

Easier and fairer access to lottery funding



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Te Puna Tahua (Lottery Grants Board) is evolving the lottery grants and advisory support system to make it easier and fairer for communities, hapū and iwi to access funding.

Hāpai Hapori (Community Operations) is the business unit within Te Tari Taiwhenua, Department of Internal Affairs that administers the Lottery Grants System. The Board has tasked us with this programme of work known as Kia Tipu, He Tipua – Evolving the Lottery Grants System.

This is the first time an end-to-end review has been undertaken since the NZ Lottery Grants Board was established in 1987.

There are barriers and inefficiencies

Te Puna Tahua has distributed over \$5.2 billion of Lotto profits to communities since 1987, supporting thousands of good causes every year.

Fund recipients deliver valuable outcomes to communities, but we know through our conversations that some communities find the Lottery Grants System inflexible and difficult to navigate – particularly Māori, Pacific and ethnic communities. This has resulted in barriers and inefficiencies in the system, along with inequitable funding outcomes.

This is likely due to the Lottery Grants System having had minimal changes over the past 35 years, but we know that communities and their needs have changed significantly. COVID-19 has highlighted the need for communities, hapū and iwi to access more flexible and responsive funds.

Leonie Matoe is a descendant of Ngā Rauru Kītahi and Ngā Ruahine and is the Acting General Manager of Hāpai Hapori (Community Operations) at the Department of Internal Affairs. Leonie has a background in Māori Public Health leading the National Māori health agency Toi Tangata, and Iwi Economic Development with her Iwi PSGE Te Kaahui o Rauru. Leonie thrives on creating solutions and working with others.

Unlocking the potential of the Lottery Grants System

The Lottery Grants System is not broken, but we know that not all sectors of our community are benefiting equally. We want to unlock the potential of the Lottery Grants System and shift to one that is:

- strategy-led and learns
- high trust and leverages relationships
- devolved decision making and flexible funding
- funding for equity
- collaborative to achieve the greatest impact.

Guiding principles

We've identified four Good Practice Principles to guide optimal change in the Lottery Grants System:

- **High trust:** Communities are trusted to drive outcomes through building strong relationships.
- **Community-centred:** Community aspirations are supported through flexible funding approaches.
- **Equitable outcomes:** Funding is purposeful and prioritised to help achieve the greatest impact.
- **Future-focused:** Adaptive approaches that work to support intergenerational change for communities.

These principles, along with the specific shifts needed to make these changes, provide a clear view of what a future Lottery Grants System should look like.

The current Lottery Grants System

\$5.2b

returned to communities, hapū and iwi since Lotto launched in 1987

\$371m

funded community activities and projects in 2020–21

58%

goes to the community and voluntary sector

42%

is for sport, arts and cultural and statutory bodies

A future system that's easier and fairer

Key objectives are to:

- ensure the funding is accessible and responsive to communities' needs and priorities
- support the aspirations of Māori and uphold Te Tiriti o Waitangi
- ensure funding is distributed more equitably
- make the funding system more coherent and focused
- develop a funding system that allows for innovation and collaboration
- maximise community benefit through the distribution of lottery funding.

Positioning Te Ao Māori at the centre of this work

We've applied Te Kawa o Te Korekoreka (a Te Ao Māori approach) in our analysis and engagement to understand the shifts needed to support the Board's future strategic direction.

Te Korekoreka is a process for creating solutions, which has been gifted by Tokona Te Raki the Māori Futures Collective. It combines conceptual wisdom and practical knowledge to support systems change within a Te Ao Māori paradigm.

As the Te Ao Māori Lead for this programme, it has been heartening to see Te Korekoreka woven throughout our work. We're developing a more authentic approach to building a Māori worldview into the Lottery Grants System and recognising Te Tiriti o Waitangi.

Designing the future system with people and communities at its heart

The voice and experiences of communities, hapū, iwi, other funders and organisations are crucial to designing an improved future system.

We've engaged widely with those that operate within the Lottery Grants System, and also learned from others' research and engagements. This has enabled us to build a picture of what the Good Practice Principles would look like in action and what stakeholders want to see in an evolved model.

We've met regularly with our Steering and Challenge Group consisting of representatives from community and philanthropic sector organisations, representatives from Lottery Grants System distribution committees, the Ministry for Culture and Heritage, Te Atamira Taiwhenua (the Department's external kaumātua advisory group) and Department staff. Their advice has been highly valuable and enabled us to test our thinking for the evolved model.

Some insights from what we've learnt

Our engagements have confirmed that the Lottery Grants System works for some, but not for all. But a Lottery Grants System guided by the Good Practice Principles would provide stability, increased opportunities and reduce the administrative burden for communities, hapū and iwi.

Many small and newly established groups and many culturally diverse communities, particularly Māori, hapū and iwi, face additional challenges navigating the system. We repeatedly heard about the importance of having people on the ground who can develop face-to-face relationships with communities, hapū and iwi, and others across the community funding sector. This is something that I believe Hāpai Hapori does very well.

To be fairer there needs to be different approaches and targeted support for those that face barriers. Community organisations spoke highly of the support received by Hāpai Hapori and it's evident that our staff have been crucial in removing the barriers some communities face in accessing funding.

Increased flexibility around funding dates has been another strong message, as they don't work in the reality of many communities.

There are also opportunities to weave learning throughout the Lottery Grants System and many we spoke with highlighted the importance of sharing learnings with others.

The Board wants to strengthen its leadership and collaboration within the sector

The Lottery Grants Board is now in a very different position compared to 1987. Over the years there's been an increase in the amount of funding distributed by the Board due to the growth in Lotto NZ profits.

The Lottery Grants Board is an independent organisation that is now operating at scale across New Zealand's wider community grant funding ecosystem.

This means the Board is well positioned to optimise the potential of the Lottery Grants System.

With its position and scale, the Lottery Grants Board wants to see greater strategic collaboration with other funders and partners. We already have examples of strong relationships and networks built with other funders and sector partners, particularly at the regional level, but there is a need for a more joined-up approach across the community grant funding ecosystem. This will make it easier for applicants, particularly those that apply to multiple funders.

Changes will be phased in from 2023

During 2023 we'll continue to progress work to evolve the Lottery Grants System to enable more effective funding distribution to communities, hapū and iwi. We anticipate some change to what communities, hapū and iwi will see from late 2023, but more significant changes to the Lottery Grants System will likely be rolled out in 2024.

Work to align other community funding systems we manage

Consistency across our funding sources is a key consideration of this work, so we'll also undertake work to align the other community funding systems we manage. Through this we expect communities across Aotearoa to experience a simpler and more equitable funding ecosystem in the future.

This is an exciting programme of work that will create an evolved Lottery Grants System that is more responsive, flexible, inclusive, strategic and recognises Te Tiriti o Waitangi. It will also help Te Puna Tahua deliver more fully on its vision of New Zealanders building strong, sustainable communities together.

Further information about Kia Tipu, He Tipua can be found at: www.communitymatters.govt.nz/evolving-the-lottery-grants-system