



Lottery Grants Board  
Te Puna Tahua  
LOTTO FUNDS FOR YOUR COMMUNITY

# Statement of Intent

## Tauākī

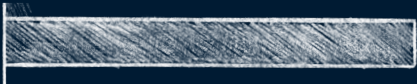
## Whakamaunga Atu



For the period 2025 to 2029



Illustrations by  
Phoebe Morris



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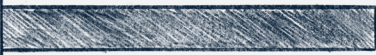
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# Introduction

## Te whakatakinga

New Zealand Lottery Grants Board Te Puna Tahua (the Board), Aotearoa New Zealand’s largest community grant funder, has chosen to adopt a Statement of Intent (SOI) for 2025-2029 to ensure the lottery grants system is more strategic, responsive, inclusive and one that recognises Te Tiriti o Waitangi.

On a broader level, the SOI also ensures the lottery grants system aligns with legislation, is outcomes driven and more focused on the groups specified in the Gambling Act 2003 (the Act).

This decision was informed by insights from the Board’s first ever end-to-end review of the lottery grants system since it was established 35 years ago.<sup>1</sup> Through the review the Board recognised that significant societal changes have occurred in New Zealand over these 35 years and confirmed that the lottery grants system needed to better address the changing needs of communities, hapū and iwi.

The SOI covers the Board’s commitment to **building strong, sustainable communities together** through three far horizon – ngā pae tawhiti outcomes: **community wellbeing, collective self-determination and social cohesion**. It also outlines the Board’s strategic vision, goals, and guiding principles, emphasising a strategy-led, data-driven approach that learns and adapts.

The Board has also introduced a new outcomes framework that elaborates how the strategic vision of the SOI can be progressed in practice and supports the Board’s transition from focusing on outputs to emphasising outcomes and impact, over time.



# The Board’s Vision

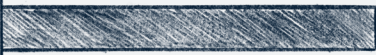
## Te tirohanga a te poari



# Building strong, sustainable communities together

## E waihanga tahi ana i ngā haporī pakari

<sup>1</sup> More information on the review can be found here: <https://www.communitymatters.govt.nz/evolving-the-lottery-grants-system>.



# Current State

## Te ao tūroa

### Our operating context

#### Ā mātou horopaki mahi

The Board is the largest single community grant funder in New Zealand. It plays a significant role in supporting community wellbeing and resilience through building strong sustainable communities.

The Board is a Schedule 4 Crown Entity established under the Public Finance Act 1989. Other than tabling an annual report, annual financial statements, and performance report in Parliament, the Board is an independent organisation. The main function of the Board is to determine the proportions in which lottery profits<sup>2</sup> are allocated for distribution in accordance with the Gambling Act 2003 i.e. for community purpose, and community benefit, of a public nature, and contributing to the building of strong, sustainable communities.<sup>3</sup>

The Board also separately allocates funds in line with its legislation to three statutory bodies (Sport New Zealand, New Zealand Film Commission, and Creative New Zealand), and to Ngā Taonga Sound & Vision. This allocation process means that these statutory bodies do not apply for funding as required by other recipients of grant funding but are allocated funds directly on a basis determined by the Board to achieve outcomes specified in their own legislation.<sup>4</sup>

For central and local government funded through taxes or rates, accountability is to government and the

tax/ratepayer. The legislation under which the Board operates however, means that funding priorities are at the Board’s sole discretion provided distribution is for community purpose and not individual gain, and in line with criteria contained in the Act.

### The Board is evolving the lottery grants system for the first time in 35 years

In late 2021, the Board initiated a review of the lottery grants system<sup>5</sup> (the system) which had been largely unchanged for 35 years. The review highlighted that the lottery grants funding landscape has lacked an overall strategic direction and can be difficult for community groups, hapū and iwi to navigate. This presents opportunities for improvement for both the Board as funder and for fund applicants.

For the Board as a funder, the changes provide an opportunity to collaborate with key strategic partners and prioritise support for strong stable communities as the basis of a healthy society. For grant applicants, a clearer definition of the areas where funding applications are likely to be accepted, and a simpler funding application process overall would greatly improve the system.

Leading with the review of the lottery grants system the Board approved the evolution of the system to one that was more strategic, responsive, inclusive and recognises Te Tiriti o Waitangi.

### Key objectives of the programme to evolve the system include:

- ensuring the funding is accessible and responsive to the needs and priorities identified by communities, hapū and iwi
- supporting the aspirations of Māori and upholding Te Tiriti o Waitangi
- ensuring funding is distributed more equitably
- making the funding system more coherent and focused
- developing a funding system that allows for innovation and collaboration, and
- maximising community, hapū and iwi outcomes through the distribution of lottery funding.

### Changes in society

#### Ngā panonitanga papori

New Zealand’s population has changed significantly since the Board was established in 1987 to allocate lottery profits. The population has grown because of immigration and has become more ethnically diverse, urban based, and older. There are more people living with a disability, and while we have moved rapidly to a digital society, some people and communities are currently digitally excluded.

New Zealand society has also matured in the last 35 years – there is a focus on strengthening the relationship between Te Tiriti partners, particularly in response to hauora Māori, te reo Māori, mātauranga Māori, education, and social wellbeing.

There is growing demand for services from community, hapū and iwi, particularly post-COVID. This is expected to increase further as the impacts from cost-of-living increases and climate change become more frequent and widespread.

Society is under pressure from a range of external shocks such as supply chain disruption and related economic impacts, digital disruption, and misinformation. These impact people’s trust, sense of belonging, participation in society and focus on helping others. This means there is more demand for

grant funding to help build strong and sustainable communities, hapū, and iwi. Many community organisations, hapū and iwi focused on societal wellbeing and cohesion are facing strong demand and rely on fundraising (including grant funding).

### Increased demand for lottery funding

#### Te maha o ngā tono

Since the Board’s establishment, over \$5.5 billion has been returned to the community, supporting thousands of community groups, hapū and iwi who are well placed to understand what works and makes a real difference to the lives of New Zealanders.<sup>6</sup>

The amount of profit available for distribution is dependent on expenditure on Lotto NZ products and is not guaranteed. As shown in **Figure 1**, there has been a general increase in lottery profits over the last 10 years. There has also been an increase in demand for lottery funding as societal wellbeing pressures have increased.

Overall demand for lottery funding remains high, with grant funding being two and a half times oversubscribed as seen in **Figure 2**. Priorities and trade-offs are inherent (and necessary) in the system.

It is expected that high demand on lottery funding will continue in the next 4-year planning period and beyond. This requires the Board and its distribution committees to have a strong focus on pressures driving demand for grant funding, and the impact and outcomes the Board wishes to achieve.

Based on current forecasts, the Board will be directing an investment of up to \$1.2 billion of lottery profit towards community, hapū, and iwi aspirations where they align with the Board’s vision and strategic outcomes or those of the statutory bodies during the next 4 years.

2 The New Zealand Lotteries Commission trades as Lotto NZ. Profits made by Lotto NZ are from games such as Lotto, Keno and Instant Kiwi.

3 Section 277(3) sets out the qualifying criteria for community purpose, including: community self-reliance, capacity building, and stability, opportunities for social, recreational, civil, or cultural participation and reducing or overcoming barriers to such participation; community and environmental health; development and preservation of New Zealand’s arts, culture, heritage, and national identity; or sport and recreation. Section 277 (4), (5) set out additional matters to have regard to in applying these criteria.

4 The allocation for 2023/24 was \$138.7m. Of this Sport New Zealand was granted \$66m, Creative New Zealand \$49.5m, New Zealand Film Commission \$21.5m, and Ngā Taonga Sound & Vision \$1.7m. Up until 2022/23 Ngā Taonga Sound & Vision was also included in this group, but it is technically not a statutory body. However, for clarity all mentions of statutory bodies in this document can be assumed to include Ngā Taonga.

5 Lottery Grants System Review – Board Report 2022.

6 Although lottery grants are highly valued by community, hapū, and iwi there are some individuals and organisations who will not accept grants sourced from gambling for various reasons, such as ethical, religious, or social concerns.

Figure 1: Lotto NZ profits transferred to the Board for distribution

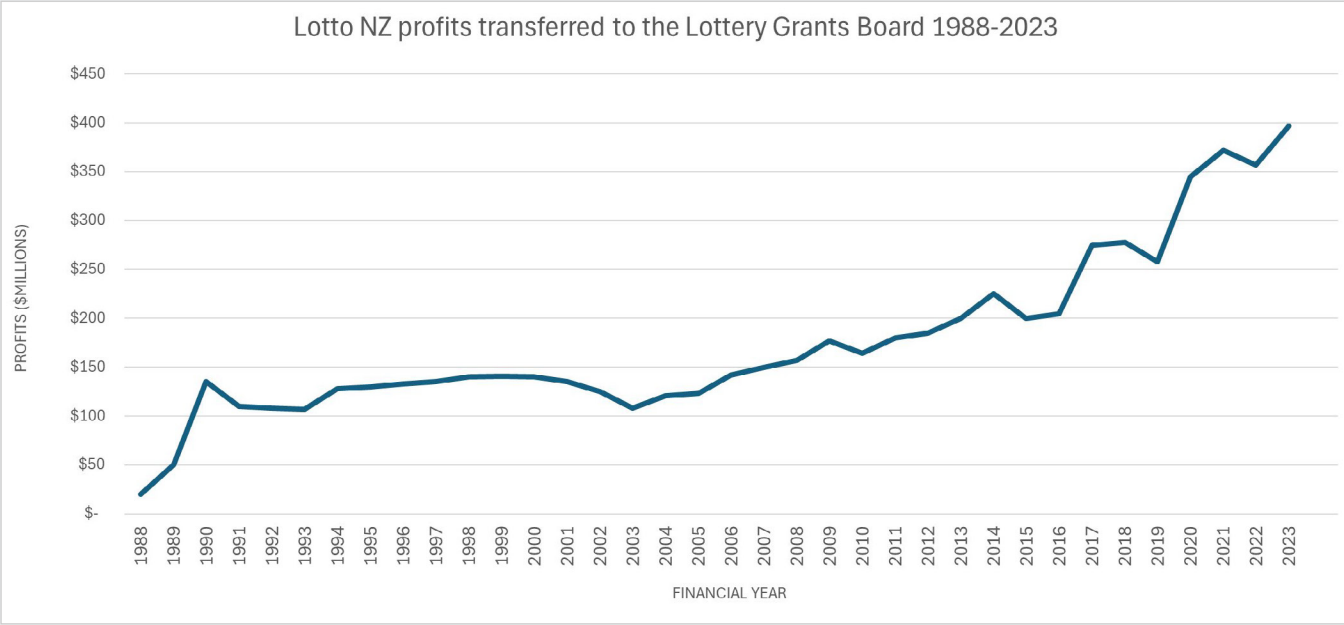
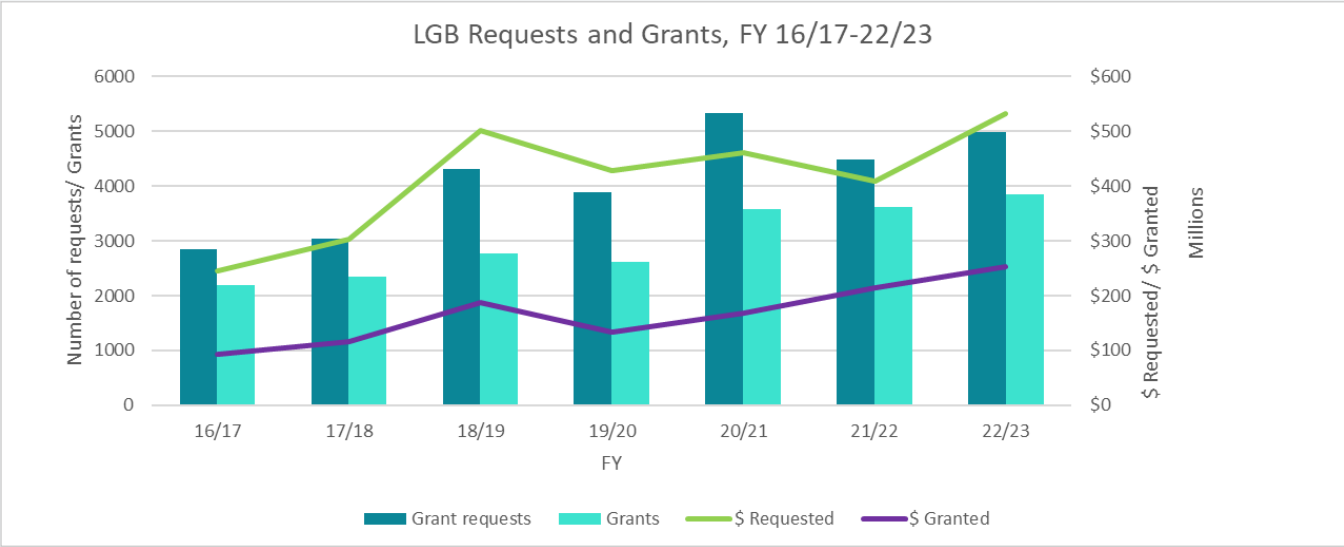
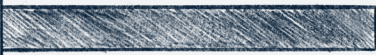


Figure 2: Funding requests and grants approved from 2016 to 2023







# Our commitment to Te Tiriti o Waitangi

## Ā mātou herenga ki te Tiriti o Waitangi

The Board is committed to Te Tiriti o Waitangi throughout the policies and processes of the system. The Board will be guided by its interim Te Tiriti o Waitangi policy and this SOI in contributing towards longer term impacts for Māori.

The Board’s Te Tiriti o Waitangi obligations and commitments<sup>7</sup> include:

- acknowledging rangatiratanga, i.e. assertion of Māori control over their own affairs
- funding projects identified as priorities by Māori and provided ‘by Māori for Māori’
- the active promotion, protection, and preservation of Te Reo Māori, tikanga Māori and taonga
- Māori receiving funding for their cultural and social needs on an equitable basis with non-Māori
- ensuring the decision-making processes of the distribution committees include tikanga Māori, and
- consulting Māori on policies and procedures.

### Principles

#### Mātāpono

The principles that underpin the Board’s SOI are:

- **He tāngata** – people come first and are the focus of attention
- **Manaakitanga** – the obligation to host and practice good manners
- **Whanaungatanga** – connecting with each other and establishing common ties
- **Whakapono** – being truthful and doing the right thing, and
- **Kanohi ki te kanohi** – face to face as the preferred means of communication.

### Te Tiriti o Waitangi Statement of Intent

#### Tauākī whakamaunga atu mō Te Tiriti o Waitangi

The Board aspires to be proactive allies and champions of Te Tiriti o Waitangi. This means the Board recognises, respects and will govern the practical implementation of Te Tiriti o Waitangi across and throughout the system.

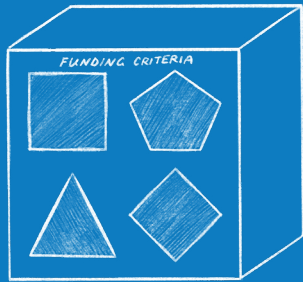
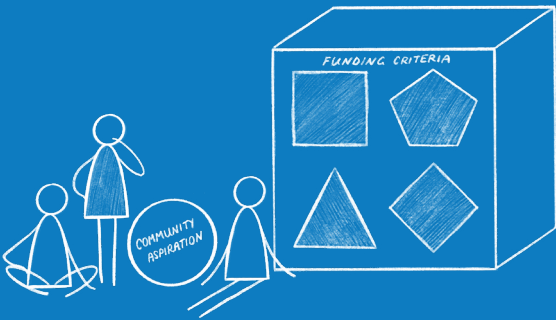
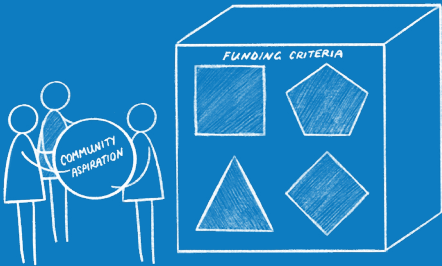
The Board acknowledges Te Tiriti o Waitangi and will utilise it to guide practical actions that improve the responsiveness and effectiveness of the grants system.<sup>8</sup>

The Board acknowledges Te Tiriti envisaged relationships of mutual care and protection as well as tangata whenua-determined aspirations of mana motuhake and tino rangatiratanga. As such, the Board will build and maintain trust within its Tiriti relationships through tika-based relationships which model accountability, responsibility, and transparency.

The intent is for overarching policy on the Board’s relationships with tangata whenua to cascade through to the Board’s strategy, operational policies and supporting practices encompassing agreed outcomes, activities, and measures.

Engagement with tangata whenua and stakeholders will be undertaken on these living documents/taonga, Te Tiriti o Waitangi policies and strategy during the term of this SOI.

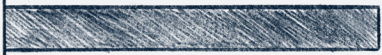
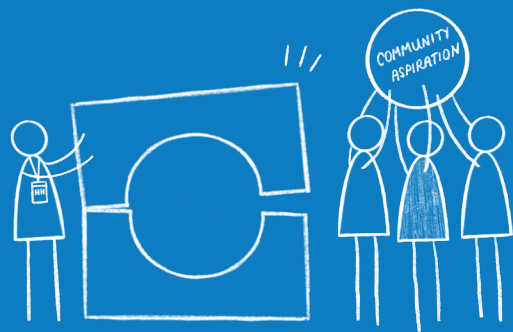
The Board’s interim Te Tiriti o Waitangi policy, obligations and commitments recognise the role of Te Tiriti o Waitangi within the system in which the underlying legislation requires grant distribution to have regard to the needs of Māori in funding decision-making.<sup>9</sup>



<sup>7</sup> Established by the Board in 2001 and reviewed in 2023 in conjunction with the Board’s Te Tiriti o Waitangi commitments and interim policy.

<sup>8</sup> Māori and English texts | Waitangi Tribunal: <https://www.waitangitribunal.govt.nz/en/about/the-treaty/maori-and-english-versions>

<sup>9</sup> Section 277(4) Gambling Act 2003.



# Our strategic priorities

## A mātou rautaki matua

The strategic intent of the Board is to support the aspiration of community, hapū, and iwi through granting that builds strong, sustainable communities. To enable community, hapū, and iwi to develop proposals that support their aspiration, and to enable applications to be assessed, prioritised and, if successful, funded, three far horizon – ngā pae tawhiti outcomes (out to 50 years)

have been agreed by the Board as a framework for the system. These outcomes and their intended impact are shown in **Table 2** and **Figure 5**.  
These far horizon – ngā pae tawhiti outcomes are community wellbeing, collective self-determination, and social cohesion.

**Table 1: Criteria**  
This table aligns the Board’s outcomes, and the criteria in the Gambling Act 2003 (the Board’s controlling legislation) to show which outcomes are the best fit for proposals for funding.

Outcome - community wellbeing:	Outcome - collective self-determination:	Outcome - social cohesion:
communities, hapū and iwi have the resources and relationships required to thrive, socially, economically, environmentally, and culturally.	communities, hapū and iwi have authority for their needs, aspirations and own collective benefit, which must have regard to the needs of Māori, and as appropriate, the groups named in the Act.	communities, hapū and iwi support societal participation and contribution through facilitating interactions between diverse groups, strengthening intergenerational associations, and fostering connection, collaboration, and inclusion.
Community capacity <sup>10</sup> building – this is about the networks, organisation, attitudes, leadership, skills, and resources that enable communities to develop according to their own priorities and needs – creating local solutions to local problems		
Community stability – this is about addressing factors that destabilise community, hapū, and iwi, access to basic services, and strengthening social cohesion through sports, art, and culture, recognition of wairua and tikanga		
Community/environmental health – covers determinants of both people’s health and health of the environment		
Sports and recreation		
Community, hapū, and iwi self-reliance – this is about the social and economic ability of community, hapū, and iwi to meet essential needs with dignity and covers wairua, rongoā, health, safety, knowledge and skills, social connections, tikanga, cultural identity, civic engagement, and environmental quality		
Opportunities for social, recreational, civil, or cultural participation and reducing or overcoming barriers to such participation – this is about encouraging participation in society and removing barriers to cultural practices, assets, and social and civil settings		
Development and preservation of New Zealand’s arts, culture, heritage, and national identity		

10 See for example: Community-level change report: <https://thehub.sia.govt.nz/assets/Uploads/Community-level-change-report-0.pdf> and Community Capacity Building – A Practical Guide: [https://www.researchgate.net/publication/237434535\\_Community\\_Capacity\\_Building\\_-\\_A\\_Practical\\_Guide](https://www.researchgate.net/publication/237434535_Community_Capacity_Building_-_A_Practical_Guide)

**Table 2: Board focus areas and alignment with legislation:** To work with community, hapū, and iwi in their aspiration to improve community wellbeing, social cohesion and strengthen collective self-determination, the Board adopts these focus areas.

Lottery Grants Board Te Puna Tahua far horizon outcomes out to 50 years (pae tawhiti)									
Community wellbeing:		Communities, hapū and iwi have the resources and relationships required to thrive, socially, economically, environmentally and culturally.							
Collective self-determination:		Communities, hapū and iwi have authority for their needs, aspirations and own collective benefit, which must have regard to the needs of Māori, and as appropriate, the groups named in the Act.							
Social cohesion:		Communities, hapū and iwi support societal participation and contribution through facilitating interactions between diverse groups, strengthening intergenerational associations, and fostering connection, collaboration, and inclusion.							
Lottery Grants Board Te Puna Tahua mid horizon outcomes (pae tata) These mid horizon outcomes are the Board’s strategic focus over the term of this Statement of Intent, to be progressed through grant funding									
<p><b>Environmental wellbeing is protected and enhanced:</b> Communities, hapū, and iwi take actions to protect and enhance the natural environment, and to respond to climate change. These actions support community and environmental health, for instance through air quality, uncontaminated lands and waters, and biodiversity.</p> <p><u>Alignment with legislation:</u> Enables environmental health through investment in protecting and enhancing the environment.</p>	<p><b>Collective health, safety, and wellbeing are advanced:</b> Communities, hapū, and iwi develop initiatives which support increased health, safety, and wellbeing. These actions support community health and assist in reducing or overcoming barriers to social, recreational, civil, or cultural participation.</p> <p><u>Alignment with legislation:</u> Enables community health through supporting physical and mental health within safe and secure environments.</p>	<p><b>Economic wellbeing is strengthened and diversified:</b> Communities, hapū, and iwi strengthen diverse economies which support collective economic wellbeing, which contributes to broader community wellbeing. Economic wellbeing supports community self-reliance, capacity building and stability, and assists in reducing or overcoming barriers to social, recreational, civil, or cultural participation.</p> <p><u>Alignment with legislation:</u> Enables community, hapū, and iwi self-reliance and stability.</p>	<p><b>Cultural wellbeing is enriched through arts, culture, heritage, and national lidentity:</b> Communities, hapū, and iwi develop initiatives focused on arts, culture, heritage, and national identity, enriching cultural wellbeing. These actions support the development and preservation of arts, culture, heritage, and national identity. Additionally, community health is enhanced through cultural wellbeing.</p> <p><u>Alignment with legislation:</u> Enables development and preservation of arts, culture, heritage, and national identity.</p>	<p><b>Locally led sports and recreation are supported:</b> Communities, hapū, and iwi access sports and recreation facilities, activities, and environments, which also provide avenues for broader social connection. Community stability and community health are enhanced through sports and recreation, and support for inclusive sports and recreation should demonstrate regard to the needs of Māori, older people, Pacific people and other ethnic communities, women, youth, and people with disabilities.</p> <p><u>Alignment with legislation:</u> Enables community, hapū and iwi participation in sports and recreation.</p>		<p><b>Māori will design and develop initiatives as defined by and for Māori:</b> Hapū, iwi and hapori Māori define their own aspirations and needs, and lead actions designed to address these needs and achieve these aspirations. This focus on supporting hapū, iwi and hapori Māori to define their own aspirations, and to design and develop initiatives to progress these, advances tino rangatiratanga and mana motuhake, and demonstrates regard to the needs of Māori.</p> <p><u>Alignment with legislation:</u> This focus on increased capacity in Māori communities supports the enhancement of tino rangatiratanga and gives greater consideration of the needs of Māori.</p>	<p><b>Intergenerational connections and learning are promoted:</b> Communities, hapū, and iwi have strong intergenerational connections, and share knowledge and skills across generations, creating mutually supportive social networks which strengthen social cohesion. These activities promote community self-reliance, capacity building and stability, assist to preserve arts, culture, heritage, and national identity, and demonstrate regard to the needs of Māori, older people, Pacific people and other ethnic communities, women, youth, and people with disabilities.</p> <p><u>Alignment with legislation:</u> Enhanced intergenerational connections will support community, hapū, and iwi self-reliance and stability, meet the needs of older people and youth, and contribute to the overall health of communities and environments.</p>	<p><b>Capability, capacity, and self-reliance are enhanced:</b> Communities, hapū, and iwi gain increased capability, capacity, and self-reliance, enhancing ability to deliver community impact through grant activities, and to prepare for and respond to challenges, including emergency situations. These activities promote community self-reliance, capacity building and stability, assist in reducing or overcoming barriers to social, recreational, civil, or cultural participation, and should demonstrate regard to the needs of Māori, older people, Pacific people and other ethnic communities, women, youth, and people with disabilities."</p> <p><u>Alignment with legislation:</u> Community, hapū and iwi self-reliance, capacity building and stability are supported.</p>	<p><b>Connection, collaboration, and inclusion are supported:</b> Communities, hapū, and iwi access activities and facilities that enable social interaction, strengthen social networks, and support connection, collaboration, and inclusion. Community members have a sense of belonging and feel connected to and valued by others. Community stability and community health are enhanced through opportunities for social, recreational, civil, and cultural participation and reducing or overcoming barriers to such participation. The focus on inclusion demonstrates regard to the needs of Māori, older people, Pacific people and other ethnic communities, women, youth, and people with disabilities.</p> <p><u>Alignment with legislation:</u> Community, hapū, and iwi social connection, collaboration and inclusion are enhanced, contributing to strong, sustainable communities.</p>

11 Community Capacity Building - A Practical Guide: [https://www.researchgate.net/publication/237434535\\_Community\\_Capacity\\_Building\\_-\\_A\\_Practical\\_Guide](https://www.researchgate.net/publication/237434535_Community_Capacity_Building_-_A_Practical_Guide) - Strength-based (or 'asset-based') approaches use the community's own assets and resources as the basis for resolving issues; they empower the people of the community by encouraging them to use what they already possess. In contrast, needs-based community development emphasises local deficits and looks to outside agencies for resources asset-based community development: [https://en.wikipedia.org/wiki/Asset-based\\_community\\_development](https://en.wikipedia.org/wiki/Asset-based_community_development)



Core activities and principles  
Ngā mahi matua me ngā mātāpono

The Act gives the Department of Internal Affairs Te Tari Taiwhenua (Department) responsibilities for administering lottery funding. Most of the Department’s responsibilities are delegated to the Secretary of the Board, who is the General Manager of the Hāpai Hapori business unit.

Hāpai Hapori is responsible for supporting the Board, administering funding and providing advice to distribution committees on funding applications. It also provides funding advice and support to community, hapū and iwi including a focus on supporting Māori.

In supporting a community funding and advisory system that is more responsive, inclusive, and honours Te Tiriti o Waitangi, four good practice principles underpin the core activities of the system. These are outlined in Figure 3.

The principles guide the way Hāpai Hapori will manage the granting system and activities it does on behalf of the Board, including:

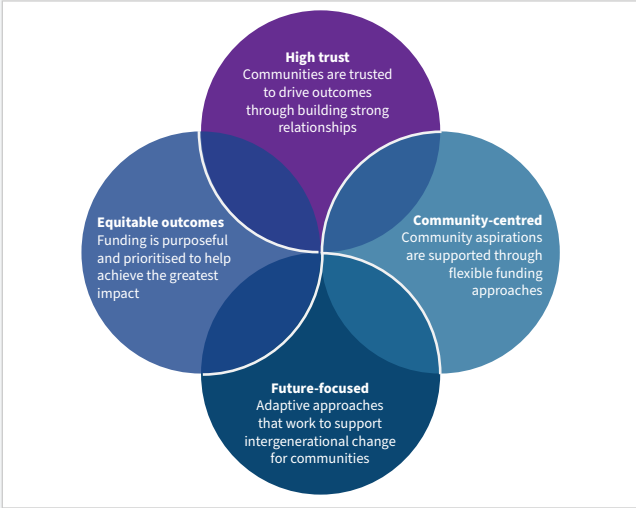
- building high-trust funding relationships with community, hapū, and iwi
- building community, hapū, and iwi capacity and capability
- strategic partnering with other funders
- working from a Te Tiriti and equity lens
- proactive funding approaches, and
- continuous monitoring, evaluation, and learning what works to improve the impact of community advisory work and funding.

Equity and system enablement  
Ngā pūnaha aheitanga

The Board’s equity policy is a foundation for enabling the granting system. The Board has framed its equity policy around inclusion for everyone and recognises that different people with different strengths require different approaches and resources.

A strong theme the Board heard in engagement relating to evolving the system has been to enable equitable access to funding. This was often coupled with a strategic approach to making funding decisions that

Figure 3: Lottery Grants System – Good Practice Principles



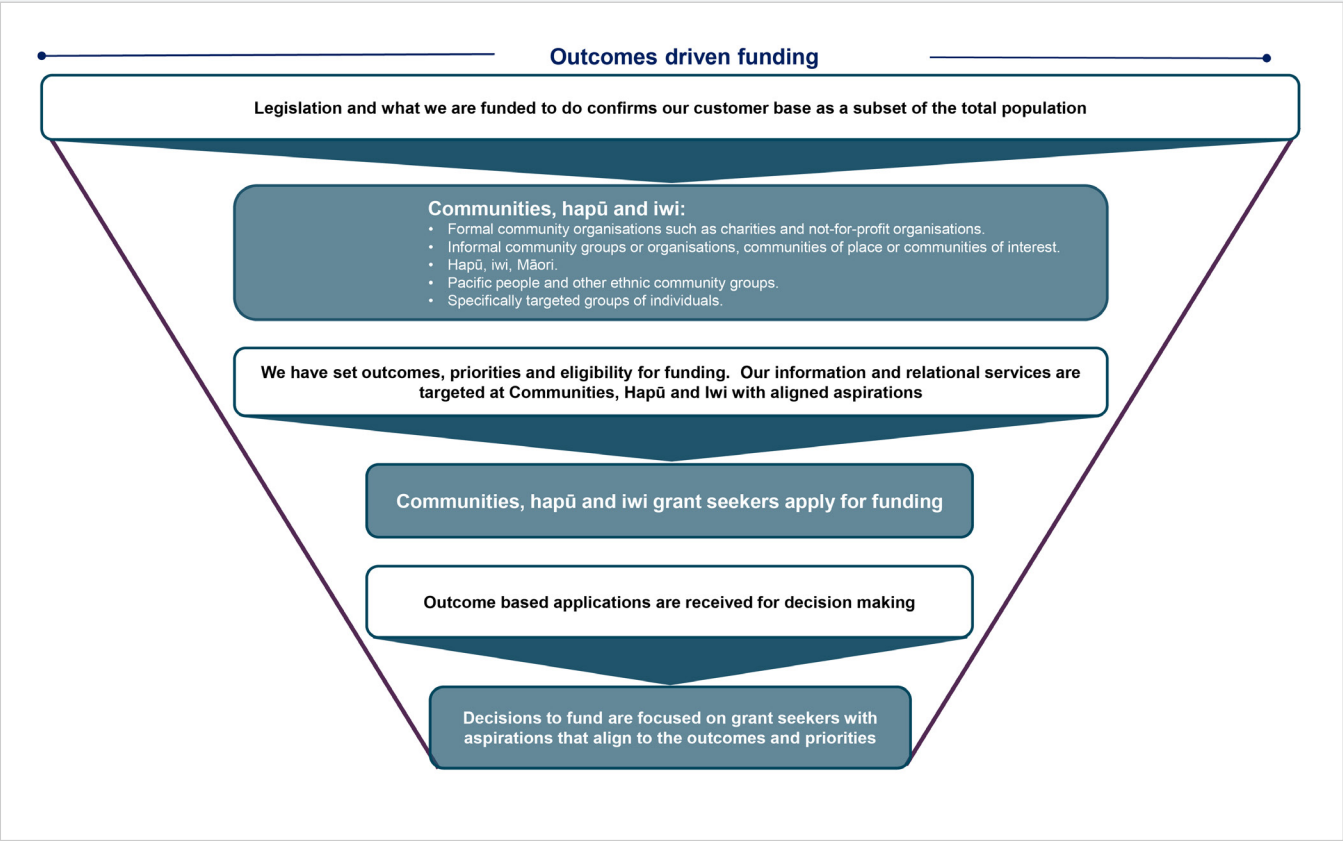
align with community, hapū, and iwi desired outcomes and aspirations.

This work is an important enabler of the granting system that Hāpai Hapori delivers on behalf of the Board to ensure that lottery grants can contribute effectively toward the desired outcomes and impacts.

Key steps to enable an effective system are:

- funding applications are simple and efficient
- Māori and Māori world views are represented in the system
- Māori and community leadership are involved in decision-making
- Pacific and Pacific world views are represented in the system
- ethnic communities and world views are represented in the system
- funding decisions align with strategic objectives and prioritise impact
- aligned objectives and joined-up approaches between agencies/funders
- active feedback loop between communities, hapū and iwi and the Board to help future decision making
- strengthened organisational capability and collaboration with community, hapū, and iwi in impact measurement and reporting.

Figure 4: Lottery Grants System – Funding framework



How we will achieve this  
Ngā tutukitanga

The Board’s vision and outcomes are achieved through grant funding to communities, hapū, and iwi. The framework for considering funding applications is summarised in Figure 4. It provides guidance on the type of programme that will receive funding approval by the Board.

Figure 5: The Board's vision, outcomes and intended funding priorities



**The future evolved system**  
**Ko te pūnaha whanaketanga mō ngā rā ki tua**

The distribution criteria set out in the Act, combined with the vision, equity, and outcome objectives of the Board, provide an overview of the areas the Board will fund. It follows that this will determine the types of funding applications from community, hapū and iwi, and strategic partners, that the Board will likely support. This is shown in Figure 5.

Where there is alignment of outcomes with potential strategic partners, the Board's role is not to be the primary funder but to only engage where there is agreement to enable increased or additional impact using strength-based approaches.

The Board is increasing engagement and transparency in granting to ensure it is clear to all that:

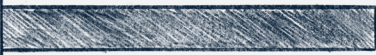
- public sector agencies are best placed to be the primary funder in their areas of service delivery and legislative scope
- in relation to this, where agencies reduce their programmes of work, this does not directly affect the strengths-based programmes the Board is funding, and

- the priority granting focus of the Board is on the collective aspiration of community, hapū, and iwi where that aligns with the Board's outcomes. Grant-making in the core work areas of other agencies is only a priority where it aligns with the Board's outcomes and that collective aspiration, and where there is additional impact from that collaboration.

This approach is summed up in Table 3 that clarifies roles across the community funding ecosystem and supports refocusing of the Board to optimise community, hapū, and iwi investment around its outcomes and legislation.

Table 3: Roles and focus

Roles	Focus	Funding source	Goal
Government agencies	Government mandated rights	Taxes/levy	Core service delivery for all citizens e.g. safety, border protection
Local Government	Community wellbeing	Rates	Wellbeing of their communities by taking a sustainable development approach e.g. flood protection, sewage treatment, drinking water provision
Government agencies	Public goods, service delivery, harm reduction	Appropriations	Invest to achieve goals of the agency
Community trusts	Community benefit	Revenue from investments	Provide benefits to their communities
Philanthropic foundations	'For Purpose' support	Revenue Investments Donations Volunteering	Support to communities across society for specific purposes
Lottery Grants Board Te Puna Tahua	Building strong sustainable communities	Lotto profit	Support community purpose through strengths-based programmes reflecting community, hapū, and iwi aspiration, aligned with Board outcomes and criteria



# Who we work with

## Ā mātou kōtuinga mahi

The Board’s relationship-based approach to community wellbeing, collective self-determination, and social cohesion outcomes envisages funding grant applicants who can directly deliver strengths-based programmes that support community, hapū, and iwi aspiration aligned to these three outcome areas.

It also envisages working with others in grant funding where additional impact can be achieved because the partners’ outcomes align with those of the Board and are focused on the needs of community, hapū, and iwi (See **Table 4**).

Publishing this SOI is a first step in outlining the Board’s priorities and engaging with other agencies with similar outcomes, common principles and values, and who can help refine the Board’s longer-term direction. The intent is that by working together on direction, the overall capacity and effectiveness of the sector can increase. The resulting collaboration and partnerships will also include identifying more innovative approaches to achieving additional impact and fair and balanced prioritisation for communities, hapū, and iwi.

A wide range of external stakeholders have an interest in the Board’s strategic direction, granting and grant advisory services delivered through its agent Hāpai Hapori. These external stakeholders include community groups, iwi co-funding partners, other funders, social enterprises, community trusts, funding applicants, and public sector agencies who are pursuing similar outcomes.

During the 4-year timeframe of this SOI, alongside progress of the Board’s outcome areas, there is opportunity for the Board to:

- consider its approach and granting practice alongside others to avoid confusion or conflict among different funding sources and providers
- avoid duplication and inadvertently granting in areas more properly the role and accountability of others, particularly where these areas are part of core services/functions delivered by government agencies or Local Government
- work together to transition away from any granting area where it is more properly the delivery area of others
- work with others on how and where their priorities and outcomes might align with the Board’s priorities, in order to maximise the collective aspiration of community, hapū, and iwi.

A relationship-based connection with community, hapū, and iwi, particularly where this is supporting strengths-based approaches to community, hapū and iwi aspiration (in contrast to a more traditional approach of responding to need), ensures grant funding priorities do not impinge on the roles of government (local or central) to provide services and support through tax, levy, or rates-based funding.

Over time, the Board’s expectation is that its strengths-based investment in community, hapū and iwi outcomes will reduce the overall level of demand for core needs-based interventions delivered by others.

In considering its granting approach and opportunity to collaborate on impact with others, the Board has adopted an initial set of common principles and values as a guide to its grant funding and prioritisation, as outlined on the next page.

**Respect for community choice and autonomy:** The grant funding should respect the preferences and aspirations of the applicants and the beneficiaries and allow them to decide how to use the funds to achieve their desired outcomes, where these align with the Board’s legislation, vision, and outcomes.

**Accountability and transparency:** The grant funding should be accountable and transparent to the public, ensure that the funds are used for the intended community purposes, and that the outcomes and impacts are reported and evaluated, using clear and consistent criteria and indicators.

**Efficiency and effectiveness:** The grant funding should be efficient and effective in its administration and delivery, ensure that the funds are distributed in a timely and cost-effective manner, and that the outcomes and impacts are maximised and sustained, using evidence-based and innovative methods and practices.

**Collaboration and partnership:** The grant funding should foster collaboration and partnership among the applicants, those who receive the granting benefit, and other stakeholders, and encourage them to work together where they agree to maximise impact on common goals, and to share their knowledge, skills, and resources, using inclusive and participatory processes and platforms.

**Fairness and balance:** The grant funding should be fair and balanced in its distribution and impact and ensure that the funds are allocated according to the needs and priorities of the applicants and those who receive the

granting benefit, and that the outcomes and impacts focus on equity and are inclusive, using appropriate and relevant data and information.

Where demand increases due to changing societal conditions, and profits from Lotto NZ remain variable, trade-offs will be required, and collaborative work aligned with these principles and values will be of increasing value.



Table 4: Potential partners where additional system-wide impact can be achieved through agreed collaboration and partnership

Agency	Agency vision	Collaboration for additional impact potential
Community trusts	Intergenerational benefits for communities across education, health, sport and recreation, the arts, social services, environment, heritage, community development, and community economic development	Collaborate to identify community, hapū, and iwi in common, and integrate programmes across community wellbeing, collective self-determination and social cohesion outcomes to maximise or provide additional impact
Local Government through individual councils across New Zealand	Each council has its own vision and mission statement built around the 'four well-beings' from local government legislation	Collaborate on programmes run by local authorities focused on collective community aspiration for community wellbeing, social cohesion, and collective self-determination where it is agreed impact is enhanced
Community and voluntary sector peak bodies	Weave collective voices and drive equitable systems change so that communities, hapū and iwi can do what they do best	Sector collaboration on state of the sector, strategic direction, and capability uplift of staff
Social Investment Agency	The agency seeks to improve outcomes for people through the systematic, consistent, and rigorous use of data and evidence to invest earlier and more effectively	Collaborate to provide community, regional, and national data layers by outcome, granting activity, and location
Ministry of Social Development Ministry for Pacific Peoples Ministry for Ethnic Communities Te Puni Kōkiri Ministry of Youth Development Ministry of Disabled People Ministry for Women Office for Seniors Ministry of Business, Innovation and Employment		Collaborate on impact, where aligned with the Board's legislation and outcomes, and where collaboration maximises impact
Whānau Ora Commissioning Agency	Whānau Ora enables whānau to thrive. Whānau Ora puts whānau and families in control of services and support they need to build on their strengths and achieve their aspirations. Whānau Ora uses a kaupapa Māori approach to improve the wellbeing of whānau as a group, addressing individual needs within the context of whānau or families and their culture. Whānau Ora can be for all people of Aotearoa New Zealand.	Collaborate on impact, where aligned with the Board's legislation and outcomes, and where collaboration maximises impact

This is not an exhaustive list. These opportunities are likely to shift over the period of this SOI with the changes in society, for example with corporate and private philanthropy.

Reporting on impact  
Ngā pūrongo whaipānga mahi

The Board produces an annual report which outlines the numbers and types of grants made and the overall funding provided to community, hapū, and iwi. Traditionally this has focused on an output reporting model with minimal information on the impact, or difference made from grants.

The Board's decision to evolve the system to one focused on outcomes includes flow-on changes to reporting. While a degree of output reporting will continue (e.g. number of grant applications, amount of grant allocation) reporting will increasingly include impact reporting – reporting back on the difference made from the funding as acknowledged by community, hapū, and iwi engaged in funded programmes. No flow-on changes will be required in the reporting approach undertaken by statutory bodies in relation to the allocation they receive from the Board. This reporting is undertaken in accordance with the legislative framework of each statutory body and not in scope for the Board.

New Zealand-wide changes to community wellbeing, collective self-determination and social cohesion at societal level are reported by Statistics New Zealand and Treasury. The impact of lottery funding in its priority areas cannot be assessed or attributed at this national-level scale because there are many factors that contribute to the state of society at any point in time, most of which cannot be directly influenced by grant funding of the Board.

However, impact across community wellbeing, collective self-determination and social cohesion domains can be reported at a more localised community, hapū, and iwi level by engaged fund recipients and Hāpai Hapori local community advisors. They are best placed to observe, report, reinforce, and use data on the difference made from funded programmes in relation to the needs they have identified.

While indicators used at the national level may provide a useful framing, the intent is that a more localised and qualitative framework for measurement, alongside a kaupapa Māori approach,<sup>12</sup> will be used, referencing community, hapū, iwi experience and narrative to enable their reporting on impact and a consolidation at regional and national levels.

Capability to support the change  
Ngā āheinga tautoko i ngā panonitanga

The successful implementation of the Board's vision and the ongoing changes to the system will be supported by Hāpai Hapori. Hāpai Hapori service the Board and administer the system, including its Presiding Member Policy Advisory Group (PMPAG) and the distribution committees that distribute the funds in line with the Board's vision and outcomes.

Evolving the system also involves refreshing the operating model used by Hāpai Hapori to manage the system on behalf of the Board. This will ensure it is fit for purpose to deliver the priorities set by the Board, and may include changes to training, tools, and support to deliver a strengths-based relational granting system. It may also involve changes to how the Board and Hāpai Hapori work with suppliers, strategic partners, and stakeholders, and how it operates in a granting environment made up of a mix of known and new grant applicants. This work will be undertaken concurrently during the timeframe of this SOI.

12 Kaupapa Māori refers to a Māori way of thinking, doing, and being based on the values, beliefs, and practices of Māori culture and worldview. Kaupapa Māori can be applied to various fields and contexts, such as education, research, policy, design, and wellbeing.



Department of Internal Affairs Te Tari Taiwhenua  
45 Pipitea Street, Wellington 6011  
PO Box 805, Wellington 6140  
0800 824 824



**Lottery Grants Board**  
Te Puna Tahua  

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LOTTO FUNDS FOR YOUR COMMUNITY