Shaw

Maggie Bayfield

Elizabeth Pishief (from October 2018)

Tātai hono Relationships

The Committee recognises the aspirations and needs of Māori and their protocols.

E whakatau ana Te Tahua

Whakamaharatanga kit e Pakanga

Tuatahi o te Ao, te Taiao me ngā Taonga

Tuku Iho I ngā hiahia me ngā tūmanako o te Māori me rātou kawa.

Outcome Statement

- Access, understanding and promotion of the distinctive regional stories, iwi/hapū history, mātauranga and heritage connected to the first meetings of Māori and Europeans is increased
- Commemorative events, activities and projects that express the diversity of perspectives and experiences in relation to the Tuia - Encounters 250 themes within regions are facilitated
- Public engagement with the arts, science, technology and mātauranga Māori through initiatives developed to promote Tuia - Encounters 250 themes in regions across New Zealand is increased.

Committee Priorities

Priority is given to projects that:

- enable New Zealanders to gain a better understanding of New Zealand's dual heritage, our complex history of migration and settlement and how this has shaped New Zealand's identity
- are inclusive and encourage the active participation of a diverse range of New Zealanders (considering ethnicity, socioeconomic status, gender, age, exceptionalities, language, sexual orientation, and geographical area) in Tuia – Encounters 250 commemoration projects, events and activities
- deliver meaningful social, cultural, environmental and/or economic community benefit for communities across New Zealand
- promote iwi/hapū experiences, stories, mātauranga and cultural practices at or before 1769 to promote a balanced historical narrative relating to New Zealand's dual heritage
- are delivered through collaborative partnerships (e.g. between community groups, iwi, local authorities, philanthropists).

Meeting Community Needs

In 2018/19 the Sub-Committee was pleased to complete the distribution of its funding well in advance of the official events period.

The Sub-Committee wanted this funding to enable people from all over New Zealand to have the opportunity to learn about New Zealand's dual heritage, and the stories, encounters and events that played out in or before 1769.

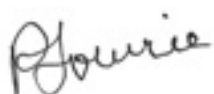
Much of the focus for the national events has been centered around projects and activities happening at the landing sites. The Mercury Bay 250th Anniversary Trust was granted \$504,769 towards a series of events throughout 2019 and 2020 called Te Pōwhiri – The Welcome. Te Whanganui o Hei/Mercury Bay is the location of one of the first amicable meetings between Māori and Europeans in early November 1769.

However, the Sub-Committee also funded projects in regions that may not have had the same significance as events at the landing sites but were considered important. A grant of \$115,000 was awarded to Otago Museum to deliver a number of programmes to schools on Astronomy and Celestial Navigation, early Māori Technology, Te Tiriti o Waitangi and the Human Impact on Aotearoa.

The Sub-Committee wanted to ensure that after the national events ended, there were legacy projects enabling the wider community to reflect on the first onshore meetings between Māori and Europeans. Museum of New Zealand Te Papa Tongarewa was provided \$500,000 towards the purchase of the William Hodges painting, Waterfall in Dusky Bay with Maori canoe, to be put on public display.

Sub-Committee

The Sub-Committee welcomed the opportunity to work closely with the Ministry for Culture and Heritage, which has been instrumental in driving the national events programme. As this Fund had no fixed opening and closing dates, the Sub-Committee used video-conferencing for a number of distribution meetings, to reduce the timeframe for decisions and enable communities to get projects under way for the event period. While this introduced changes to the way meetings were managed, the Sub-Committee appreciated the flexibility that video-conferencing allowed.



Philippa Fourie

Presiding Member
Environment and Heritage Committee

2018/19 Allocation	-
Carried forward funding from 2018/19	\$8,833,000
Funding returned in 2017/18	-
Total amount available for distribution	\$8,833,000
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Total amount requested	\$24,051,360
Total amount approved	\$8,833,000
Percentage of amount requested that was approved	37%
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Number of applications received	119
Number of applications considered	116
Number of applications approved	49
Percentage of applications approved	42%
Largest approved grant	\$504,769
Average approved grant	\$180,265
Smallest approved grant	\$7,000

Health Research Committee

Te Tahua Rangahau Hauora



Committee Members

Chris Cunningham (Presiding Member)

Charis Brown

Barbara Docherty (to May 2019)

Ridvan Tupai-Firestone (from May 2019)

Dianne Wepa

Sarah Young

Tātai hono Relationships

The Committee 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

Priority is given to applications that:

- show how the research will translate into better health outcomes for New Zealand populations, including Māori and Pasifika
- show why the health issue is significant for New Zealand
- address a unique gap in health research knowledge in New Zealand
- includes researchers who will contribute to the New Zealand health sector over time.

For post-doctoral fellowships and PhD

scholarships applications, priority is given to:

- researchers who are early in their career or entering and/or returning to the New Zealand work force
- host organisations that show they will provide quality support, management and supervision.

For shared equipment and translational research project applications, priority is given to:

- collaboration, particularly with significant pieces of research equipment, which should be shared between a number of research centres/institutions
- projects that have received support from other funders.

Meeting Community Needs

The requirement for Lottery grants to be for a community benefit distinguishes this Committee from other health research funders. Research funded offers potential solutions to problems, such as multidrug resistant bacterial infections, obesity and brain cancer. For example, the University of Otago received a grant of \$113,169 to research how brain cancers avoid detection by the immune system and how we can combat this to create more effective treatments.

Support for researchers who are early in their career was through PhD scholarships of up to \$40,000 per year for three years, and two-year post-doctorate fellowships of \$75,000 per year.

PhD scholarships awarded included support for investigating the role of sex hormones (gender, oral contraceptives); ethnicity in post-prandial metabolism of the 3 major macronutrients: fat, carbohydrate and protein; female hormones (both endogenous and exogenous as supplied by the oral contraceptive pill), and how ethnicity can cause changes in physiological systems that either contribute to obesity, cardio metabolic disease and/or allostatic load.

Post-doctorate fellowships in 2018/19 included a grant towards developing a

new peptide 'self-bridging' technology platform through chemical synthesis and applying this to new antimicrobial peptide mimics to combat multidrug resistant bacterial infections.

The Committee also contributed to a number of shared research equipment purchases. One of these was a grant of \$200,000 to the University of Canterbury towards the purchase of a Thermo Scientific Q Exactive UHMR Hybrid Quadrupole-Orbitrap mass spectrometer which will add significant new research capability to New Zealand as the equivalent instrumentation does not currently exist. This will address important questions pertaining to biomolecular interactions of relevance to biomedicine.

Committee

The Committee held one meeting for the 2018/19 year. This reduced the timeframe for decisions for shared equipment and research project applicants by approximately 12 weeks.

Chris Cunningham

Presiding Member
Health Research Committee

2018/19 Allocation	\$4,415,648
Funding returned in 2018/19	\$718,875
Total amount available for distribution	\$5,134,523
Total amount requested	\$20,976,246
Total amount approved	\$4,561,169
Percentage of amount requested that was approved	22%
Number of applications received	194
Number of applications considered	186
Number of applications approved	47
Percentage of applications approved	25%
Largest approved grant	\$200,000
Average approved grant	\$97,046
Smallest approved grant	\$9,861

Individuals with Disabilities Committee

Te Komiti Rota mō te Tangata whai Hauātanga



Committee Members

Jonathan Darby (Presiding Member to October 2018)
 Roberta Joy Paterson (Presiding Member October 2018 to June 2019)
 Jim Webber (deceased September 2018)
 Ezekiel Robson (from March 2019)
 Friar Wadia (from March 2019)
 Mercia-Dawn Yates (from March 2019)
 Polly Yeung (from March 2019)

Tātai hono Relationships

The Committee recognises the aspirations and needs of Māori, and their protocols.

E whakatau ana Te Komiti mō ngā Tangata Hauā i ngā hiahia me ngā tūmanako o te Māori, me o rātou kawa.

Outcome Statement

People with disabilities will be more connected with, take part in and contribute more to their community which will help build stronger communities across New Zealand. Children and young people with disabilities and their families will have increased access to their communities.

Meeting Community Needs

The Lottery Individuals with Disabilities Fund reduces barriers that restrict life choices for disabled people providing funding towards vehicles, vehicle modifications, scooters, other mobility equipment, assistance dogs and communication equipment. When barriers are reduced, people with disabilities are able to participate and contribute more fully in their community.

The Fund continues to partner with the Ministry of Health to provide funding for vehicles to assist children and their families to be more involved in and connected with their local communities.

The Committee prioritises the community benefit aspect of the Fund taking into account an applicant's potential and intention of being active in their local community. The Committee also recognises the benefit to the local community of volunteer activities by people with disabilities.

The Fund continues to make a significant difference in the lives of individuals, one customer recently said "The equipment has made a big difference in my life. I am now even more able to contribute to my community through my work as a researcher".

Committee

In October 2018, Jonathan Darby completed his term as Presiding Member and Joy Paterson was appointed as the new Presiding Member. Sadly, Committee member Jim Webber passed away in September 2018. Both Jonathan and Jim made a positive contribution to the Committee. In March 2019 four new Committee members were welcomed adding a broad range of skills and knowledge within the Committee.

Roberta Joy Paterson

Presiding Member
 Individuals with Disabilities Committee

2018/19 Allocation	\$6,118,088
Funding returned in 2018/19	\$761,800
Total amount available for distribution	\$6,879,888
Total amount requested	\$16,971,729
Total amount approved	\$6,657,081
Percentage of amount requested that was approved	39%
Number of applications received	1310
Number of applications considered	1266
Number of applications approved	485
Percentage of applications approved	38%
Largest approved grant	\$28,366
Average approved grant	\$13,614
Smallest approved grant	\$249

Oranga Marae

Ka ora a-muri, ka ora a-mua – Sustaining the marae, sustaining the pae



Committee Members

Edward Ellison (Presiding Member)
 Heather Tanguay (to March 2019)
 Nicole Anderson (to March 2019)
 Wiremu Keepa (to March 2019)
 Arihia Tuoro
 Matt Te Pou (from April 2019)
 Bonita Bingham (from April 2019)
 Niwa Nuri (from April 2019)

A collaborative funding initiative

Oranga Marae is a funding initiative co-designed by Te Puni Kōkiri and the Department to support marae in cultural and physical revitalisation. Oranga Marae was designed so marae could access Te Puni Kōkiri's Crown investment and the Department's Lottery funding grants from one place. The co-investment approach provides a contestable source of funding to invest in marae nationwide.

Kaupapa

The purpose of Oranga Marae is to support the physical and cultural revitalisation of marae as centres of Māori identity and mātauranga.

Ngā kaupapa matua

Oranga Marae supports these outcomes:

- marae are safe and healthy, contributing to the well-being of iwi, hapū and whānau
- people are engaged on the marae and an increasing number of events and activities are held to ensure the transmission of mātauranga Māori
- marae increasingly contribute to the revitalisation of te reo and tikanga Māori
- whānau work together to develop the marae.

Committee Priorities

Decisions are guided by the following priorities:

- marae facilities are fit for purpose
- the capacity of the marae to practice and support their cultural capability increases
- the functionality of the marae is strengthened
- the number of people/whānau engaged on the marae increase
- the number of whānau sharing and using tikanga, mātauranga and te reo on the marae increase.

Meeting Community Needs

Oranga Marae provides support, advice and investment to whānau and hapū to help develop their marae and achieve their goals. This support may include building projects and activities to revitalise cultural knowledge.

A key goal of the programme is to strengthen the ability of marae to pass on their ancestral knowledge of whaikōrero, karanga and local mātauranga, tikanga and kawa to descendants.

Oranga Marae can provide funding for:

- marae development planning
- technical or feasibility study support
- cultural revitalisation activities, and
- capital works.

Committee

In 2018/2019 21 grants totalling \$15,523,006 (Lottery \$14,637,867, Te Puni Kōkiri \$885,139) were approved towards Marae development implementation. Of the 21, four were approved towards cultural implementation initiatives totalling \$135,139.

Ngahina Marae is located in Ruatoki in the Eastern Bay of Plenty. The overarching Vision for Ngahina Marae is; 'Ki te whakamana Kia taea ai te pupuri i te manamotuhake o Ngati Tawhaki te mauriora o te whānau, mo nga whakatipuranga e heke iho ana. To empower and sustain the self determination of Ngati Tawhaki for the wellbeing of whānau and future generations of Ngahina Mara'. The marae was approved a grant of \$1,570,133 (Lottery \$1,420,133 and Te Puni Kōkiri \$150,000) towards the update of the kitchen and associated infrastructure work of the wharekai. This included sustainable power and a hot water solar system as the marae is called upon to act as a civil defence centre for the local community. A further grant of \$55,000 from Te Puni Kōkiri was approved towards the cultural development priorities to nurture, foster and grow the cultural capacity of the marae.

Raupunga Marae is approximately 60km north of Napier and is one of the key marae of the Ngāti Pahauwera Hapu who have resided in the Mohaka region since before 1800's. In 1968 land was set aside as a Māori reservation for the purpose of a meeting place and in 1983 the first wharenuī Te Huki was opened. Unfortunately, in 2007 the marae buildings were lost during a fire. Since then the community of Ngāti Pahauwera have been working towards re-building their marae. Their marae development plan identifies both their physical and cultural aspirations and highlights the marae as the hub that brings the community together. It provides a place for the hapu to maintain their reo and tikanga and holds the whakapapa and wider connections to ensure that these can be passed from generation to generation. A grant of \$787,762 (Lottery \$637,762 and Te Puni Kōkiri

\$150,000) was awarded to the marae to complete the whare tipuna, wharekai and wharepaku.

Te Kotahitanga Marae is located midway between Tuakau and Port Waikato. The area of land that the Marae stands on was gifted by their tupuna kuia in the 1850's for the purpose of a papakāinga/ marae. Their marae development plan includes cultural and physical aspirations and whanau prioritised the wharekai as they identified health and safety risks. Following further investigations from engineers, architects and builders the report recommended upgrading the kitchen and replacing the infrastructure and equipment. The marae was granted \$732,622 (Lottery \$582,622 and Te Puni Kōkiri \$150,000) towards the upgrade of the kitchen, equipment and infrastructure. The grant will enable Ngāti Tipa to continue to preserve the manaakitanga, tikanga and cultural practices that have been preserved for generations.

The Committee looks forward to continuing its partnership with marae through the Fund.

2018/19 Allocation **\$12,540,216**

Carried forward funding from 2018/19:

- Marae Heritage and Facilities Fund \$2,444,567
- Oranga Marae \$229,274

Funding returned from 2018/19:

Marae Heritage and Facilities Fund \$59,106

Oranga Marae \$4,925

Total amount available for distribution \$15,278,088

Total amount requested \$18,397,750

Total amount approved \$14,637,867

Percentage of amount requested that was approved 80%

Number of applications received 26

Number of applications considered 24

Number of applications approved 21

Percentage of applications approved 88%

Largest approved grant \$1,910,749

Average approved grant \$813,214

Smallest approved grant \$37,758



Edward Ellison

Presiding Member
Oranga Marae Committee

Outdoor Safety Committee

Te Tahua Whakaruruhau



Committee Members

Jennifer Mahoney (Presiding Member to March 2019)

Garth Clarricoats (Presiding Member from May 2019)

Rob Hewitt

Margaret McKee

Anne Deiga-Pala QSM (from May 2019)

Darrin Sykes (from May 2019)

Tātai hono Relationships

The Committee recognises the aspirations and needs of Māori, and their protocols.

E whakatau ana te Tahua Whakaruruhau 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

Priority is given to applications that:

- increase collaboration in the water and outdoor safety sector, including sharing knowledge, practices and resources
- maintain effectiveness and volunteer capability of water and outdoor safety sector organisations
- increase water or outdoor safety knowledge and skills in communities, hapū or iwi.

Meeting Community Needs

The majority of the Committee's funding continues to go to four organisations that provide the infrastructure needed for a capable and effective outdoor safety sector in New Zealand. All four organisations provide outdoor accident minimisation, prevention information and awareness activity. Three of them also provide search and rescue services.

Approximately three million people go to the beach each year. Surf Life Saving New Zealand patrols 80 high risk and usage beaches around New Zealand. A grant of \$3,125,958 has contributed to the training of 4,600 surf lifeguards across New Zealand with courses that range from lifeguard and first aid to helicopter operations and searches. It has also contributed to Surf Life Saving New Zealand performing over 230,000 hours of patrol, 430,000 safety interventions and first aid for 2,500 people.

A grant of \$2,592,800 to Coastguard New Zealand has supported its 24/7 primary response marine search and rescue services to communities around New Zealand's coastline and on the major lakes and rivers. Coastguard attended over 2,890 rescue missions, assisted more than 6,770 people, rescued 151 people and saved 26 people.

The grant of \$1,693,400 to New Zealand Land Search and Rescue has supported a network of trained, equipped and safe teams available to provide search and rescue services to the lost, missing and injured. They responded to over 490 incidents across the whole spectrum of urban, suburban and backcountry environments. Members contributed 23,450 hours, assisted 473 people, rescued 112 people and saved 30 people.

The \$1,300,000 grant to the Mountain Safety Council has helped provide prevention-focused interventions that will help to ensure participants in the New Zealand outdoors make it home. The Mountain Safety Council provides the relevant information, educational tools and resources for over 1.15 million New Zealanders to participate in outdoor recreation every year.

Committee

The Committee welcomed two new members in May 2019, Anne Deiga-Pala and Darrin Sykes.

Jennifer Mahoney

Presiding Member
Outdoor Safety Committee

2018/19 Allocation	\$8,832,158
Funding returned in 2018/19	-
Total amount available for distribution	\$8,832,158
Total amount requested	\$10,695,422
Total amount approved	\$8,832,158
Percentage of amount requested that was approved	83%
Number of applications received	14
Number of applications considered	12
Number of applications approved	7
Percentage of applications approved	58%
Largest approved grant	\$3,125,958
Average approved grant	\$1,261,737
Smallest approved grant	\$10,000

Minister's Discretionary Fund



Presiding Member – Hon Tracey Martin

Outcome Statement

Strong sustainable communities.

Priorities

The Minister's Discretionary Fund (Fund) provides funding for projects that fall outside the scope of other Lottery funds. There are four priorities specific to the Fund:

- overseas travel
- animal welfare projects
- volunteer fire fighting projects
- training for financial planning and/or good governance, which includes an emphasis on support for children's organisations.

Meeting Community Needs

Community organisations and individuals working in the health, social services, volunteering and animal welfare sectors were some of those who have benefited from the Fund this year.

The Fund enables members of community organisations and individuals to attend events and conferences overseas, to gain exposure to the latest international developments and knowledge in their sector. When they return, the knowledge and insights gained are conveyed to the wider community which contributes to more responsive, innovative and effective services.

An example is the Fund's support for Volunteering New Zealand Incorporated's Chief Executive to attend the 25th International Association for Volunteer Effort biennial World Volunteer Conference, held in Augsburg, Germany in October 2018. The Chief Executive was able to make a number of connections enabling sharing of information, collaboration and working closer with international counterparts to support volunteering in New Zealand. After returning from the conference, the Chief Executive shared her learnings at the Volunteering New Zealand annual conference and through blog postings.

Grants were also awarded to cover project costs for volunteer fire fighting services. This included the Opunake Volunteer Fire Brigade, which received a grant towards the extension of its building to add a kitchen for use when the station is responding to incidents in the community.

A number of grants have supported the work of animal welfare organisations. Kitty Korner received funding towards the de-sexing of 85 cats in the greater Waitomo district to reduce the number of stray kittens and cats. The Royal New Zealand Society for the Prevention of Cruelty to Animals received funding towards fencing at its Hamilton facility to create an area for exercising and training dogs and for the public to interact with puppies and dogs needing rehoming.

The Fund also contributed funding to enable representatives from community groups to attend financial planning and governance training. This year, the Fund supported the New Zealand Federation of Disability Information Centres to provide in-house training for 29 people in governance roles with its member organisations. This training enabled attendees to better understand and fulfil their governance roles, contributing to more effective organisations.

In July 2018, an additional allocation of \$300,000 was made by the Lottery Grants Board to help children's organisations improve their financial planning. The Fund supported seven children's organisations under this special emphasis area. One of the recipients was Inclusive Education Action

Group Incorporated who used the grant of \$5,880 to provide training for eight governing committee members. The funding enabled the organisation to make improvements to its governance and financial planning processes.

In March and May 2019, the Board made additional allocations totalling nearly \$1.8 million to the Fund from the natural disaster emergency reserve. This enabled grants to the Tasman Mayoral Relief Fund to support the recovery of the communities affected by the Tasman District fire. The funding enabled remediation of land damaged as a result of cutting fire breaks for wider community benefit, soil stabilisation in steep areas to prevent soil erosion into waterways and support to community organisations that incurred extra costs as a result of the fire.

Hon Tracey Martin
Minister of Internal Affairs

2018/19 Allocation	\$736,480
Additional allocation during 2018/19	\$1,792,129
Funding returned in 2018/19	\$11,505
Total amount available for distribution	\$2,540,114
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Total amount requested	\$4,324,406
Total amount approved	\$2,304,409
Percentage of amount requested that was approved	53%
Number of applications received	173
Number of applications considered	122
Number of applications approved	65
Percentage of applications approved	53%
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Largest approved grant	\$1,000,000
Average approved grant	\$34,915
Smallest approved grant	\$1,440

Significant Projects Fund Committee

Kaupapa Hiranga Tahua



Committee Members

Mary Bourke (Presiding Member)

Julie Hardaker

Robyn Wallace (to July 2018)

Pengbo Jiang (from October 2018)

Tina Karaitiana (from October 2018)

Shirish Paranjape (from October 2018)

Tātau hono Relationships

The Committee recognises the aspirations and needs of Māori, and their protocols.

E whakatau ana Kaupapa Hiranga Tahua i ngā hiahia me ngā tūmanako o te Māori me o rātou kawa.

Outcome Statement

Communities are strengthened through increased participation and social interaction from the development of community assets at a regional and national level.

Committee Priorities

Priority is given to projects where benefits for a regional and/or national community are clearly shown, and the project:

- is of an appropriate size and scale to meet the need
- will provide opportunities for people to participate, interact or connect
- has widespread support or is the result of a community initiative
- involves working with others, such as government or local government, iwi or Māori organisations, or community organisations
- is well designed and planned, and will be professionally managed
- is proposed by an organisation that has the ability to successfully develop a project of this size and scope, and manage and maintain the asset in the future without needing more lottery grants
- is almost ready to go.

Meeting Community Needs

In 2018/2019 the Significant Projects Fund had \$26,000,000 to distribute to projects that purchased, created or improved community assets of regional and/or national significance. The Committee met once during the year, approving eight grants. Grants were made to a variety of arts, culture, heritage, sport, recreation, and visitor services projects.

A grant of \$6 million was made to the Rotorua Lakes Council (RLC) towards seismic strengthening, restoration and redevelopment of Rotorua Museum. Rotorua Museum, housed in the Rotorua Bath House is a Category 1 Heritage building and one of New Zealand's most photographed buildings. The Museum closed in November 2016 after the building was identified as earthquake prone. The Museum cares for over 2,000 Te Arawa taonga Māori, including items of national significance; holds one of the largest collections of paintings and photographs of the Pink and White Terraces; and has a large

social history collection that includes the development of tourism in the Rotorua area, and objects and archives relating to 28th Māori Battalion B Company during World War Two. Completion of this project will ensure this much-loved building, which was the New Zealand Government's very first investment in tourism infrastructure, continues to have relevance and a sustainable purpose for future generations.

A grant of \$3 million was made to the Hawke's Bay Community Fitness Centre Trust (Trust) towards further construction of the Eastern Institute of Technology's Institute of Sport & Health at the Hawke's Bay Regional Sports Park in Hastings. That facility has been operating at full capacity since it opened. Additional facilities will allow the Trust to expand delivery of a much-needed range of sport and recreation training facilities, unique in provincial New Zealand and designed to meet some of the most pressing health and well-being needs in Hawke's Bay. The project is expected to have a dramatic positive impact on sport and recreation outcomes in the Hawke's Bay, resulting in improved participation rates, better outcomes for the community and improved performance of emerging and talented athletes in the region.

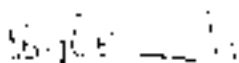
The Committee also supported construction of the Manea Footprints of Kupe Interactive Cultural Heritage Tourism and Education Centre (Manea) in Opononi, in the Hokianga. A grant of \$1,699,913 was made to the Te Hua o Kawariki Trust. Manea will preserve, communicate and celebrate Kupe's voyage to Hokianga, his journeys around Aotearoa, and his departure. Its exhibitions, based on 1,000 years of Māori history, will include taonga and feature local culture and places of historical significance. Manea is of regional significance to Northland. It will tell local stories, complement existing attractions in Northland and has financial support from local Councils. Manea is also of national importance, given the primacy of the Kupe story in the socio-cultural history of New Zealand. Tens of thousands of visitors are predicted each year.

Committee

There was a change to Committee membership during the year. Andrew von Dadelzen and Janie Annear completed their terms in March 2018. Robyn Wallace resigned from the Committee in July 2018. The contribution these members made to the Committee's decision-making is appreciated. Tina Karaitiana, Pengbo Jiang and Shirish Paranjape were appointed to the Committee in October 2018. They bring a wealth of community experience and financial expertise.

At the allocation meeting, the Committee considered a number of quality applications from around the country. The Committee faced the challenge of making decisions on these applications. There was robust discussion and analysis of the regional and national outcomes that will be delivered by the projects. The Committee is satisfied it made fair decisions that have supported a range of worthwhile regionally or nationally significant projects.

2018/19 Allocation	\$26,000,000
Funding returned in 2018/19	-
Total amount available for distribution	\$26,000,000
Total amount requested	\$69,407,375
Total amount approved	\$26,000,000
Percentage of amount requested that was approved	37%
Number of applications received	21
Number of applications considered	20
Number of applications approved	8
Percentage of applications approved	40%
Largest approved grant	\$6,000,000
Average approved grant	\$3,250,000
Smallest approved grant	\$710,000

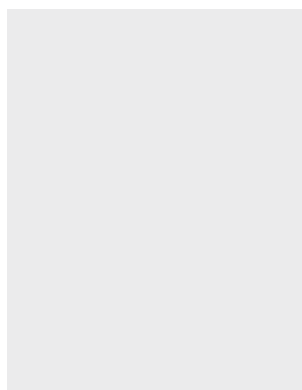


Mary K. Bourke

Presiding Member
Significant Projects Fund Committee

Fund for Community Benefit Related to the 2021 America's Cup

Te Tahua Rota mō Ngā Painga o te Hapori e Pā Ana ki te Kapu o Amerika 2021



Committee Members

Katie Noble (Presiding Member)

Arihia Tuoro

Garth Clarricoats

Richard Pamatatau

Outcome Statement

New Zealand communities benefit through Auckland's hosting of the 2021 America's Cup.

Committee Priorities

Priority is given to projects that:

- will benefit the community in the lead up to, or during, the event as well as post-2021
- show they are an appropriate size and scale for their community
- provide opportunities for a diverse group of people to actively participate, interact or connect
- have community support
- demonstrate the organisation's ongoing management of the asset in the future.

Meeting Community Needs

The Committee funds capital projects and items that benefit New Zealand communities and:

- relate to the hosting of the 2021 America's Cup; or
- connect New Zealanders to the 2021 America's Cup.

Capital projects or items include things like buildings, machines, and equipment. It can also include feasibility studies or specialised studies if they are part of a capital project.

The Lottery Grants Board allocated \$20 million to help communities connect to and benefit from Auckland hosting the 2021 America's Cup. Grants awarded are supporting communities through investment in community assets that promote water safety, marine education and sports.

Two grants totalling \$9,810,695 will see a fleet of 26 purpose-built high specification vessels distributed to Coastguard units throughout the country following the 2021 America's Cup benefiting the safety of boaties around New Zealand's vast coastline, major rivers and lakes.

Other projects funded include the rebuild of the Pleasant Point Yacht Club (Christchurch) damaged in the 2010 and 2011 earthquakes, as well as the construction of an education centre at the Worser Bay Boating Club (Wellington). These projects use the 2021 America's Cup as a driver to deliver an array of education initiatives for young people around sailing, water safety and school programmes at their respective facilities.

Committee

At the end of 2018/19 the Committee had not yet distributed all its available funding and had a remaining balance of \$9.6 million, the fund will remain open until the funds are fully allocated or until the end of 2020 which ever comes first. Projects need to be well-aligned to the funding criteria to receive a grant. In particular, projects must show how they relate to the hosting of the 2021 America's Cup or connect New Zealanders to the 2021 America's Cup.

Katie Noble

Presiding Member

Fund for Community Benefit Related to the 2021 America's Cup

2018/19 Allocation	\$20,000,000
Total amount available for distribution	\$20,000,000
Total amount requested	\$22,349,545
Total amount approved	\$10,347,825
Percentage of amount requested that was approved	46%
Number of applications received	14
Number of applications considered	13
Number of applications approved	4
Percentage of applications approved	31%
Largest approved grant	\$8,520,695
Average approved grant	\$2,586,956
Smallest approved grant	\$137,130

Lottery Community Committees

One national committee and 11 regional committees considered applications for community initiatives in 2018/19. In allocating funds for projects, community committee members look for initiatives that will contribute to building strong, sustainable communities, enhance the social, cultural and economic wellbeing of New Zealand communities, 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 that take into account its region's characteristics.

National Community Committee

Te Tahua Hapori Ngā Whakaurunga



Committee Members

Jennifer Mahoney (Presiding Member to March 2019)

Garth Clarricoats (Presiding Member from May 2019)

Rob Hewitt

Margaret McKee

Anne Deiga-Pala QSM (from May 2019)

Darrin Sykes (from May 2019)

Outcome Statement

The Committee considers applications for initiatives with a nationwide focus that enhance delivery of social services, and support of cultural diversity and community development.

Committee Priorities

Priority is given to applications where community development, cultural diversity and social services are enhanced by:

- responsive community-led projects, activities and preventative services which meet community needs
- innovative, strengths-based approaches which acknowledge and evidence the changing needs of their individual communities to achieve outcomes

- collaboration with other organisations in the sharing of resources and a reduction in the duplication of services
- a meaningful Tikanga Māori bicultural approach within a multicultural environment based on mana/respect for all peoples.

Meeting Community Needs

The Committee's 'funding for outcomes' focus was reflected in its support of applications which were likely to provide broad community benefits. Over the past year the Committee supported a rich diversity of communities, its allocations contributing to an enhancement of community wellbeing throughout New Zealand.

The Key to Life Charitable Trust was given a grant of \$80,000 towards the continued delivery of its 'Cool to Korero' in schools and community groups throughout Aotearoa/New Zealand. Through its focus on well-being, the Trust hopes to create a more functional, caring and empathetic society with - in particular - the prevention of youth mental illness, addictions and suicide at its heart. Within its presentations to around 65,000 people over the previous year, the Trust's team took its 'message of hope' to over 20,000 students and 5000 adults. Riding 50cc scooters from Bluff to Cape Reinga over 25 days, over 4200kms was travelled, and visits made to almost 50 schools and 20 communities.

New Zealand Federation of Multicultural Councils Incorporated was given a grant of \$100,000 towards operating costs.

The society supports the work of 23 affiliated Regional Multicultural Councils and 38 Newcomer Networks throughout New Zealand. It has implemented a meaningful Tikanga Māori bicultural approach, established collaborative relationships and has a broad community reach. With one in four New Zealand residents born overseas, the society's focus is on building social cohesion for new ethnic migrants, refugees and newcomers through opportunities for community participation. The society supports its members to become resilient and to participate in, share, volunteer and enrich the fabric of their communities.

The 'I Got Your Back Pack' Trust was given a grant of \$10,000 towards operating costs. Run entirely by volunteers, packs filled with practical and essential items are created for those in crisis from domestic violence. Through the trust's collaborative relationships with aligned organisations, over 1000 packs were distributed last year to those in need throughout New Zealand. The trust has also been developing a 'Hope Box' mental health resource for inclusion in the pack, designed to help both the caregiver and children process and cope with the emotional trauma of domestic violence.

Committee

The Committee noted applications were from a growing diversity of communities over the year. It was particularly pleased to be able to contribute towards numerous preventative and innovative projects which promoted community participation, inclusiveness and the strengthening of communities. Applications included funding towards activities that support the specific needs of youth, older people, Maori, Pacific people, new migrants and refugees, and people considered to be at risk or disadvantaged.

Given the demand on its funding, the Committee was pleased to note an increase in collaborative relationships between organisations, this having the potential to reduce duplication of services.

The Committee welcomed two new members in May 2019, Anne Deiga-Pala and Darrin Sykes.

2018/19 Allocation	\$15,457,070
Funding returned in 2018/19	\$21,585
Total amount available for distribution	\$15,478,655
Total amount requested	\$56,360,535
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$2,789,340
Total amount approved in 2018/19 distributed in 2018/19	\$12,668,896
Total amount distributed	\$15,458,236
Percentage of amount requested that was approved	31%
Number of applications received	291
Number of applications considered	278
Number of applications approved	239
Percentage of applications approved	86%
Largest approved grant	\$1,200,000
Average approved grant	\$74,001
Smallest approved grant	\$2,000



Jennifer Mahoney

Presiding Member
National Community Committee

Lottery Regional Community Committees

Ngā Tahua Whakatinana Papakāinga ā Rohe

Mission/Te Whakatakanga

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

Tātai hono Relationships

Lottery Community recognises the aspirations and needs of Māori, and their protocols.

E whakatau ana te Tahua Whakatinana Papakāinga i ngā hiahia me ngā tū manako o te Māori, me ō rātou kawa.

Committees

Lottery regional community committees based in 11 locations around New Zealand consider applications for projects and activities with a local and regional focus.

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.

Outputs

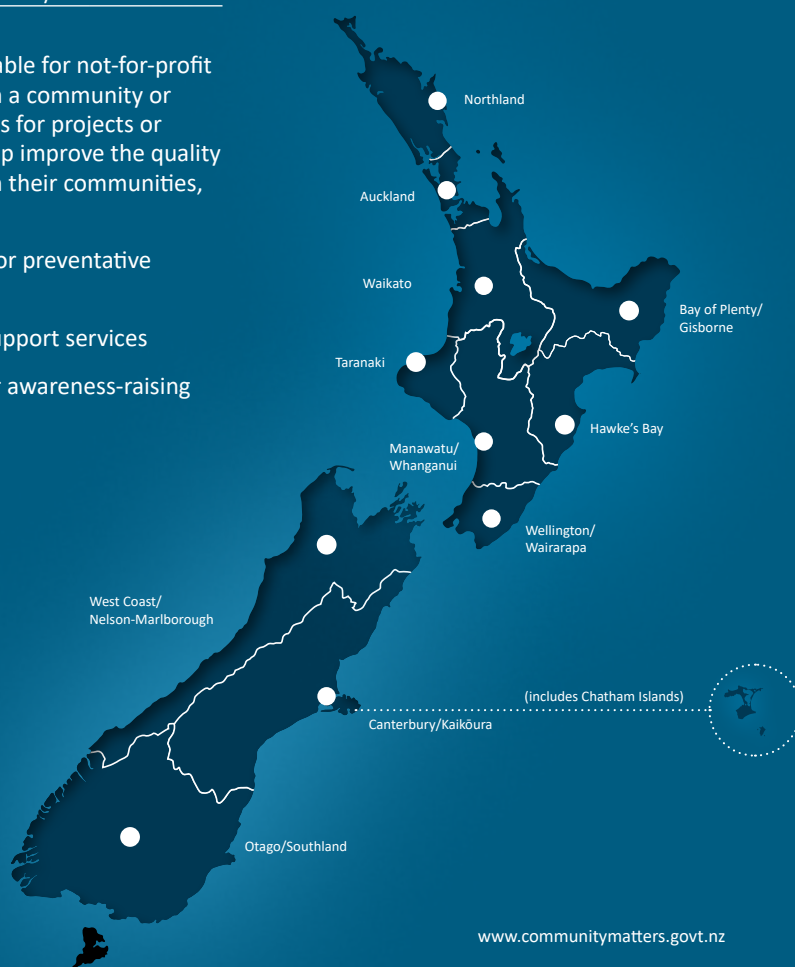
In 2018/19 the Lottery Grants Board allocated Lottery regional community committees the following funds to distribute:

Committee	\$
Auckland Community	\$12,913,145
Bay of Plenty/Gisborne Community	\$3,857,659
Canterbury/Kaikōura Community	\$4,504,204
Hawke's Bay Community	\$1,759,550
Manawatu/Whanganui Community	\$2,812,162
Northland Community	\$2,350,357
Otago/Southland Community	\$2,887,697
Taranaki Community	\$1,256,638
Waikato Community	\$4,907,553
Wellington/Wairarapa Community	3,946,656
West Coast/Nelson/Marlborough Community	\$1,773,447

Grants were available for not-for-profit organisations with a community or social service focus for projects or services which help improve the quality of people's lives in their communities, including:

- development or preventative projects
- welfare and support services
- information or awareness-raising activities

- projects that encourage people to take part in their community
- projects that encourage community and/or cultural identity or understanding
- activities that help develop organisations and their people, particularly those who volunteer.



Auckland Community Committee

Rota ki te Hapori o Tāmaki Makaurau



Committee Members

Katie Noble
(Presiding Member to March 2019)
George Ngatai (to March 2019)
Marina Vaha (to March 2019)
Richard Pamatatau
(Presiding Member from May 2019)
Carolyn Morgan
Anne Candy (from May 2019)
Therese Lanigan Behrent
(from May 2019)
Sook (Grace) Ryu (from May 2019)

Outcome Statement

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

Committee Priorities

Priority is given to applications where:

- Communities are collaborating and sharing resources
- Families are supported and strengthened
- Young people are inspired, empowered and engaged
- Local people are empowered to contribute to their community.

Lower priority is given to applications from organisations that receive substantial government funding.

Meeting Community Needs

The Committee outcomes were set this year to focus on the benefit and impact of local people and initiatives with an emphasis on assisting a reduction in child poverty and, given Auckland demographics, supporting more Kaupapa Māori and Pasifika communities. The incidence of youth suicide, an obvious concern for families and communities, was another area this Committee wanted to contribute to and looked to fund applications that gave young people hope and encouragement.

Groups that demonstrated the Committee's focus included:

- Te Ara Rangatahi were given a grant of \$133,346 towards its project of four programmes. Te Ara Rangatahi is a youth founded organisation born from the aspirations of local Māori youth from Waiuku who expressed an interest in contributing to whānau, community and iwi development. Their aim is to ensure rangatahi are employable, educated and strong in their identity, and successful in both Te Ao Māori and Te Ao Pākehā. Their point of difference is rangatahi programmes are also designed and run by rangatahi. This application took a proactive approach to building a support system based on aspirational visions of rangatahi from the community. The five programmes are:
 - Mahi Gains - Skill Development and support into jobs or education
 - Tū Māia - 6 week programme - Confidence builder and discovering each rangatahi's dreams and goals
 - Mahia Te Mahi - live the dream, bridge to employment and further education
 - Iwi think tank - holiday programmes learning about culture, Te Ao Māori, connection to iwi and dreaming up ideas to contribute iwi
 - Rangatahi Stories - telling the stories of the rangatahi in Franklin.
- Essentially Men Education Trust was given a grant of \$40,000 towards wages. Essentially Men is dedicated to supporting men of all ages, fostering an ethos of men supporting each other in the context of their whānau and community through courses, events and men's groups. Courses include the renowned Essentially Men/Men Being Real weekend, and the Pathways To Manhood programme for Fathers and Sons (13-15 years). Their objective is to enable men to help themselves, support one another in their communities, be better partners and fathers and to be contributors to a sense of wellbeing. They also work with boys to create well transitioned youth who are comfortable with who they are as men and able to positively contribute to society as they mature. They also provide youth with opportunities to develop their leadership skills enabling them to become the leaders.
- WanderSearch Auckland Charitable Trust was given a multi-year grant of \$75,000 over three years (\$25,000 per year). WanderSearch Auckland provides tracking devices and 24/7 support for an increasing number of individuals. They support vulnerable families in the community with loved ones living with cognitive impairments, from Autism through to deterioration and memory loss caused by the various forms of dementia. This support enables families to stay together as a unit for a far greater period of time before needing higher dependency services eg, secure facilities. WanderSearch Auckland relies heavily on volunteers to make the program a success and be able to reach all geographical areas within the Greater Auckland region. The tracking program supports the volunteers of Auckland Land Search and Rescue by providing them with the necessary tracking equipment and training required to assist them in finding missing persons within a shorter time-frame, reducing the stress placed on families.

Committee

Over the past year we welcomed Richard Pamatatau as a new appointee. Richard has participated in two funding allocation rounds.

The Committee has valued the support of staff from the Department's Manukau office for their work with communities and their ongoing support throughout the year.



Katie Noble

Presiding Member
Auckland Community Committee

2018/19 Allocation	\$12,913,145
Funding returned in 2018/19	\$149,955
Total amount available for distribution	\$13,063,100
Total amount requested	\$36,146,107
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$2,514,321
Total amount approved in 2018/19 distributed in 2018/19	\$10,505,748
Total amount distributed	\$13,020,069
Percentage of amount requested that was approved	44%
Number of applications received	422
Number of applications considered	406
Number of applications approved	328
Percentage of applications approved	81%
Largest approved grant	\$360,000
Average approved grant	\$48,373
Smallest approved grant	\$556

Bay of Plenty/Gisborne Community Committee

Rota ki te Hapori o Te Moana-a-Toi/Tūranganui-a-Kiwa



Committee Members

Wendy Tozer
(Presiding member to March 2019)
Mike Keefe
(Presiding Member from May 2019)
James Clark
Tina Karaitiana (to October 2019)
Terri Eggleton
Rose Gould-Lardelli (from October 2018)
Carol Quirk QSM (from May 2019)

Outcome Statement

The social and economic well-being of the Bay of Plenty and Gisborne communities is enhanced and community participation is encouraged.

Committee Priorities

- people are supported to reach their potential
- Māori are achieving their cultural aspirations, and building whānau and hapū capability
- people, communities and groups are working together to increase their capabilities and reach their aspirations
- the wellbeing, safety and quality of life for individuals, whānau and communities is enhanced
- rurally and/or socially isolated are connected and engaged.

Meeting Community Needs

The area covered by the Committee is geographically diverse encompassing both urban and large tracts of rurally isolated areas, all of which face their own unique challenges. The emphasis on funding for outcomes allows the Committee to make decisions that

have the greatest benefit for these communities.

The Committee contributed \$40,000 to the Tairāwhiti Environment Centre (TEC) to expand their services and activities at the TEC hub based in Gisborne. The hub provides a unique space for the local community and groups to work together on environmental projects. The sustainable backyard/garden at the hub is a focal point for local schools and kura as it offers environmental education programmes with a strong focus on youth development and community connection. The workshops at the hub were well-attended and the skills gained and connections made are promoting community wellbeing and enhancing the quality of life of people. The conservation group at TEC works closely with mana whenua and have established strong partnerships with whānau, hapu and iwi organisations through collaborative projects within the region.

The Committee provided \$45,455 to the Good Neighbour Aotearoa Trust towards operating costs. This Tauranga-based group's vision of "Helping Neighbours Transform Their Communities" is putting the "neighbour" back into the neighbourhoods. It seeks to strengthen communities by connecting those struggling back into their community through practical love in action. The group is achieving this through three main avenues: community projects, community gardens and a food rescue service. Over 6,000 individuals are benefiting from their food rescue service, inspired by Wellington's award winning Kaibosh Food Rescue Program, which involves collecting food that is good enough to eat but not good enough to sell and distributing it to local charities. The food is repackaged and tailored to the specific needs of each charity. Food can come from a variety of sources including markets, supermarkets, cafes and manufacturers

Committee

The Committee welcomed one new member, Rose Gould-Lardelli from Gisborne. The range of skills, knowledge and experience Rose brings will complement existing expertise ensuring

the Committee continues to make quality decisions on grant distribution for communities across the Bay of Plenty/Gisborne regions. We bade farewell to Committee member, Tina Karaitiana from Gisborne, and Presiding Member, Wendy Tozer from Whakatane, who completed their service with the Committee in March 2019. We welcomed existing member Mike Keefe as the new Presiding Member. Many groups continue to receive multi-year funding. The Committee revisited its priorities during the year and agreed that the priorities continue to be relevant and reflect the needs across the region.

The Committee appreciates the ongoing support of staff from the Department and from the Lottery Grants Board.

Wendy Tozer

Presiding Member
Bay of Plenty/Gisborne Community Committee

2018/19 Allocation	\$3,857,659
Funding returned in 2018/19	\$71,844
Total amount available for distribution	\$3,929,503
Total amount requested	\$8,824,081
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$724,104
Total amount approved in 2018/19 distributed in 2018/19	\$3,191,780
Total amount distributed	\$3,915,884
Percentage of amount requested that was approved	49%
Number of applications received	185
Number of applications considered	173
Number of applications approved	166
Percentage of applications approved	96%
Largest approved grant	\$150,000
Average approved grant	\$25,941
Smallest approved grant	\$1,175

Canterbury/Kaikōura Community Committee

Rota ki te Hapori o Waitaha/Kaikōura



Committee Members

Dugald McLean
(Presiding Member to March 2019)
Elizabeth Lovell
(Presiding Member from May 2019)
Christine Korako (to March 2019)
Terry Donaldson
Sheryl Frew
Kerry Stevens (from May 2019)
Sina Cotter Tait (from May 2019)

Outcome Statement

The Committee will enhance the social, cultural and economic well-being of the Canterbury/Kaikōura communities.

Committee Priorities

- community connections are improved through a community-led development approach
- older people have an enhanced quality of life
- the wellbeing of communities that were impacted by the Canterbury and Kaikōura earthquakes is improved
- people in rural communities have access to services and an improved quality of life.

Lower priority is given to grant applications:

- from organisations that receive significant government contract funding or are generally government funded
- for activities that take place at school, in school time, and are part of the New Zealand school curriculum.

Meeting Community Needs

The Committee covers a large region of the South Island, including the Chatham Islands. Although much of the population is in the city of Christchurch, there are many small rural towns where residents have limited access to services. Therefore, improving access and quality of life for rural communities is a priority for the Committee. Organisations that use a community-led development approach to improve connections within their communities have also been a priority.

The Kaikōura Education Trust, also known as Te Ha o Matauranga, Learning in Kaikōura received a contribution of \$19,763 towards operating costs to create, promote and encourage learning opportunities in Kaikōura. Kaikōura was significantly impacted by an earthquake in November 2016 and in light of this, there is a need in Kaikōura for opportunities for connection, support, belonging and activities that are meaningful and enjoyable. Te Ha o Matauranga addresses these needs by creating a place and a plan designed to encourage and enable learning and development opportunities for Kaikōura residents.

Christchurch Riding for the Disabled received a grant of \$18,000 to upgrade their arena lights with watertight LED replacements in their full-sized international standard all-weather equestrian centre, which caters for up to 80 riders a week with ages ranging from 3 to 70 years, all of which have a huge variation of disabilities. The upgrade to LED lights will decrease the running costs and minimise maintenance costs associated with lighting. This means the activity will be more affordable for riders and community hirers.

Aoraki Multicultural Council Incorporated received a contribution of \$25,000 to continue supporting and working with the increasing number of migrants, refugees and newcomers who seek help when they arrive in the Aoraki Region. The Aoraki Multicultural Council also supports various stakeholders to help them better understand cultural and religious needs of migrants and intercultural awareness. Geographically,

the Aoraki Region is very large and a place where migrants, refugees and newcomers can become isolated. The Aoraki Multicultural Council helps with social participation by providing information, services and a variety of events and activities.

Committee

Thank you to outgoing committee members Christine Korako and Dugald McLean for their contributions to the committee. Their extensive knowledge of their communities has contributed to robust discussions leading to sound decision making. Dugald and Chris remain members of the Hurunui Kaikōura Marlborough Community Facilities Earthquake Fund alongside Terry Donaldson. Their ongoing commitment to this is appreciated.

Welcome to Kerry Stevens and Sina Cotter Tait who will continue with Sheryl Frew, Terry Donaldson and Liz Lovell as the Chair.

Dugald McLean

Dugald McLean

Presiding Member Canterbury/Kaikōura Community Committee

2018/19 Allocation	\$4,504,204
Funding returned in 2018/19	\$2,003
Total amount available for distribution	\$4,506,207
Total amount requested	\$10,867,072
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$885,400
Total amount approved in 2018/19 distributed in 2018/19	\$3,620,807
Total amount distributed	\$4,506,207
Percentage of amount requested that was approved	44%
Number of applications received	236
Number of applications considered	216
Number of applications approved	171
Percentage of applications approved	79%
Largest approved grant	\$195,000
Average approved grant	\$27,854
Smallest approved grant	\$1,000

Hawke's Bay Community Committee

Rota ki te Hapori o Te Matau-a-Māui



Committee Members

Di Petersen
(Presiding Member to March 2019)
Sarah Mulcahy
(Presiding Member from May 2019)
Mo Houkamau
John Worden (from October 2018)
Chris Kaufman (from October 2018)
Levi Walford (from May 2019)

Outcome Statement

The community has wider cultural diversity and improved wellbeing. The local community uses innovative approaches to actively collaborate with others to provide effective and efficient services.

Committee Priorities

Priority will be given to applications that:

- clearly demonstrate outcomes that contribute to the wider cultural diversity and wellbeing of the community
- demonstrate innovation and collaboration with others to provide effective and efficient services in their local community.

Meeting Community Needs

There continues to be strong demand from a wide range of community groups providing services across Hawke's Bay. The Committee noted that many community groups seeking grants are experiencing financial difficulties, endangering their viability. There has also been a noticeable rise in both the number and quality of innovative programmes looking to help youth maximise their potential. In 2018/19 the Committee granted \$546,570 to 18 community groups providing youth services in Hawke's Bay, including three new Lottery applicants.

Wharariki (Flax) Trust is active in Flaxmere, Hastings, where it delivers a variety of services to improve community outcomes, often in collaboration with other like-minded community groups. One initiative is the Garden Project which has seen Kimi Ora Community School working with the Trust to establish a large community garden at the school. Primary students were rostered to work in the garden to produce sufficient food to provide all students with a daily lunch. The programme teaches students about food production and the positive effect that good nutrition has on their bodies. Good habits are learnt, taken home and shared with families. Students at Kimi Ora School now no longer need to bring food each day; instead they receive a healthy breakfast and a lunch produced on site by their own efforts. Achievements noted include reduced student obesity levels and a rise in physical activity being undertaken. The Committee approved a three-year \$60,000 grant (\$20,000 per year) to the Trust to administer the Garden Project programme as it expands to other nearby primary schools.

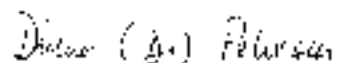
Project Prima Volta (PPV) taps into the natural musical talent in young people, particularly at high school level. Each year since 2014, 30 students across Hawke's Bay are selected for a year-long programme in which the 'Kodaly' method of music education is taught and students learn to sing and perform opera. Those involved commit to the many practice hours required; the programme itself is free. Students

learn from experienced professionals and tutors and perform to their college peers as well as the public at community events and singing festivals. Students involved improve their social and education outcomes, in particular, self-confidence. Many students become leaders and role models in their schools and communities with 1 in 12 students choosing music as a career choice. The Committee approved a \$40,000 grant to help PPV, in partnership with a Hastings primary school and many music-based community groups, to undertake a three-year trial of the Kodaly method.

Communities throughout Hawke's Bay are served by many small (often unheralded) community groups delivering much needed services, year in, year out. The Committee granted \$5,652 to help Christian Love Link deliver its valued service. Christian Love Link was established in 1992 as a co-operative venture by more than 20 Churches from the twin cities of Napier and Hastings. The wider community donate furniture, bedding and general household goods which are collected and stored. These items are redistributed to families in need, usually after a referral from a Church, Government agency or one of the many social service providers actively involved in this network/partnership. Christian Love Link relies on a core of dedicated volunteers and its strong community relationships to quickly meet genuine community needs. More than 1,100 families every year are supported with donated goods, helping them to re-establish themselves, often after having experienced some form of upheaval or trauma.

Committee

During the year, two new Committee members were appointed; Chris Kaufman and John Worden. Di Petersen's term finished in March 2019 after being a Committee and Presiding Member for nine years.



Di Petersen

Presiding Member
Hawke's Bay Community Committee

2018/19 Allocation	\$1,759,550
Funding returned in 2018/19	\$25,048
Total amount available for distribution	\$1,784,598
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Total amount requested	\$5,804,173
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$80,000
Total amount approved in 2018/19 distributed in 2018/19	\$1,704,494
Total amount distributed	\$1,784,494
Percentage of amount requested that was approved	34%
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Number of applications received	99
Number of applications considered	97
Number of applications approved	71
Percentage of applications approved	73%
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Largest approved grant	\$90,000
Average approved grant	\$27,597
Smallest approved grant	\$2,000

Manawatu/Whanganui Community Committee

Rota ki te Hapori o Manawatū/Whanganui



Committee Members

Bernard Wanden (Presiding Member to March 2019)

Stephen Paewai (Presiding Member from May 2019)

Ruth Rainey (to March 2019)

Karney Herewini (to March 2019)

Johanna Wood

Sandra Terewi (from May to September 2019)

Lemalu Faimalie (from May to September 2019)

Barbara Cameron (from May 2019)

Outcome Statement

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

Committee Priorities

- people in the community have increased opportunities to connect with each other through locally-led activities
- programmes, activities or projects focus on the strengths of participants, rather than fix problems, and are led by those who receive benefits from the programmes, activities or projects
- increased collaboration (formally working together on a shared single goal) between the community organisation and/or members of the community

- Māori customs, language, and/or world-view are meaningfully integrated into the community sector and the delivery of services, particularly where the organisation operates with a kaupapa Māori.

Meeting Community Needs

The Manawatu/Whanganui region is governed by the Horizons Regional Council and has seven local councils. It covers a large geographic area including both rural and urban communities. There is significant cultural and ethnic diversity in the community and is home to relatively high numbers of refugees and migrants.

The Committee's priorities are set to respond to the needs highlighted by the community at a grassroots level. They continue to focus on funding groups and organisations in a way that will lead to more meaningful collaboration and ongoing support of community-led activities. The Committee also continues to provide support through multi-year grants and this year approved five three-year and 10 two-year grants totalling \$488,500.

The largest multi-year grant was a three-year grant of \$165,000 (\$55,000 per year) to Tararua Community Youth Services (TCYS) for operational costs. TCYS champion youth development and holistic services to young people aged 10 - 24 throughout the Tararua District. They have three youth centres based in Pahiatua, Dannevirke and Eketahuna that provide safe, positive and supported environments for young people to experience community connectedness, active engagement and youth-led participation. TCYS sees that empowering young people is key to their development and transition into adulthood. TCYS is working towards a flourishing, connected and engaged youth community in the Tararua District.

The largest two-year multi-year grant was \$90,000 (\$45,000 per year) to Parentline Manawatu Incorporated for operating costs. Parentline's vision is to see all children in nurturing families grow and flourish. Their mission is to provide accessible services to families that promote and maintain healthy

relationships and positive parenting. The intended outcomes of the Parentline's services are: Improved communication and relationships with children/whanau; Change in parenting attitudes and/or beliefs about parenting or relationships; Parents are supported to implement positive parenting strategies and changed parenting practices; Opportunities are given to connect people and services that support them to make positive parenting decisions.

One of the largest single year grants was for \$50,000 to Ngāti Rangi Trust, Ohakune, for operating costs. The Trust has a community development focus for the benefit of the whole community which they see as part of their role as Kaitiaki of the region. Their mission is for Ngāti Rangi to grow along with its communities. The funding will contribute to: people being empowered through advanced tech; Whānau developing economic enterprises; unemployment rates decreasing; people in communities being trained and skilled; leaders of the future being trained to start influencing the new generation; and communities becoming knowledgeable in advanced technologies.

The smallest single year grant was \$1,266 to Rapanui Brunswick Playcentre, Whanganui, for operating costs. The playcentre provides an early childhood education service for families with children aged zero to six and is a parents-run cooperative that has access to NZQA registered parent educators. The funding will support children to be encouraged to explore and learn new skills through safe in and outside play.

Committee

Challenges:

- the Committee sees opportunities for some organisations to gain further knowledge about outcomes-based funding
- the Committee has received a small amount of applications from organisations in the more remote parts of the Manawatu/Whanganui region
- The level of funding requested continues to exceed the amount

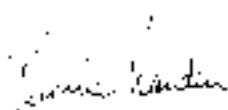
available to distribute. A consequence of this is that the committee are rarely able to fund at the level requested.

2018/19 Allocation	\$2,812,162
Funding returned in 2018/19	\$13,405
Total amount available for distribution	\$2,825,567

Successes:

- the Committee continues its commitment to funding multi-year grants to reduce the administrative burden for organisations and empower them to commit to longer-term strategies
- the Committee acknowledges the engagement undertaken by the Department's Advisors in the more remote parts of the Manawatu/Whanganui region which has seen an increase of applications being submitted
- the Committee received a presentation on the Oranga Marae funding programme where the purpose is to support the physical and cultural revitalisation of marae as centres of Māori identity and matauranga. The Committee has noticed an increase in applications from marae and found that having an understanding of the programme has given useful context for the applications they are receiving from marae.

Total amount requested	\$8,354,575
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$423,000
Total amount approved in 2018/19 distributed in 2018/19	\$2,398,986
Total amount distributed	\$2,821,986
Percentage of amount requested that was approved	35%
Number of applications received	155
Number of applications considered	153
Number of applications approved	142
Percentage of applications approved	93%
Largest approved grant	\$165,000
Average approved grant	\$20,334
Smallest approved grant	\$1,266



Bernard Wanden

Presiding Member
Manawatu/Whanganui Community
Committee

Northland Community Committee

Rota ki te Hapori o Te Hiku o te Ika



Committee Members

Neil Clements (Presiding Member to March 2019)

Darlene Lang Gent (Presiding Member from May 2019)

Gwen Te Pania-Palmer (to March 2019)

Teresa Lomas

Rahuia Kapa

Ralph Correa (from May 2019)

Jonny Gritt (from May 2019)

Outcome statement

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

Committee Priorities

The Committee prioritises programmes and projects that:

- improve the social and physical wellbeing of the most vulnerable members of the community
- encourage communities to access opportunities that empower people to make positive changes to their lives
- share, recognise and value cultural identity
- support, recognise and value volunteers.

Meeting Community Needs

The Committee endeavoured to make responsive decisions with consideration for the unique challenges of Northland

communities, which include high levels of social deprivation and limited access to services.

The Committee made 118 grants with an average allocation of \$22,845. The smallest grant was \$1,160, awarded to Maungakareme School to provide bilingual signage on the school grounds. Two organisations received the largest grant of \$150,000 (\$50,000 per year) over three years.

Support of Sexually Abused Dargaville and Districts Incorporated (SOS Kaipara) were awarded \$50,000 each year for three years towards wages and operating costs. The funding is helping SOS Kaipara to continue its work providing refuge housing, counselling, support and advocacy, and education programmes to women and children who are survivors of sexual and domestic violence, and fulfil its vision of strengthening the community by empowering women and children to heal.

The Committee supported the operations of Whangarei Youth Space with a multi-year grant of \$150,000 (\$50,000 per year) over three years. This grant has supported a mobile workforce of youth workers to provide outreach services and support to schools and communities on a regular basis. Whangarei Youth Space provides the only youth-specific health clinic in Whangarei and works to help young people develop a sense of belonging, self-esteem, resilience and life skills.

Bald Angels received a multi-year grant of \$90,000 (\$30,000 per year) over three years for salaries to continue its support of disadvantaged children and young people to thrive. Bald Angels partners with multiple community and government organisations to provide assistance with emergency needs, camps, addiction and trauma support, mentoring, education and employment support and Christmas presents.

Committee

The Northland Community Committee farewellled Committee member Gwen Tepania-Palmer in March 2019, retiring after three years of service. The Committee thanks Gwen for her

valuable contribution. Congratulations to Darlene Lang-Gent for her appointment as Presiding Member. After six years of service, the time has come for me to step down. Serving on the Committee and working alongside such capable people to help support our communities has been a very rewarding experience. The Committee extends a warm welcome to new committee members Ralph Correa and Johnny Gritt and congratulates them on their appointment to the Committee.

The Committee has valued the support of staff from the Department's Northern offices for their work with communities and their ongoing support throughout the year.

Neil Clements

Presiding Member
Northland Community Committee

2018/19 Allocation	\$2,350,357
Funding returned in 2018/19	\$28,621
Total amount available for distribution	\$2,378,978
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Total amount requested	\$7,542,025
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$258,804
Total amount approved in 2018/19 distributed in 2018/19	\$2,119,175
Total amount distributed	\$2,377,979
Percentage of amount requested that was approved	36%
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Number of applications received	152
Number of applications considered	147
Number of applications approved	118
Percentage of applications approved	80%
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Largest approved grant	\$150,000
Average approved grant	\$22,845
Smallest approved grant	\$1,160

Otago/Southland Community Committee

Rota ki te Hapori o Ōtākou/Murihiku



Committee Members

Nigel Moore
(Presiding Member, retired March 2019)
Margot Hishon (retired November 2018)
Beverley Evans (retired May 2019)
Vanessa van Uden
(Presiding Member from May 2019)
Yvonne Bannerman
(from November 2018)
Suzanne Menzies-Culling
(from November 2018)
Terry Nicolas (from May 2019)
Irene Mosely (from May 2019)

Outcome Statement

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

Committee Priorities

- people are engaged and involved in community life
- there is increased community collaboration between service providers within communities, and duplication of services is reduced
- increased community ability to be innovative, resilient and responsive to change and opportunities
- positive contributions are made to the life, vibrancy and identity of communities to enhance enjoyment for all its members
- rurally isolated communities have increased support.

Lower priority is given to applications from the following areas:

- arts
- sports
- organisations that receive government funding, but are unable to show community need and benefit over and above their contract
- organisations that only provide information and/or information is the main service provided.

Meeting Community Needs

This Committee covers a large geographic area that includes the districts of Invercargill, Southland, Gore, Queenstown Lakes, Central and North Otago, Clutha, Dunedin and Waitaki. Within these areas there is a mix of isolated rural communities, small towns and cities.

The Committee approved funding applications that aligned closely with the Committees priorities. In particular, those that encouraged community engagement and supported resilience and innovation. The Committee also felt that it was important to support isolated communities, youth and elderly. The Committee also contributed to innovative projects, festivals and significant community events.

This year the Committee funded a diverse range of organisations that aligned well with the committee's outcomes and priorities. These included:

Te Mana Ahua Ake Charitable Trust received \$20,000 to assist with the running of the Otago Polyfest, a week-long volunteer-run event with an audience of 12,000 that provides opportunities for young people to share Māori and Pacific culture with the wider community. Participation in cultural performances develops cultural identity and, as they perform, young people and whanau learn about their traditions and customs.

Fiordland Community House received a multi-year grant of \$105,000 to assist with running the community house and employment of a community worker. Fiordland is isolated, approximately 2

hours from main centres and has limited social and community services. Fiordland Community House is a point of contact for the local community, offering a range of support services under one roof to help reduce the effects of isolation and provide families and young people with the social supports in a time of need. The Community House also organises events, activities and holiday programmes.

Acts of Kindness Charitable Trust received \$8,000 towards the costs of organising the Dunedin Light party, Christmas in the stadium and Dunedin community Christmas dinner. The events are free-of-charge for children, young people and families, and focus on providing socially-affected and financially disadvantaged people the opportunity to participate in positive community events. They provide increased opportunities for volunteering and alleviating loneliness during the Christmas period with individuals gaining a greater sense of wellbeing as a result of being connected and engaged with the events.

Chatbus Trust received \$45,000 to assist with counselling services for children under 14 years of age in primary and intermediate schools. Chatbus is a safe place for children to go when they do not want to talk to anyone else. Currently the service is available in Dunedin and Mosgiel and there are plans to develop the service in Southland.

Chatbus travels to each school making counselling services available, on safe, familiar territory, yet one step removed from the school system.

All ChatBus counsellors are professionally trained. Children share a wide range of concerns including friendship issues, bullying, family bereavement and divorce, to serious cases of neglect or abuse that no-one else even suspected.

Funding from Lottery Community supports the benefits of this service which include children feeling more secure, having better self-esteem and better relationships with their peers and family.

Committee

There were several changes to Committee membership during the year. Nigel Moore retired as Presiding member after nine years on the Committee. Nigel provided excellent leadership and facilitated positive discussion resulting in robust decisions. Nigel's experience and input will be missed. Valued members, Margot Hishon and Beverly Evans, completed their time with the committee after three and nine years' service, respectively. During the year four new members were appointed. Yvonne Bannerman from Gore, Suzanne Menzies Culling and Irene Mosely from Dunedin, and Terry Nicolas from Hokonui Runanga. We look forward to their contribution. We look forward to Vanessa van Uden's leadership as the new Presiding Member.

The number of applications remained similar to previous years. However, the level of funding requested continues to exceed the amount available to allocate. As a result, the Committee was rarely able to fund at the level requested.

The Committee continued to approve multi-year grants. The Committee views multi-year funding as being beneficial to community organisations. It reduces administration and provides a level of certainty for community organisations.

The Committee appreciated the high level of support from the Department during the year.



Nigel Moore

Presiding Member
Otago/Southland Community Committee

2018/19 Allocation	\$2,887,697
Funding returned in 2018/19	\$27,563
Total amount available for distribution	\$2,915,260
Total amount requested	\$8,318,350
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$486,959
Total amount approved in 2018/19 distributed in 2018/19	\$2,419,238
Total amount distributed	\$2,906,197
Percentage of amount requested that was approved	36%
Number of applications received	199
Number of applications considered	192
Number of applications approved	173
Percentage of applications approved	90%
Largest approved grant	\$120,000
Average approved grant	\$17,510
Smallest approved grant	\$800

Taranaki Community Committee

Ehara i te toa takitahi, engari e toa takitini



Committee Members

Lynn Bublitz
(Presiding Member to March 2019)
Terrance Parkes
(Presiding Member from May 2019)
Maree Marchant
Raymond Tuuta
Te Aorangi Mako-Dillon

Outcome Statement

People are independent, empowered and self-sufficient.

Committee Priorities

- secure futures for youth
- social connections and assistance for people with defined needs
- assistance for those in need
- cultural diversity.

Priority is given to organisations that demonstrate collaboration, good governance and sound financial management, support for their volunteers and that clearly define their outcomes.

Lower priority is given to organisations that are substantially government-funded or well-resourced.

Meeting Community Needs

The priorities set by the Committee acknowledge what was important to the local community in 2018/2019; to address intergenerational and cultural needs, and aspirational needs of all people across Taranaki. As a Committee we continue to receive applications from some of our well-established community groups. In addition to this we have also seen presentation of a small number of new groups to the Fund and, in

particular, applications from hapū and iwi-based community groups.

In line with the Committee's priority area for youth, Conductive Education Taranaki received a multi-year grant of \$90,000 as a contribution toward operational costs. Conductive Education Taranaki is a recently established centre of education whose overall aim is to meet the need for a consistent and professional cognitive and physical rehabilitation programme for children with neuro-motor disorders and other special needs in Taranaki. The support from this Lottery grant has allowed a significant number of children to enrol in the program to develop and achieve milestones quicker than if they were left to their own devices. The programme is helping the students develop socially, cognitively and physically as it incorporates all of these aspects into their sessions and ultimately into their daily routines.

A grant of \$35,000 was made to Life Education Trust Taranaki to support with annual operating expenses for the two mobile classrooms used throughout Taranaki. Life Education Trust Taranaki reach 90% of children aged 5-13 years in Taranaki and participating in their programme helps equip children with a tool kit to make informed decisions affecting their own health and well-being. The programme supports children to understand why a balanced diet is needed, the impact of their decisions on others and to build their own resilience strategies. Children learn to understand the development of their brain through maturation and the impact of alcohol and substances in this critical development period.

New Plymouth Group, Riding for the Disabled Association Incorporated was a recipient of a multi-year grant of \$60,000 (\$20,000 per year) over three years for operational costs to cover its therapeutic riding programme. The programme helps those with special needs increase their learning through riding skills. Each rider has an individual riding programme set with information from their teacher, carer, parent and RDA coach. Riding helps stimulate all parts of the body, build muscle strength, improve coordination and balance and improve walking ability. Riders in this programme are usually of high needs,

often in wheelchairs, and are requiring rehabilitation. Interaction with horses has been proven to be wonderful therapy for many. The Association has around 450 volunteer hours worked per week from the 47 volunteers connected to the programme.

Committee

The Committee bid farewell to Lynn Bublitz and welcome to Te Aorangi Dillon. Lynn was a member of the Taranaki Committee for nine years, many of which he served as Presiding Member. Te Aorangi Dillon of Ngaruahinerangi and Ngāti Haua iwi brings an extensive network base and community action experience. Terence Parkes was promoted to Presiding Member for the Committee and looks forward to successfully fulfilling the role and responding well to the funding needs of the Taranaki community to the best of his ability.

Terence Parkes
Presiding Member
Taranaki Community Committee

2018/19 Allocation	\$1,256,638
Funding returned in 2018/19	\$21,250
Total amount available for distribution	\$1,277,888

Total amount requested	\$3,078,357
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$191,000
Total amount approved in 2018/19 distributed in 2018/19	\$1,081,540
Total amount distributed	\$1,272,540
Percentage of amount requested that was approved	48%

Number of applications received	71
Number of applications considered	65
Number of applications approved	55
Percentage of applications approved	85%

Largest approved grant	\$120,000
Average approved grant	\$27,046
Smallest approved grant	\$3,000

Waikato Community Committee

Rota ki te Hapori o Waikato



Committee Members

Simon Lockwood (Presiding Member)

Jason Sebestian

Paula Baker

Sally Lee

Maxine Moana Tuwhangai (to May 2019)

Gwendoline Tepania-Palmer (from May 2019)

Outcome Statement

The social and cultural wellbeing of Waikato communities is enhanced.

Committee Priorities

- communities have established collaborative relationships and partnerships to achieve similar goals
- older people participate and contribute to families/whānau and communities
- young people engage, participate and add value to their communities
- volunteers are recognised and valued, receive training and are well supported
- rural, isolated and vulnerable communities have access to quality services, infrastructure and technology
- the organisation seeks outcomes beyond the value of the grant itself.

Priority is given to organisations that have good governance, show a clear separation between governance and management and demonstrate good financial sustainability.

Meeting Community Needs

The Committee's funding area includes the districts of Thames Coromandel, Hauraki, Matamata-Piako, Waipa, Waikato, South Waikato, Waitomo, Otorohanga, Taupo and Hamilton city. This area includes much of the lands of the Tainui waka and thus the people of Waikato, Raukawa, Hauraki and Maniapoto.

The Waikato region is diverse and this is reflected in the funding applications received from community groups. The Committee has a strong desire to cultivate a collaborative funder-grantee relationship built on trust, transparency and shared knowledge. One way to support this collaboration is through multi-year funding which serves as a catalyst in cultivating this type of relationship and in turn can be a key element in helping the Committee as the funder to achieve its strategic priorities and help grantees achieve success.

Three organisations the Committee supported with multi-year funding:

Rostrevor House Incorporated received a multi-year grant of \$72,000 towards operational costs for their whānau workers. The organisation is based in Hamilton and also provides support to Te Awamutu, Coromandel/ Hauraki, Thames and Tokoroa. The focus of the organisation is to serve children, youth and families who struggle with disruptive behaviour disorder, including Attention Deficit Hyperactivity Disorder (ADHD).

The Refugee Orientation Centre (ROC) received a multi-year grant of \$140,000 towards the organisation's operational costs. The organisation was formed by former refugees in Hamilton and continues to be run by former refugees today. ROC has successfully run multicultural programmes to help refugees integrate into the Hamilton community. The programmes range from running the Jambo Cup Kidz Soccer Festival, to budgeting and parenting advice and study support services.

Whaingaroa Environment Centre (WEC) received a multi-year grant of \$115,000 towards operational costs to support the Whaingaroa/ Raglan community to become more environmentally sustainable, healthy and resilient. The organisation aims to undertake organisational development

to empower and educate the community while encouraging connection to the environment.

Committee

The Committee has seen a higher standard of applications in the last 12 months from organisations looking to make a real and indelible difference in their community.

The combining of social enterprises, charities and not-for-profits offers increased possibilities for organisations to extend their reach and social impact for good. In some cases, the driving force for positive community change is clear and we look forward to supporting these innovative organisations moving forward.

I would also like to take the opportunity to thank the Committee members for their skill and diligence in providing excellent outcomes for those organisations aligning with our priorities.

Simon Lockwood
Presiding Member
Waikato Community Committee

2018/19 Allocation	\$4,907,553
Funding returned in 2018/19	\$100,779
Total amount available for distribution	\$5,008,332
Total amount requested	\$10,769,033
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$488,650
Total amount approved in 2018/19 distributed in 2018/19	\$4,510,016
Total amount distributed	\$4,998,666
Percentage of amount requested that was approved	57%
Number of applications received	210
Number of applications considered	205
Number of applications approved	181
Percentage of applications approved	88%
Largest approved grant	\$300,000
Average approved grant	\$33,654
Smallest approved grant	\$1,800

Wellington/Wairarapa Community Committee

Rota ki te Hapori o Te Upoko o te Ika/Wairarapa



Committee Members

Bernard Cleary
(Presiding Member to May 2019)
John O'Connell
(Presiding Member from May 2019)
Josie Adlam
Cheryl Davies
Dr. Jordan Alexander
(from October 2018)
Vanisa Dhiru (from May 2019)

Outcome Statement

The Committee contributes to the building of strong, sustainable communities by encouraging or enabling community self-reliance, capacity-building and stability. The Committee also supports opportunities for social, recreational, civil or cultural participation and reducing or overcoming barriers to participation.

Committee Priorities

Priority for funding is given to organisations that contribute to the following outcomes:

- vulnerable families and individuals are connected, resilient, self-sufficient and enjoy a good quality of life
- young people are engaged and positively contribute to work and community
- communities are connected and respond to changing environments and identified needs through a community-led approach.

Lower priority is given to organisations: that receive government funding but are unable to show community need and benefit over and above their contracts; for activities that are not integrated into the local community; that are sufficiently well-resourced with more than 24 months of working capital, unless exceptional circumstances apply.

Meeting Community Needs

The Committee's area is diverse covering both rural and urban areas. The Committee continues to support the unique needs put forward by the different communities it serves and is focused on funding essential social service providers and organisations working in the social sector area.

34 organisations were awarded multi-year grants in 2018/19. These organisations have made a great impact on our communities.

Sailability Wellington Trust received \$180,000 (\$60,000 per year) across three years to provide support and sailing activities for people with any form of disability. Their sailing programmes run from three hubs across the Wellington region every week of the year, with a race squad who also compete nationally and internationally with distinction. The programmes are always at maximum capacity and utilize a large number of volunteers who have undergone stringent training to ensure high safety standards are adhered too. The grant was a contribution to their operational costs.

As a result of the affordable housing shortage in New Zealand's Capital and several other mitigating factors, Wellington Night Shelter's services continue to be essential for men experiencing homelessness. The Committee has maintained its commitment to funding social service providers supporting vulnerable people, demonstrated in the multi-year grant to Wellington Night Shelter of \$150,000 (\$50,000 per year) over three years.

With a strong commitment towards children and young people, the Committee also funded \$30,000 to The Shift Foundation. An organisation committed to improving the wellbeing of young women through physical activity and empowerment. They achieve this through co-designing programmes and solutions with young women, allowing them to better understand their needs in a constantly evolving environment and adapt strategies so as to meet the needs.

Committee

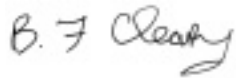
In March 2019, Bernard Cleary finished his term as Presiding Member and John O'Connell was appointed to Presiding Member in May 2019. Dr. Jordan Alexander was appointment to the Committee in October 2018 and Vanisa Dhiru in May 2019.

After identifying an absence of funding applications from Māori and Pacific organisations, the Committee decided to support a hui for Māori providers which was held in September 2018 and facilitated by Department staff. As a result of this hui there was increase in Māori organisations who applied and were subsequently funded by the committee.

Following encouraging conversations with local councils and funders about working collaboratively, the Committee continued to support "Funding for Change" – funding towards collaborative projects. The Committee funded two projects – a youth drop in space in Masterton and a pilot youth resilience programme in Upper Hutt following a number of suicides. The Committee's priorities for these were, children and young people and family/domestic violence.

The Committee are committed to making a real impact in the community which resulted in a strategic planning session in March 2019 including a review of the priorities for the 2019/20 year.

The Committee are committed to making a real impact in the community which resulted in a strategic planning session in March 2018 including a review of the priorities for the 2018/19 year.



Bernard Cleary

Presiding Member
Wellington Wairarapa Community
Committee

2018/19 Allocation	\$3,946,656
Funding returned in 2018/19	\$25,000
Total amount available for distribution	\$3,971,656
Total amount requested	\$12,384,036
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$817,470
Total amount approved in 2018/19 distributed in 2018/19	\$3,154,186
Total amount distributed	\$3,971,656
Percentage of amount requested that was approved	46%
Number of applications received	183
Number of applications considered	159
Number of applications approved	123
Percentage of applications approved	77%
Largest approved grant	\$300,000
Average approved grant	\$45,937
Smallest approved grant	\$2,000

West Coast/Nelson-Marlborough Community Committee

Rota ki te Hapori o Te Tai Poutini/Whakatū-Wairau



Committee Members

Alison McAlpine (Presiding Member to March 2019)

Larry Ching (Presiding Member from May 2019)

Pam Woodward

Viveyan Tuhimata-Weke (to May 2019)

Michael Pugh (to May 2019)

Brent Maru (from May 2019)

Corrina Gusto-Best (from May 2019)

Latham Martin (from May 2019)

Outcome Statement

The social and economic wellbeing of the West Coast/Nelson-Marlborough Communities are enhanced.

Committee Priorities

- communities are engaged and achieving sustainable, positive outcomes for the future
- rurally-isolated communities have access to services
- communities affected by natural disasters are supported in their recovery.

Lower priority is given to organisations: that receive significant government contract funding, or are generally government funded; for activities that take place at school in school time and are part of the New Zealand school curriculum.

Meeting Community Needs

This Committee covers a vast region where there is wide differences between the districts. The West Coast comprises

the territorial authorities of Buller District, Grey District and Westland District. Overall the region is sparsely populated and has a number of smaller rural towns and communities. The geography of the area brings with it a natural isolation and its own rich culture. Marlborough's most important industries are primary industries with an increase in tourism. The regional population density is low and mainly concentrated in a few towns. Vineyard seasonal workers mainly from the Pacific add considerably to the region's population. Nelson Tasman District's population statistics show one in five people were internationally born and there are 48 different cultures living in its environs. There is a growing regional economy with a diverse economic base.

Q-Youth received a multi-year grant of \$30,000 (\$10,000 per year) over three years. Key outcomes of this grant are about increasing the wellbeing of queer youth, as well as the wider Whakatu/Nelson community as they address issues of mental health, discrimination and marginalisation of diverse groups creating a more cohesive and socially-inclusive region.

Kumara Memorial Hall is an important focal point for the community and is a place where a number of community activities and events are held. A grant of \$17,892 was awarded to carry out repairs and maintenance to this much-loved community facility including painting, installing storm water and replacing guttering and spouting.

The Marlborough Pacific Trust provides support for Pacific families who live in the Marlborough area. A contribution of \$10,000 was awarded to this group towards a Navigator role who will assist families with settling into NZ and ensuring they have access to the services they need to begin their new lives in New Zealand.

Committee

Thank you to outgoing Committee members Alison McAlpine, Michael Pugh and Viveyan Tuhimata-Weke for their contributions to this Committee.

Their extensive knowledge of their communities has contributed to some robust discussions leading to sound decision making. Alison McAlpine remains a member of the Hurunui Kaikōura Marlborough Community Facilities Earthquake Fund with Pam Woodward and their ongoing commitment to this is appreciated.

Welcome to Brent Maru, Latham Martin and Corrina Gusto-Best who will continue with Pam Woodward, and Larry Ching as the Chair.

Alison McAlpine

Presiding Member
West Coast/Nelson/Marlborough
Community Committee

2018/19 Allocation	\$1,773,447
Funding returned in 2018/19	\$6,628
Total amount available for distribution	\$1,780,075

Total amount requested	\$4,920,682
Multi-year amounts approved in 2017/18 distributed in 2018/19	\$240,000
Total amount approved in 2018/19 distributed in 2018/19	\$1,540,075
Total amount distributed	\$1,780,075
Percentage of amount requested that was approved	42%

Number of applications received	106
Number of applications considered	98
Number of applications approved	81
Percentage of applications approved	83%

Largest approved grant	\$167,940
Average approved grant	\$25,278
Smallest approved grant	\$1,500

Statutory Bodies

Creative New Zealand

Every day the arts inspire us and delight us. They enable us to express ourselves creatively and help make sense of the world. The arts strengthen individual, whānau, community and societal wellbeing. We know from our research that New Zealanders value the arts. Eight out of 10 adults have attended or participated in at least one arts event in the past 12 months. Over half of New Zealanders agree that the arts help improve New Zealand society, that they contribute positively to the economy and help define who we are as New Zealanders.

In 2018/19, the arts continued to deliver value for New Zealanders all across Aotearoa. Creative New Zealand's purpose is to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders. We are delighted that our investment is contributing to public engagement, both locally and internationally.

New Zealand arts practitioners and arts organisations created and presented an impressive array of high-quality works over the past year. In 2018/19 Creative New Zealand invested over \$56 million in the arts, supporting the sector through our investment, capability building and advocacy programmes. This was achieved with the support of \$39 million from the New Zealand Lottery Grants Board.

We continue to see evidence of the arts improving our health and wellbeing, developing talent, building prosperous communities and reflecting the diversity of who we are. Across the country, the mahi of our artists and arts practitioners is strengthening our whānau, communities and societies. The development of high-quality works, and increased participation and engagement in those works, are achieved through Creative New Zealand's main funding programmes.

Key achievements in 2018/19 include:

- More than 2,600 high-quality New Zealand artworks developed, a significant increase on 2017/18 due to improved reporting processes
- Over 262,000 participants in projects or events funded by Creative New

Zealand, with the majority of our Investment Programme clients reporting more New Zealanders actively engaging in their arts activities

- More than 2 million attendances reported as a result of arts organisations providing arts experiences across the country and across all artforms
- Organisations in Creative New Zealand's multi-year investment programmes presented more than 6,500 events and performances throughout New Zealand
- Successful completion of 625 grants and other opportunities, such as residencies and fellowships, by artists and arts organisations
- Over \$10 million invested in projects and initiatives that encourage New Zealanders to participate in the arts. This included the Creative Communities Scheme, run in partnership with local authorities, which awarded more than \$3.3 million to over 1,500 arts projects throughout New Zealand
- More than \$1.1 million provided for capability building initiatives for artists and organisations covering areas such as audience and market development, strategy and governance and arts sector development
- Three new funds were developed or implemented in 2018/19: the Innovation Fund, the Young New Zealanders and the Arts Toi Rangatahi initiative, and the Arts in the Regions initiative. The impact of the funds on innovation, young people and youth arts and arts in the regions will be reported in future annual reports
- Nui te Kōrero: Roadmap to the future (our key audience development gathering) was attended by over 210 representatives of arts organisations across the country, with 90 percent of delegates at the hui finding it effective overall.

We've continued to advocate for the arts with key pieces of policy and programme work in 2018/19. We're

implementing our new Investment Strategy Te Ara Whakamua 2018–2023 to guide our investment decisions over the medium term. We've developed our first Pacific Arts Strategy 2018–2023 and Te Hā o ngā Toi—Māori Arts Strategy 2019–2024, to guide the way we invest in, develop, advocate and provide leadership for ngā toi Māori and Pacific arts. We also delivered to our Advocacy Strategy 2016–2021, engaged with local government to increase responsiveness to the arts, and boosted the impact of our New Zealanders and the Arts 2017 research.

We've also maximised the impact of our programmes through collaboration with other cultural sector agencies. The first stage of Creative New Zealand's A Profile of Creative Professionals research, in partnership with NZ On Air, was completed and shared with the sector in 2018/19. The research explores the sustainability of careers in the creative sector, and opportunities to better support creative professionals in their careers. Additional Crown funding of \$1 million into our baseline from 2019/20 onwards will support our efforts to provide a fairer wage for artists and arts practitioners, which will help improve their working conditions. Other specific relationships progressed in 2018/19 include those with Te Taura Whiri i Te Reo Māori, Te Matatini, Te Māngai Pāho and Te Papa.

Looking to the year ahead, we've adopted a new strategic framework that describes how we create long-term value for New Zealanders through our support for the arts. Through this model we have, for the first time, articulated the value we believe the arts deliver for individuals, whānau, communities and society. As a result we've published a new 10-year strategy, recognising that the sort of change we're seeking takes time. In 2019/20 we'll consider what we need to do to increase that value and ensure all New Zealanders – regardless of where they live and who they are – share in the benefits of our investment.

Finally, Creative New Zealand never works in isolation. Our central kaupapa could not be achieved without strong relationships across and beyond the arts sector. Along with the lottery-playing public, our clients, public and

private investors and partners make a vital contribution towards our vision of dynamic and resilient New Zealand arts. We reflect further on our relationships and partnerships, along with all our achievements over the past year, in our full Annual Report for 2018/19.

Mā te mahitahi, ka tipu ngā toi mō te katoa

By working together we can grow the arts for everyone

New Zealand Film Commission

The New Zealand Film Commission (NZFC) is proud to be able to support New Zealand filmmaking and the New Zealand screen sector with the help of the Lottery Grants Board. This year the NZFC was allocated \$16.9 million from the Lottery Grants Board.

Ten new NZFC-financed features received theatrical releases in the period: *She Shears*, *Vai*, *The Chills: The Triumph and Tragedy of Martin Phillips*, *Yellow is Forbidden*, *Wayne*, *Vermilion*, *Maui's Hook*, *The Heart Dances*, *Merata: How Mum Decolonised the Screen* and *Daffodils*, which took over one million dollars at the New Zealand box office.

In the past 12 months, 14 offers of production financing were made to feature film projects, five of which are documentaries. Three of these projects were funded through the 125 Fund, a one-off initiative introduced in 2018 to celebrate 125 years of universal suffrage in New Zealand. The fund was open to projects where the director and at least one other key creative was a woman.

New Zealand films were well-represented internationally with NZFC supported films screening at A-list festivals including the Berlin, Sundance, South by Southwest (SXSW), Sydney and Tribeca Film Festivals.

Two new funding initiatives to support the development of series drama were introduced, as were two bespoke funding opportunities for Māori filmmakers.

Six new short films were funded during the year, as well as 14 interactive (VR,

AR, games) projects with a strong narrative concept.

NZ Film On Demand, a transactional VOD service which features over 160 New Zealand films, from recent cinema releases to newly digitised classics continues to add new titles and now has over 11,000 subscribers.

The NZFC is a crown entity which helps grow and support our country's vibrant film industry. It invests in original and culturally significant New Zealand films, supports talented New Zealand filmmakers develop their careers, works to build connections internationally and to grow audiences for New Zealand films, here and overseas.

The NZFC markets New Zealand's screen production industry overseas, attracts international screen productions to New Zealand, negotiates international co-production treaties, administers the New Zealand Screen Production Grants, and certifies official co-productions.

Ngā Taonga Sound & Vision

Ngā Taonga Sound & Vision is New Zealand's audiovisual archive. It saves and cherishes the stories, creativity and history of Aotearoa New Zealand in sound and moving images. With strong values of connection, creativity and conservation the Archive's purpose is to collect, share and care for New Zealand's audiovisual taonga. Its kaupapa expresses its commitment to the principles of the Treaty of Waitangi and reflects Māori and Pākehā perspectives, language and aspirations. It guides the way Ngā Taonga works with the audiovisual taonga and with those connected with it.

In 2018/19 Ngā Taonga Sound & Vision received \$1.3 million in funding from the Lottery Grants Board, making it the Archive's second largest funder. This funding has effectively supported a significant shift this year in the way Ngā Taonga reaches and connects with its audiences.

The Archive has moved from primarily presenting screenings in its own Wellington cinema to expanding its

online activity in order to enable more individuals and communities across the whole of New Zealand to connect with the precious taonga in the collections. A refocus of resources and a much more strategic and planned approach to social media has seen a substantial 178% increase in engagements on the Archive's social channels and a 19% increase in website sessions, when compared with the previous year.

Other major achievements of the year include:

In September 2018 Ngā Taonga launched an online exhibition showcasing exceptional New Zealand women as part of the Suffrage 125 celebrations. This was a major online project celebrating 125 of our most illustrious, revolutionary, courageous, inspirational, empowering, luminous, innovative and influential women.

Another large project, this time in the form of face-to-face engagement, was the Archive's involvement in Te Matatini ki te Ao 2019, the biennial kapa haka and performing arts festival, which this year was held at Wellington's Westpac Stadium over four days in February. Ngā Taonga organised an exhibition stall showcasing the work of seven government and cultural organisations with a five-metre LED screen showing archival kapa haka performances and a varied programme of other historical material. Ngā Taonga also supplied a 20-minute video compilation, featuring the development and progress of kapa haka from 1901 through to 1998, for the huge LED screens located to the sides of the main kapa haka stage and the smaller screens located around the stadium's concourse and separate footage for the Festival's kapa haka hub. Festival attendees were encouraged to experience first-hand Te Mita Tini (Te Matatini's Māori language strategy) and many of the Archive's stall volunteers were able to engage with visitors in te reo. Te Matatini ki te Ao 2019 was a significant and rewarding project for Ngā Taonga. Stall volunteers reported a high level of engagement with the archival footage on show and about 55,000 visitors were able to enjoy some of the taonga in the collections.

A new national newsletter was launched to very positive feedback in March, with 7,545 subscribers to date. The publication shares fascinating stories about the Archive's audiovisual taonga, its work, events and projects. Ngā Taonga also has a regular column in the Ōtaki Today community newspaper and the Archive is seeking other opportunities to tell stories to diverse communities around the country.

Work to grow the Archive's presence in Auckland continued as Ngā Taonga collaborated with the Auckland Live Digital Stage in Aotea Square. The first curated programme – New Zealanders on Holiday – appeared on the nine-metre-wide LED screen over the April school holidays and more programmes are scheduled to follow.

Christchurch audiences were also able to connect with the collection in a variety of ways, from screenings at two Lyttelton Museum fundraisers to the interactive Discovery Wall at Christchurch City Library.

Ngā Taonga was invited to present two documentaries, *Te Matakite o Aotearoa / The Māori Land March and Bastion Point: Day 507* in both the main DocEdge Festival programme and the DocEdge Schools programme during June and July 2019. With most sessions sold out, connecting these significant works with new audiences was one of the highlights of the year.

A final update was made to the ANZACsightsound.org website ahead of the Treaty of Versailles centenary on 28 June. This site was built in collaboration with the National Film and Sound Archive of Australia to commemorate the centenary of Australia and New Zealand's involvement in World War One.

The generous funding received from the Board has enabled Ngā Taonga to continue its work to connect New Zealanders with their cultural heritage.

Sport New Zealand

Sport NZ invests in sport and recreation sector partners to ensure New

Zealanders can enjoy quality sport and active recreation experiences. In the third year of our strategic period 2015-20 and guided by our Sport NZ Group Strategic Plan and Community Sport Strategy, our effort is particularly focused on delivering quality experiences for young people that develop their confidence, competence and motivation for a lifelong love of being physically active.

Our work to this end includes building our sector partners' capability and ensuring their initiatives align with our shared philosophies, and fostering collaboration to achieve improvements and expand opportunities to participate in the play, active recreation and sport system. Our partner capability work and targeted investment would not be possible without the ongoing funding we receive from the Lottery Grants Board.

Sport NZ was allocated \$52 million by the Lottery Grants Board in 2018/19 – important funds which have helped us to:

- Invest in our sector partners, including national sport organisations, regional sports trusts and national recreation organisations to help improve the system which delivers sport and active recreation
- Develop and launch the Government's Strategy and Commitments to Womens and Girls in Sport and Active Recreation. An allocation of \$10m over three years will ensure we deliver on 24 commitments we've made to increase participation, leadership, and value and visibility for girls and women in Aotearoa New Zealand
- Continue the delivery of Play.sport in two regions and the expansion into two more regions. Play.sport is a collaborative intervention led by Sport NZ to improve the quality of physical education (PE), sport, physical activity and play experiences in schools, and the connection between schools and their communities
- Launch the Coaching for Character pilot, to advance our understanding

of how we can provide development coaches with simple and adaptable tools and concepts that will enable them to embed character education as a primary focus in their coaching practice.

Financial Statements

New Zealand Lottery Grants Board

For the year 1 July 2018 to 30 June 2019

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the New Zealand Lottery Grants Board's financial statements for the year ended 30 June 2019

The Auditor-General is the auditor of the New Zealand Lottery Grants Board. The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the New Zealand Lottery Grants Board on his behalf.

Opinion

We have audited the financial statements of the New Zealand Lottery Grants Board on pages 53 to 59, that comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive revenue and expense for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion the financial statements of the New Zealand Lottery Grants Board on pages 53 to 59:

- present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

Our audit was completed on 31 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the New Zealand Lottery Grants Board for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the New Zealand Lottery Grants Board for assessing the New Zealand Lottery Grants Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the New Zealand Lottery Grants Board, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the New Zealand Lottery Grants Board's internally approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Zealand Lottery Grants Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the New Zealand Lottery Grants Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the New Zealand Lottery Grants Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

This annual report of the New Zealand Lottery Grants Board contains the audited financial statements of the New Zealand Lottery Grants Board, the audited financial statements of Profits of New Zealand Lotteries and two independent auditor's reports, one for each set of audited financial statements.

The annual report also includes other information. The Board is responsible for the other information. The other information comprises the information included on pages 1 to 49 and 52, but does not include the information we audited, and our two auditor's reports thereon.

Our opinions on the information we audited do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit of either the New Zealand Lottery Grants Board or Profits of New Zealand Lotteries, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, we have considered whether each of the two sets of audited financial statements are materially inconsistent with each other or our knowledge obtained in the audit of either of the two entities. We have nothing to report in this regard.

Independence

We are independent of the New Zealand Lottery Grants Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the New Zealand Lottery Grants Board.



S B Lucy

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Responsibility

The Board is responsible for the preparation of the New Zealand Lottery Grants Board's (Board) financial statements and for the judgements made in them.

The Board has the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements fairly reflect the financial position and operations of the Board for the year ended 30 June 2019.



Hon Tracey Martin

Presiding Board Member
31 October 2019



Khoa Nguyen

Board Member
31 October 2019

Statement of Purpose

The Board makes decisions on the allocation of profits received from New Zealand Lotteries.

These decisions are limited to the allocations to the Lottery Distribution Committees, the Minister of Internal Affairs (Discretionary Fund) and the three statutory bodies in accordance with Sections 276, 278 and 279 of the Gambling Act 2003 and are detailed in Note 5 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 New Zealand and the New Zealand Film Commission (including Ngā Taonga Sound and Vision).

These financial statements comprise the accounts of the Board.

The operations of the Lottery Distribution Committees and the Minister's Discretionary Fund are reported in the financial statements of Profits of New Zealand Lotteries. The operations of the statutory bodies are reported in the annual accounts of those entities.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2019

	Note	Actual 2019 \$	Budget 2019 \$	Actual 2018 \$
Revenue				
Lottery Profits	2	261,291,224	274,700,000	275,029,246
Total Revenue		261,291,224	274,700,000	275,029,246
Expenditure				
Distribution to Profits of New Zealand Lotteries		261,256,431	274,589,938	274,995,464
Board Expenses	4	26,671	59,964	23,635
Presiding Members' Policy Advisory Group Meetings Expenses	4	8,122	50,098	10,147
Total Expenditure		261,291,224	274,700,000	275,029,246
Operating Surplus/Deficit		-	-	-
Other Comprehensive Revenue and Expense				
Total Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense	5	-	-	-

Explanations of significant variances against budget are detailed in Note 8.

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 2019

	Note	Actual 2019 \$	Budget 2019 \$	Actual 2018 \$
Assets				
<i>Current Assets</i>				
Debtors and other Receivables	6	1,291,224	68,675,000	5,029,246
Total Current Assets		1,291,224	68,675,000	5,029,246
Total Assets		1,291,224	68,675,000	5,029,246
Liabilities				
<i>Current Liabilities</i>				
Distribution payable to Profits of New Zealand Lotteries	7	1,291,224	68,675,000	5,029,246
Total Current Liabilities		1,291,224	68,675,000	5,029,246
<i>Non-Current Liabilities</i>				
Total Non-Current Liabilities		-	-	-
Total Liabilities		1,291,224	68,675,000	5,029,246
Equity				
Accumulated Funds		-	-	-
Total Equity		-	-	-
Total Liabilities and Equity		1,291,224	68,675,000	5,029,246

Explanations of significant variances against budget are detailed in Note 8.

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

Statement of Commitments

As at 30 June 2019

The Board has no commitments as at 30 June 2019 (2017/18: Nil).

Statement of Contingent Assets and Liabilities

As at 30 June 2019

The Board has no contingent assets or liabilities as at 30 June 2019 (2017/18: 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 2019

Statement of Accounting Policies

Reporting Entity

The New Zealand Lottery Grants Board (Board) is a fourth schedule entity in terms of the Public Finance Act 1989. These financial statements have been prepared in accordance with the Public Finance Act 1989 and the Crown Entities Act 2004. For the purposes of financial reporting the Board is a Public Benefit Entity (PBE).

The Board's primary objective is to make decisions on the allocation of profits received from the New Zealand Lotteries Commission. The operations of the Lottery Distribution Committees and the Minister's Discretionary Fund are reported in the financial statements of the Profits of New Zealand Lotteries. The operations of the Statutory Bodies are reported in the annual accounts of those entities.

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

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2019, and the report was approved by the Board on 31 October 2019.

Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 which includes the requirement to comply with New Zealand generally accepted accounting practice and prepared in accordance with and comply with Public Benefit Entity (PBE) Standards.

These financial statements have been prepared in accordance with the Public Finance Act 1989 and the Gambling Act 2003.

Measurement Base

The financial statements have been prepared on a historical cost basis.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

Judgements and Estimates

The preparation of the financial statements in conformity with PBE standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue 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 on-going 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 the revision affects both current and future periods.

Budget Figures

The budget figures are those approved by the Minister of Internal Affairs, as Presiding Member, 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 is 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.

Functional and Presentation Currency

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

Note 1: Significant Accounting Policies**Revenue**

Revenue comprises the profits of the New Zealand Lotteries Commission and other miscellaneous revenue. Revenue is measured at fair value which has been determined to be equivalent to the amounts received or receivable.

Revenue is recognised when earned and is reported in the financial period to which it relates.

All revenue is deemed to be non-exchange revenue as per the definition in PBE International Public Sector Accounting Standards (IPSAS) 23, "Revenue from Non-Exchange Transactions" (PBE IPSAS 23).

Board Expenses

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

Goods and Services Tax (GST)

These accounts have been prepared on a GST exclusive basis.

Note 2: Distribution to Profits of New Zealand Lotteries

Revenue less Board expenditure is distributed to the Profits of New Zealand Lotteries. It is recognised as expenditure in the financial statements of the Board and as revenue in the financial statements of the Profits of New Zealand Lotteries as per the Gambling Act 2003 Part 3 Subpart 3 paragraph 290.

The 2018/19 distribution to the Profits of New Zealand Lotteries was funded by profits of \$261,291,224 (2017/18: \$275,029,246) received from the New Zealand Lotteries Commission during the year.

At its meeting on 4 July 2018, the Board approved specific allocations to the Distribution Committees, the Minister of Internal Affairs (Discretionary Fund) and the guaranteed minimum percentage allocation to Statutory Bodies based on the 2018/19 forecast supplied by the New Zealand Lotteries Commission as detailed in Note 5 of the Profits of New Zealand Lotteries Annual Report.

Note 3: Related Parties and Key Management Personnel

The 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 Board would have adopted if dealing with those unrelated entities at arm's length.

The Department of Internal Affairs provides administrative services to the Board, the Distribution Committees and the Minister of Internal Affairs on an arm's length basis.

The key management personnel are the six members of the Board.

There were no grants approved relating to key management personnel during the year ended 30 June 2019 (2017/18: Nil). Therefore, there was no exercise of control or influence in the approval process.

Note 4: Disclosure of Fees

The total fees paid to the non-minister board members for attendance at Board meetings during the year 1 July 2018 to 30 June 2019 are shown below. These equate to 0.03 FTE (2017/18: 0.03):

Lottery Grants Board Members' Fees	Actual 2019 \$	Actual 2018 \$
Smaill, A.	-	1,620
Shortland, M.	1,980	810
Nguyen, K.T.	1,440	1,620
Wallace, R.H.	-	-
Total Fees Paid	3,420	4,050
Additional Meeting expenses	23,251	19,585
Total	26,671	23,635

These fees are based on actual paid fees in the 2018/19 financial year. Any fees processed after year end will appear in the 2019/20 annual report.

Of the six key management personnel three are Hon Tracey Martin, Hon Ruth Dyson and Hon Stuart Smith (MP). Members of Parliament do not receive remuneration or other benefits for their roles as members of the Board.

Fees for attendance at the Presiding Members, Policy Advisory Group Meetings	Actual 2019 \$	Actual 2018 \$
Clarricoats, G.	290	-
Cleary, B.F.	290	290
Clements, N.V.	290	-
Ellison, E.W.	290	-
Fouri, P.	290	-
Hardaker, J.M.	290	-
Keefe, M.J.M.	290	-
Lockwood, S.G.	290	290
McAlpine, A.M.	-	290
McLean, D.S.A.	290	-
Moore, N.J.	290	-
Nguyen, K.T.	360	-
Noble, K.A.	290	290
Petersen, D.M.	290	290
Powell, C.L.	-	290
Shortland, M.	360	-
Smaill, A.G.	-	540
Tozer, W.A.	-	290
Wanden, B.P.	290	-
Wehipeihana, N.N.F.	290	-
Total Fees Paid	4,780	2,570
PMPAG Travel	3,342	7,577
Total	8,122	10,147

These fees are based on actual paid fees in the 2018/19 financial year. Any fees processed after year end will appear in the 2019/20 annual report.

Note 5: Total Comprehensive Revenue and Expense

Total Comprehensive Revenue and Expense for the year ended 30 June 2019 was Nil (2017/18: Nil). The Board expenses were paid from a bank account operated by the Profits of New Zealand Lotteries. All surpluses are distributed to the Profits of New Zealand Lotteries.

Therefore, it is not appropriate for the Board to produce a Statement of Changes in Net Assets/Equity or Statement of Cash Flows.

Note 6: Debtors and Other Receivables

	Actual 2019 \$	Actual 2018 \$
Accounts Receivable	1,291,224	5,029,246
Debtors and other Receivables	-	-
Provision for Doubtful Debts	-	-
Total Debtors and Other Receivables	1,291,224	5,029,246

Debtors and other receivables are non-interest bearing, non-exchange revenue related, and receipts are within the normal terms; therefore the carrying value of debtors and other receivable approximates their fair value. There is no impairment provision.

The ageing profile of receivables at year end is detailed below:

	Gross \$	Actual 2019 Impairment \$	Net \$	Gross \$	Actual 2018 Impairment \$	Net \$
Not past due	1,291,224	-	1,291,224	5,029,246	-	5,029,246
Past due 1-30 days	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-
Past due over 90 days	-	-	-	-	-	-
Total Debtors and Other Receivables	1,291,224	-	1,291,224	5,029,246	-	5,029,246

All receivables greater than 30 days in age are considered past-due. Due to the nature of the receivables, the impairment assessment is generally performed on an individual basis, based on past collection history and write-offs.

Note 7: Distribution payable to Profits of New Zealand Lotteries

This balance reflects the amount to be received from New Zealand Lotteries Commission and passed on to the Profits of New Zealand Lotteries for redistribution.

Note 8: Explanation of Significant Variances against Budget

Explanations of significant variances between Actual and Budget for the year ending 30 June 2019 are as follows:

Statement of Comprehensive Revenue and Expense

Lottery Profits

Revenue budgets were based on New Zealand Lotteries Commission forecast at the start of 2018/19. New Zealand Lotteries Commission profits were lower than the budget and the reduced profits have been passed from the New Zealand Lotteries Commission to the New Zealand Lottery Grants Board.

Distribution to Profits of New Zealand Lotteries

Distribution budgets were based on New Zealand Lotteries Commission forecast at the start of 2018/19. New Zealand Lotteries Commission profits were lower than the budget and the reduced profits have been passed from the New Zealand Lotteries Commission to the New Zealand Lottery Grants Board and on to Profits of New Zealand Lotteries.

Board Members Fees

Board Member Fees are budgeted on 100% of allowable fees being claimed in the financial year. This has not transpired in the 2018/19 year.

Fees for Presiding Members' Policy Advisory Group Meetings

Fees for Presiding Members' Policy Advisory Group Meetings are budgeted on 100% of allowable fees being claimed for two meetings during the year. In the 2018/19 year only one meeting was held.

Statement of Financial Position**Debtors and Other Receivables**

The final quarter payment, of \$58.8 million, from the New Zealand Lotteries Commission was received on 28 June 2019. This payment was budgeted to be received on 1 July 2019.

Note 9: Events after Balance Date

There were no significant events after balance date (2017/18: Nil).

Financial statements

Profits of New Zealand Lotteries

For the year 1 July 2018 to 30 June 2019

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Profits of New Zealand Lotteries' financial statements for the year ended 30 June 2019

The Auditor-General is the auditor of Profits of New Zealand Lotteries. The Auditor-General has appointed me, Stephen Lucy, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of Profits of New Zealand Lotteries on his behalf.

Opinion

We have audited the financial statements of Profits of New Zealand Lotteries on pages 64 to 79, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion the financial statements of Profits of New Zealand Lotteries on pages 64 to 79:

- present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

Our audit was completed on 31 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Secretary for Internal Affairs and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary for Internal Affairs for the financial statements

The Secretary for Internal Affairs is responsible on behalf of Profits of New Zealand Lotteries for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Secretary for Internal Affairs is responsible for such internal control as he determines is necessary to enable him to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary for Internal Affairs is responsible on behalf of Profits of New Zealand Lotteries for assessing Profits of New Zealand Lotteries' ability to continue as a going concern. The Secretary for Internal Affairs is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of Profits of New Zealand Lotteries, or there is no realistic alternative but to do so.

The Secretary for Internal Affairs' responsibilities arise from the Gambling Act 2003.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to Profits of New Zealand Lotteries' internally approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Profits of New Zealand Lotteries' internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Internal Affairs.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary for Internal Affairs and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Profits of New Zealand Lotteries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Profits of New Zealand Lotteries to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary for Internal Affairs regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

This annual report of the New Zealand Lottery Grants Board contains the audited financial statements of the New Zealand Lottery Grants Board, the audited financial statements of Profits of New Zealand Lotteries and two independent auditor's reports, one for each set of audited financial statements.

The annual report also includes other information. The New Zealand Lottery Grants Board is responsible for the other information. The other information comprises the information included on pages 1 to 49, 52 and 63 but does not include the information we audited, and our two auditor's reports thereon.

Our opinions on the information we audited do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit of either the New Zealand Lottery Grants Board or Profits of New Zealand Lotteries, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, we have considered whether each of the two sets of audited financial statements are materially inconsistent with each other or our knowledge obtained in the audit of either of the two entities. We have nothing to report in this regard.

Independence

We are independent of Profits of New Zealand Lotteries in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in Profits of New Zealand Lotteries.



S B Lucy

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Responsibility

The Secretary for Internal Affairs is responsible for the preparation of the Profits of New Zealand Lotteries financial statements and for the judgements made in them.

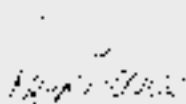
The Secretary for Internal Affairs has the responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Secretary for Internal Affairs' opinion, these financial statements fairly reflect the financial position and operations of the Profits of New Zealand Lotteries for the year ended 30 June 2019.



Paul James

Secretary for Internal Affairs
31 October 2019



Robyn Nicholas

Secretary, New Zealand Lottery Grants Board
31 October 2019

Statement of Comprehensive Revenue and Expenditure

For the year ended 30 June 2019

	Note	Actual 2019 \$	Budget 2019 \$	Actual 2018 \$
Revenue				
Distribution from Lottery Grants Board		261,256,431	274,589,938	274,995,464
Interest Revenue	2	2,526,614	2,500,000	2,459,556
Other Revenue	3	455,334	-	298,433
Total Revenue		264,238,379	277,089,938	277,753,453
Expenditure				
Administration Expense		10,569,318	10,814,000	10,029,000
Audit Fee		50,800	50,000	49,700
Bank Fees		1,418	12,000	1,437
Distribution Committee Expenses	12	165,361	208,993	132,506
Grants Expenses		230,050,436	308,978,000	242,721,542
Total Expenditure		240,837,333	320,062,993	252,934,185
Operating Surplus/Deficit		23,401,046	(42,973,055)	24,819,268
Other Comprehensive Revenue and Expense				
Total Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense		23,401,046	(42,973,055)	24,819,268

Explanations of significant variances against budget are detailed in Note 13.

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 2019

	Note	Actual 2019 \$	Budget 2019 \$	Actual 2018 \$
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	6	156,124,719	30,959,000	168,032,818
Short Term Investments	6	18,000,000	110,000,000	30,000,000
GST Receivable		791,996	1,000,000	1,367,127
Debtors and Other Receivables	7	1,291,224	68,675,000	5,029,246
Accrued Interest		264,500	500,000	313,184
Total Current Assets		176,472,439	211,134,000	204,742,375
Total Assets		176,472,439	211,134,000	204,742,375
Liabilities				
<i>Current Liabilities</i>				
Grants Payable	8	43,943,576	150,802,000	95,591,276
Creditors and Other Payables	9	52,019	-	25,301
Total Current Liabilities		43,995,595	150,802,000	95,616,577
<i>Non-Current Liabilities</i>				
Grants Payable (over 12 Months)	8	1,400,000	-	1,450,000
Total Non-Current Liabilities		1,400,000	-	1,450,000
Total Liabilities	6	45,395,595	150,802,000	97,066,577
Equity				
Accumulated Funds	4	131,076,844	60,332,000	107,675,798
Total Equity		131,076,844	60,332,000	107,675,798
Total Liabilities and Equity		176,472,439	211,134,000	204,742,375

Explanations of significant variances against budget are detailed in Note 13.

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

Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Actual 2019 \$	Budget 2019 \$	Actual 2018 \$
Movement in Equity for the year ended 30 June 2019				
Equity as at 1 July 2018		107,675,798	103,305,055	82,856,530
Total Comprehensive Revenue and Expense for the year ended 30 June 2019		23,401,046	(42,973,055)	24,819,268
Equity as at 30 June 2019	4	131,076,844	60,332,000	107,675,798

Explanations of significant variances against budget are detailed in Note 13.

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

Statement of Cash Flows

For the year ended 30 June 2019

	Note	Actual 2019 \$	Actual 2018 \$
Cash Flows from Operating Activities			
<i>Cash was Provided from:</i>			
Lottery Profits		265,029,246	310,574,620
Interest Received		2,575,298	3,142,349
Other Revenue		455,334	298,433
Goods and Services Tax (Net)		575,130	-
Total		268,635,008	314,015,402
<i>Cash was Distributed to:</i>			
Grants Paid		281,748,138	260,998,424
Suppliers		10,794,969	11,100,425
Goods and Services Tax (Net)		-	549,985
Total		292,543,107	272,648,834
Net Cash Flows from Operating Activities	10	(23,908,099)	41,366,568
Cash Flows from Investing Activities			
<i>Cash was Provided from:</i>			
Maturity of Investments		173,000,000	165,000,000
Total		173,000,000	165,000,000
<i>Cash was Distributed to:</i>			
Purchase of Investments		161,000,000	140,000,000
Total		161,000,000	140,000,000
Net Cash Flows From Investing Activities		12,000,000	25,000,000
Movement in Cash			
Opening Cash and cash Equivalents		168,032,818	101,666,250
Add Net Increase/(Decrease) in Cash Held		(11,908,099)	66,366,568
Closing Cash and Cash Equivalents		156,124,719	168,032,818

Explanations of significant variances against budget are detailed in Note 13.

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

Statement of Commitments

As at 30 June 2019

	Actual 2019 \$	Actual 2018 \$
Granting Commitments		
Less than one year	77,509,548	22,577,392
One to two years	20,592,116	11,686,315
Two to five years	2,000,000	-
Over five years	-	-
Total Granting Commitments	100,101,664	34,263,707
Total Commitments	100,101,664	34,263,707

2019: from 2017/18 onwards, grants with conditions are recognised as an expense at the earlier of grant payment date or when the grant conditions have been satisfied. Until this time the value of the commitments will show in the Statement of Commitments in the Financial Statements of the Profits of New Zealand Lotteries.

2018: from 2017/18 onwards, only multi-year grants were recognised as an expense at the earlier of grant payment date or when the grant conditions had been satisfied.

Statement of Contingent Assets and Liabilities

As at 30 June 2019

There are no contingent assets or liabilities as at 30 June 2019 (2017/18: Nil).

Notes to the Financial Statements

For the year ended 30 June 2019

Statement of Accounting Policies

Reporting Entity

Under the provisions of the Gambling Act 2003, the Secretary for 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 of the Profits of New Zealand Lotteries. The Board's primary objective is to make decisions on the allocation of profits received from the New Zealand Lotteries Commission.

These financial statements have been prepared in accordance with the Gambling Act 2003. For the purposes of financial reporting, the Profits of New Zealand Lotteries is a Public Benefit Entity (PBE).

Reporting Period

The reporting period for these financial statements is the year ended 30 June 2019. The financial statements were approved by the Secretary for Internal Affairs on 31 October 2019.

Basis of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the Gambling Act 2003, which includes the requirement to comply with New Zealand generally accepted accounting practice and prepared in accordance with and comply with PBE standards.

Basis of Measurement

The financial statements have been prepared on a historical cost basis.

Functional and Presentation Currency

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

Standard early adopted

In line with the Financial Statements of the Government, the Profits of New Zealand Lotteries has elected to early adopt PBE IFRS 9 Financial Instruments. Information about the adoption of PBE IFRS 9 is provided in Note 6. There is no impact to the financial statements by adopting the new standard.

Changes in Accounting Policies

There has been one change to the accounting policies during the financial period for the recognition of grants. For financial periods prior to 2017/18, all grants were recognised in the Statement of Comprehensive Revenue and Expenditure in the year they were awarded. From the financial period 2017/18 multi-year grants are recognised as an expense at the earlier of the grant payment date or any outcome reporting has been received and accepted. From the financial period 2018/19 all grants which includes the multi-year grants are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

Profits of New Zealand Lotteries considers it impractical to restate prior period figures due to the complex nature of prior accounting recognition points and number of grants awarded. Until this time, the value of the commitment will be reflected in the Statement of Commitments in the Financial Statements of the Profits of New Zealand Lotteries. The change in accounting policy will give a more accurate representation of when grant funding is made available to grant applicants.

Critical Accounting Judgements and Estimates

The preparation of financial statements in conformity with PBE standards requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue 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 assumptions are reviewed on an on-going basis.

The Profits of New Zealand Lotteries has exercised judgement in developing its grant expenses accounting policy as there is no specific accounting standard for grant expenses. Since the introduction of the new PBE Accounting Standards, there has been debate on the appropriate framework to apply when accounting for grant expenses, and whether certain grant accounting practices are appropriate under these new standards. A challenging area in particular is the accounting for grant arrangements that include conditions or milestones.

We are aware that the need for a clear standard or authoritative guidance on accounting for grant expenditure has been raised with the New Zealand Accounting Standards Board. Therefore, we will keep the matter under review and consider any developments. Further information about the Profits of New Zealand Lotteries grants is disclosed in Note 5.

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 the revision affects both current and future periods.

Budget Figures

The budget figures for the Statement of Comprehensive Revenue and Expense and the Statement of Financial Position are those approved by the Minister of Internal Affairs, as Presiding Member of New Zealand Lottery Grants Board, 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 is 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.

Note 1: Significant Accounting Policies

Revenue

Revenue comprises of revenue from the profits of the New Zealand Lotteries Commission, received by the New Zealand Lottery Grants Board and distributed to the Profits of New Zealand Lotteries after deducting Board expenses. Revenue also includes interest revenue on investments and other miscellaneous revenue. Revenue is measured at the fair market value which has been determined to be equivalent to the amounts received or receivable.

Revenue from the New Zealand Lottery Grants Board is recognised when advised by the New Zealand Lotteries Commission, while investment and other revenue are recognised on an accrual basis when earned and is reported in the financial period to which it relates.

Interest received is deemed to be exchange revenue; all other revenue is deemed to be non-exchange revenue (as per the definition in PBE standard IPSAS 23).

If a grant is refunded, either in part or in full, where the original payment was made in the same financial year the refund will be netted off against the relevant grants expenditure in the Statement of Income and Expenditure. If a refunded grant relates to a grant payment made in a previous financial year the refund will be treated as other revenue in the Statement of Comprehensive Revenue and Expenditure.

Financial Instruments

Financial assets and financial liabilities are measured at amortised cost (including any associated transaction costs). Any profit or loss from the financial transaction is recognised in the Statement of Comprehensive Revenue and Expenditure.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, cash in transit, deposits held on call with banks and other short-term, highly liquid investments, with maturities of three months or less. The carrying value of these assets approximates their fair value.

Payables

Account payables have been designated as grants payable and other payables; they are recorded at the amount payable.

Receivables

Accounts receivable have been designated as loans and 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. Receivables entered into with duration of less than 12 months are recognised at their nominal value. At each balance date, the Secretary for Internal Affairs assesses whether there is any objective evidence that receivables are impaired. Any impairment losses are recognised in the Statement of Comprehensive Revenue and Expense 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 date, the Secretary of Internal Affairs assesses whether there is any objective evidence that any investments are impaired.

Goods and Services Tax (GST)

These accounts have been prepared on a GST exclusive basis, except for accounts receivable and payable. GST is presented as a net figure in the Statement of Financial Position.

Grants Expense

The net grants are discretionary and are recognised in the Statement of Comprehensive Revenue and Expense as expenditure when they have been:

- approved by the Distribution Committees; and
- applicant is advised; and
- any outcome has been received and accepted; or
- payment has been made.

Note 2: Interest Revenue

	Actual 2019 \$	Actual 2018 \$
Bank of New Zealand Current Account	160,779	179,512
Money Market Investment	2,365,835	2,280,044
Total Interest Revenue	2,526,614	2,459,556

Note 3: Other Revenue

	Actual 2019 \$	Actual 2018 \$
Grants Refunds - Prior Financial Year	455,334	298,433
Total Other Revenue	455,334	298,433

Note 4: Total Funds Employed (Equity)

Undistributed Committee Funds

These are funds that are undistributed at the end of the financial year and are either returned to the central pool for redistribution in the following year or have been approved for the Committee to carry forward distribution in future years.

	Actual 2019 \$	Actual 2018 \$
Funds allocated to Distribution Committees but unspent		
Add Funds Allocated for the year (refer to Note 5)	285,603,207	274,809,114
Less Grants Approved for the year	(230,050,436)	(242,721,542)
Funds Allocated but unspent for current year	55,552,771	32,087,572
Funds Transferred from Committees to Allocated funds	(1,086,541)	(214,125)
Undistributed Committees' Funds as at 1 July	35,196,101	3,322,654
Undistributed Committees' Funds as at 30 June	89,662,331	35,196,101

Accumulated Funds

These are reserves available to the Board to meet planned allocations to Distribution Committees.

	Actual 2019 \$	Actual 2018 \$
Funds not yet allocated by the Board		
Net Surplus/(Deficit)	23,401,046	24,819,268
Funds Allocated to Distribution Committees for the year but unspent	(55,552,771)	(32,087,572)
Funds Transferred from Committees to Allocated funds	1,086,541	214,125
Accumulated Funds as at 1 July	72,479,697	79,533,876
Accumulated Funds As at 30 June	41,414,513	72,479,697
Total Funds Employed (Equity)	131,076,844	107,675,798

Note 5: Fund Allocations

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

	Actual 2019 %*	Actual 2018 %*	Actual 2019 \$	Actual 2018 \$
Distribution Committees				
Community Committee				
National	5.4%	5.1%	15,457,070	14,069,146
Regional Community Committees				
Northland	0.8%	0.8%	2,350,357	2,139,313
Auckland	4.5%	4.3%	12,913,145	11,753,645
Waikato	1.7%	1.6%	4,907,553	4,466,893
Bay of Plenty/Gisborne	1.4%	1.3%	3,857,659	3,511,271
Taranaki	0.4%	0.4%	1,256,638	1,143,801
Hawke's Bay	0.6%	0.6%	1,759,550	1,601,556
Manawatu/Whanganui	1.0%	0.9%	2,812,162	2,559,652
Wellington/Wairarapa	1.4%	1.3%	3,946,656	3,592,277
West Coast/Nelson-Marlborough	0.6%	0.6%	1,773,447	1,614,205
Canterbury/Kaikoura	1.6%	1.5%	4,504,204	4,099,761
Otago/Southland	1.0%	1.0%	2,887,697	2,628,405
National Committees				
Community Facilities	7.0%	6.0%	20,013,461	16,395,993
Community Facilities - Larger capital works in the Hurunui/ Kaikoura/Marlborough earthquake area	0.0%	2.7%	-	7,500,000
Community Sector Research	0.2%	0.2%	649,729	513,135
Environment and Heritage	4.4%	4.2%	12,676,016	11,537,809
Environment and Heritage - Tuia Encounters	0.0%	3.3%	-	9,000,000
Health Research	1.5%	1.5%	4,415,648	4,019,158
Individuals with Disabilities	2.1%	2.0%	6,118,088	5,568,732
Marae Heritage and Facilities/Oranga Marae	4.4%	4.3%	12,540,216	11,813,579
Minister's Discretionary Fund	0.9%	0.1%	2,528,609	397,287
Significant Projects	9.1%	10.2%	26,000,000	28,000,000
Fund for Community Benefit Related to 2021 America's Cup	7.0%	0.0%	20,000,000	-
Outdoor Safety	3.1%	2.9%	8,832,158	8,039,099
Sports NZ - Water Safety	0.9%	0.9%	2,638,177	2,401,289
Distribution to Statutory Bodies				
Creative New Zealand	13.7%	15.0%	39,193,684	41,254,387
Sport New Zealand	18.3%	20.0%	52,258,245	55,005,849
New Zealand Film Commission	5.9%	6.5%	16,983,930	17,876,901
Ngā Taonga Sound and Vision	0.5%	0.5%	1,306,456	1,375,146
Other				
GST**	0.4%	0.3%	1,022,652	930,825
Total Allocation	100%	100%	285,603,207	274,809,114

* Percentages shown based on Allocation totals and not Income received. Statutory Bodies receive 42% of actual revenue received.

** Allocations approved by the New Zealand Lottery Grants Board to fund non-recoverable GST expenses incurred by applicants.

Note 6: Financial Instrument Categories

PBE International Financial Reporting Standard IFRS 9 - Financial instruments, replaces PBE International Public Sector Accounting Standard IPSAS 29 Financial instruments recognition and measurement.

The carrying amount of financial assets and liabilities in each of the financial categories are as follows:

	Actual 2019 \$	Actual 2018 \$
Cash and cash Equivalents and Short Term Investments		
Cash and Cash Equivalents	156,124,719	168,032,818
Short Term Investments	18,000,000	30,000,000
Total Cash and cash Equivalents and Short Term Investments	174,124,719	198,032,818
Financial liabilities measured at amortised cost		
Creditors and Other Payables	52,019	25,301
Grants Payable	45,343,576	97,041,276
Total Payables	45,395,595	97,066,577

The market value of Term Deposit Investments as at 30 June 2019 was \$83,264,500 (2017/18: \$65,313,184). Term Deposits reported in Short Term Investments for 2018/19 is \$18,000,000; (2017/18: \$30,000,000) and reported in Cash and Cash Equivalents for 2018/19 is \$65,000,000 (2017/18: \$35,000,000).

Market Risk

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no currency risk given that all of 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 obligations, causing the Profits of New Zealand Lotteries to incur a loss.

Credit risk is reduced by investing up to fixed limits, only in approved banking institutions carrying Standard and Poor's rating of not less than A2 and Commercial Papers 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 the reliance on the New Zealand Lotteries Commission for 99% of revenue for Profits of New Zealand Lotteries. Reliance is placed on the fact that the New Zealand Lotteries Commission is a going concern. In addition, the distribution of grants by the 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.

Profits of New Zealand Lotteries invest only in fixed interest rate money market investments.

Liquidity Risk

Liquidity risk is the risk that the Profits of New Zealand Lotteries will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Profits of New Zealand Lotteries maintains a target level of investments that must mature within specified timeframes to meet projected grants payments and other accounts payable (refer to Note 8 and Note 9).

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

Contractual cash flows for term deposits and commercial papers include the interest revenue on the investments at maturity date. The carrying amount of term deposits with maturity less than 12 months approximate their fair value.

Note 7: Debtors and Other Receivables

	Actual 2019 \$	Actual 2018 \$
Accounts Receivable	1,291,224	5,029,246
Debtors and other Receivables	-	-
Provision for Doubtful Debts	-	-
Total Accounts Receivable	1,291,224	5,029,246

Debtors and other receivables are non-interest bearing, non-exchange revenue related, and receipts are within the normal terms; therefore the carrying value of debtors and other receivable approximates their fair value. There is no impairment provision.

The ageing profile of receivables at year end is detailed below:

	Gross \$	Actual 2019 Impairment \$	Net \$	Gross \$	Actual 2018 Impairment \$	Net \$
Not past due	1,291,224	-	1,291,224	5,029,246	-	5,029,246
Past due 1-30 days	-	-	-	-	-	-
Past due 31-60 days	-	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-	-
Past due over 90 days	-	-	-	-	-	-
Total Accounts Receivable	1,291,224	-	1,291,224	5,029,246	-	5,029,246

All receivables greater than 30 days in age are considered past-due. Due to the nature of the receivables, the impairment assessment is generally performed on an individual basis, based on past collection history and write-offs.

There have been no movements in the Provision for Doubtful Debts for the 2018/19 year (2017/18: Nil).

Note 8: Grants Payable

	Actual 2019 \$	Actual 2018 \$
Short Term (12 Months)	43,943,576	95,591,276
Long Term (Over 12 Months)	1,400,000	1,450,000
Total Grants Payable	45,343,576	97,041,276

All Grants payable that have due dates longer than 12 months after the end of the financial year are considered Non-Current Grants Payable.

Note 9: Creditors and Other Payables

	Actual 2019 \$	Actual 2018 \$
Exchange Transactions		
Other Suppliers	50,800	23,657
Non-Exchange Transactions		
PAYE	1,219	1,644
Creditors and Other Payables	52,019	25,301

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

Note 10: Reconciliation of Net Cash Flows from Operating Activities with Total Comprehensive Revenue and Expense

	Actual 2019 \$	Actual 2018 \$
Total Comprehensive Revenue and Expense	23,401,046	24,819,268
<i>Add/(deduct) Movement in Working Capital Items</i>		
(Increase)/Decrease in Debtors and Other Receivables	3,738,022	35,545,374
(Increase)/Decrease in Accrued Interest	48,684	682,793
(Increase)/Decrease in GST Receivable	575,130	(549,986)
Increase/(Decrease) in Grants Payable	(51,697,700)	(18,276,882)
Increase/(Decrease) in Creditors and Other Payables	26,719	(853,999)
	(47,309,145)	16,547,300
Net Cash Flows from Operating Activities	(23,908,099)	41,366,568

Note 11: Related Parties Transactions and Key Management Personnel

The Secretary for Internal Affairs is Trustee of the profits received from the New Zealand Lottery Grants Board who in turn receive their income 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 supplier or client relationships 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 unrelated parties at arm's length. Transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Department of Internal Affairs provides administration services to the New Zealand Lottery Grants Board, the Distribution Committees and the Minister of Internal Affairs. The services provided by the Department in 2018/19 year include personnel, accommodation, administration and other services totalling \$10,513,000 (2017/18: \$10,029,000). At 30 June 2019 the Profits of New Zealand Lotteries owed \$Nil in relation to services provided by the Department of Internal Affairs (2017/18: \$Nil).

The key management personnel are the six members of the New Zealand Lottery Grants Board.

Note 12: Disclosure of Fees

Fees are paid for attendance at Committee meetings and for reading times. Distribution Committee members' fees for the year 1 July 2018 to 30 June 2019 are shown below.

	Actual 2019 \$	Actual 2018 \$
Adlam, J.	322	322
Alexander, J.	430	-
Anderson, N.J.	968	322
Annear, J.M.	645	322
Baker, P.V.	430	790
Bammerman, Y.	323	-
Bayfield, M.A.	1,344	645
Black, J.M.	-	322
Bourke, M.K.	1,523	435
Brown, C.R.E	2,700	2,430
Bublitz, L.R.	435	580
Ching, L.R.	758	758
Christian, S.	753	-
Clarke, J.V.	323	430
Clarricoats, G.	1,183	806
Cleary, B.F.	1,246	1,305
Clements, N.V.	870	798
Cunningham, C.W.	3,600	3,600
Dadelszen, A.V.	-	322
Darby, J.D.	508	2,248
Davies, C.	430	753
Degia-Pala, A.	215	-
Delaney, T.J.	-	699
Docherty, B.M.	2,700	2,700
Donaldson, T.	322	807
Eggleton, T.	645	645
Ellison, E.W.	1,740	323
Evans, B.M.	538	645
Fourie, P.	2,030	870
Frew, S.A.	645	645
Gibson, B.A.	-	269

	Actual 2019 \$	Actual 2018 \$
Giddens, P.M.	-	645
Gorter, R.	322	322
Gould-Lardelli, R.	322	-
Guder, A.	860	-
Hardaker, J.M.	1,129	613
Herewini, K.L.	430	645
Hewitt, R.	860	806
Hishon, M.	215	645
Houkamaui, R.	860	645
Jackson, K.L.	-	1,451
Jiang, P.	1,021	-
Jury, A.	322	-
Kapa, R.	376	664
Karaitiana, T.	1,344	430
Kaufman, C.	860	-
Keefe, M.J.M.	645	645
Keepa, W.M.	1,290	323
Korako, C.D.	645	537
Lang, D.M.	591	556
Lee, S.	645	790
Lockwood, S.G.	870	870
Lomas, T.	591	664
Lovell, E.	645	752
Mahoney, J.G.	1,160	1,088
Marchant, M.	322	575
McAlpine, A.M.	435	597
McKee, E.M.	860	806
McLean, D.S.A.	870	1,088
Menzies-Culling, S.	322	-
Moana-Tuwhangai, M.H.G.	645	645
Moffitt, A.	376	-
Moore, N.J.	725	1,740
Morgan, C.	860	860
Mosley, B.	968	645
Mulcahy, S.J.	430	645
Ngatai, G.	860	430
Nguyen, K.T.	6,480	9,180
Noble, K.A.	1,595	1,160
O'Connell, J.	645	753
Paewai, S.D.	645	430
Pamatatau, R.	860	914
Paranjape, S.	1,021	-
Parks, T.V.	215	430
Paterson, R.J.	2,405	1,451
Petersen, D.M.	870	870
Pishief, E.	1,398	-
Powell, C.L.	508	-
Pugh, M.H.	376	430
Rainey, F.R.	645	645
Sebastian, J.L.	322	645
Shaw, V.F.	1,398	645

	Actual 2019 \$	Actual 2018 \$
Shortland, M.	5,580	703
Smaill, A.G.	-	4,320
Sneyd, E.	-	322
Stace, H.	322	-
Tanguay, H	1,290	430
Tepania-Palmer, G.	322	287
Tozer, W.A.	870	870
Tuhimata-Weke, V.R.	645	645
Tuoro, A.	1,290	323
Tuuta, R.	322	575
Uden, V.V.	-	645
Vaha, M.A.M.	860	430
Van Uden, V.	538	-
Von Dadelszen, A.	645	-
Wadia, F.	484	-
Wallace, R.H.	7,018	322
Wanden, B.P.	870	870
Webber, J.H.	376	1,451
Wehipeihana, N.N.F.	508	-
Wepa, D.	2,700	2,565
Wood, J.	323	645
Woodward, P.A.	645	806
Worden, J.	860	-
White, T.T.	-	322
Yates, M.	484	-
Yeung, P.	430	-
Young, S.	2,700	2,700
Total Fees Paid	100,767	82,696
Additional Meeting expenses	64,594	49,810
Total	165,361	132,506

These fees are based on actual paid fees in the 2018/19 financial year. Any fees processed after year end will appear in the 2019/20 annual report.

Note 13: Explanation of Significant Variances against Budget

Explanations of significant variances between Actual and Budget for the year ending 30 June 2019 are as follows:

Statement of Comprehensive Revenue and Expense

Distribution from Lottery Grants Board

Revenue budgets were based on New Zealand Lotteries Commission forecast at the start of 2018/19. New Zealand Lotteries Commission profits were lower than the budget and the reduced profits have been passed from the New Zealand Lottery Grants Board to the Profits of New Zealand Lotteries for distribution.

Grants Expenses

Granting allocations were calculated on revenue from the New Zealand Lotteries Commission forecast at the start of 2018/19. The decrease is due to reduced funding payment to the Statutory Bodies based on decreased revenue from New Zealand Lotteries Commission. Due to a change in accounting policy, \$56 million of grant expenses with prepayment substantive conditions that have not been met at the reporting date have been disclosed in the Statement of Commitments.

Statement of Financial Position***Cash and Cash Equivalents***

The final quarter payment from the New Zealand Lotteries Commission was received on 28 June 2019. The payment of \$58.8 million was budgeted to be received on 1 July 2019.

2018/19 the Board approved less than previous carry forward committee balances of \$15.0 million (2017/18: \$18.2 million) leading to \$3.2 million additional cash on hand than budgeted.

At reporting date \$65 million was invested in term deposits for terms of 90 days. These deposits are included in the cash totals however they were budgeted as short-term deposits.

Debtors and other Receivables

The final quarter payment from the New Zealand Lotteries Commission was received on 28 June 2019. This payment was budgeted to be received on 1 July 2019 (\$58.8 million).

Grants Payable

Due to the change in the accounting policies relating to all grants with substantive conditions, the recognition has now been included in the Statement of Commitments (\$73.4 million).

(2017/18 multi-year grants were recognised in the Statement of Commitments \$17.0 million).

Accumulated Funds

The decreased revenue from New Zealand Lotteries Commission has led to a decrease in accumulated funds which has been offset by the change in accounting policy for grant expenditure recognition. \$56 million of grant expenses with prepayment substantive conditions have now been disclosed in the Statement of Commitments.

Note 14: Events after Balance Date

There were no significant events after balance date (2017/18: Nil).



Lottery Grants Board

Te Puna Tahua

LOTTO FUNDS FOR YOUR COMMUNITY

New Zealand Lottery Grants Board

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