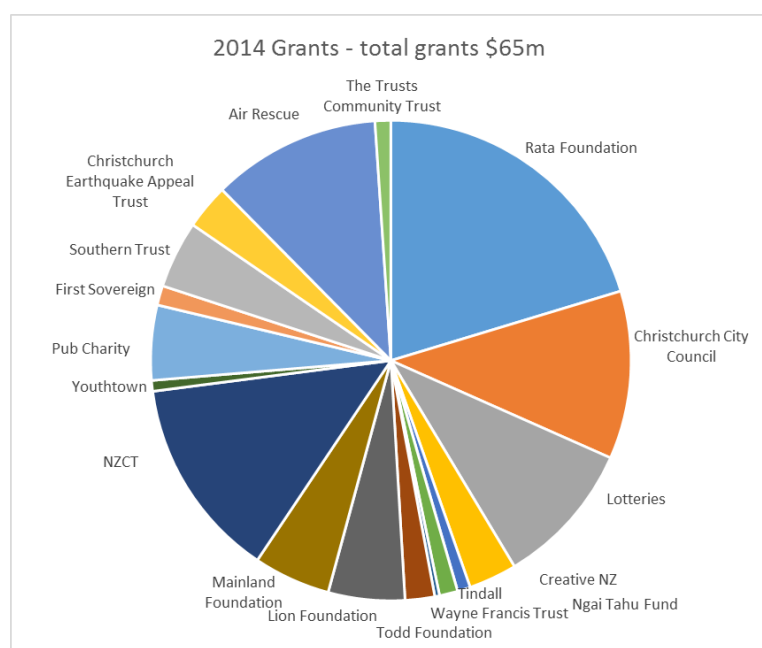


## Grant making in Canterbury

In 2014 around \$65m was given to NFPs in Canterbury, made up of over 4,800 grants<sup>1</sup>. This paper examines where that money goes, and identifies some issues and opportunities.

Eighteen of the major grant makers in Canterbury were examined. These grant makers range from Community Trusts, whose role is to apply funding for charitable, cultural, philanthropic, recreational, and other purposes<sup>2</sup> to Gaming Trusts who have different purposes: for example, Air Rescue and Community Services Trust has raising funds for the rescue helicopters as its primary purpose, and Mainland Foundation prioritises rugby union north of the Waitaki River. The Christchurch City Council fund looks at support of community focused organisations whose projects contribute to the strengthening of community wellbeing in the Christchurch City area.



Around \$65 million has gone into Canterbury in 2014 from grants processes. This is split by the following grant makers. Just over half of this funding (51%) comes from Gaming Trusts (excluding Lotteries).

There were over 4800 donations into the area over that time to just over 1900 organisations and entities. The most grants a single organisation received was 16 in the 2014 year.

Analysis of the grant database shows the following.

Sector	Total	%	Count of Grants	Number of entities supported	Average Grant (by grant number)	Average Grant (by entity)
Air Helicopter	\$4,682,829	7%	14	2	\$334,488	N/A
Arts and Heritage	\$7,896,258	12%	461	220	\$17,128	\$37,072
Community and Economic Development	\$9,422,745	15%	748	368	\$12,597	\$28,212
Education	\$5,362,113	8%	638	255	\$8,405	\$21,448
Environment	\$461,158	1%	35	23	\$13,176	\$20,962
Health and Wellbeing	\$3,659,853	6%	353	127	\$10,368	\$28,592
Social Services	\$7,682,203	12%	426	177	\$18,033	\$54,873

<sup>1</sup> For information on the methodology, please see appendix one.

<sup>2</sup> From the Community Trusts Act 1999

Sport	\$19,960,523	31%	1,732	623	\$11,531	\$32,299
Young People	\$5,395,721	8%	447	226	\$12,071	\$24,751
	\$64,523,402		4,854	1918	\$13,296	\$33,519

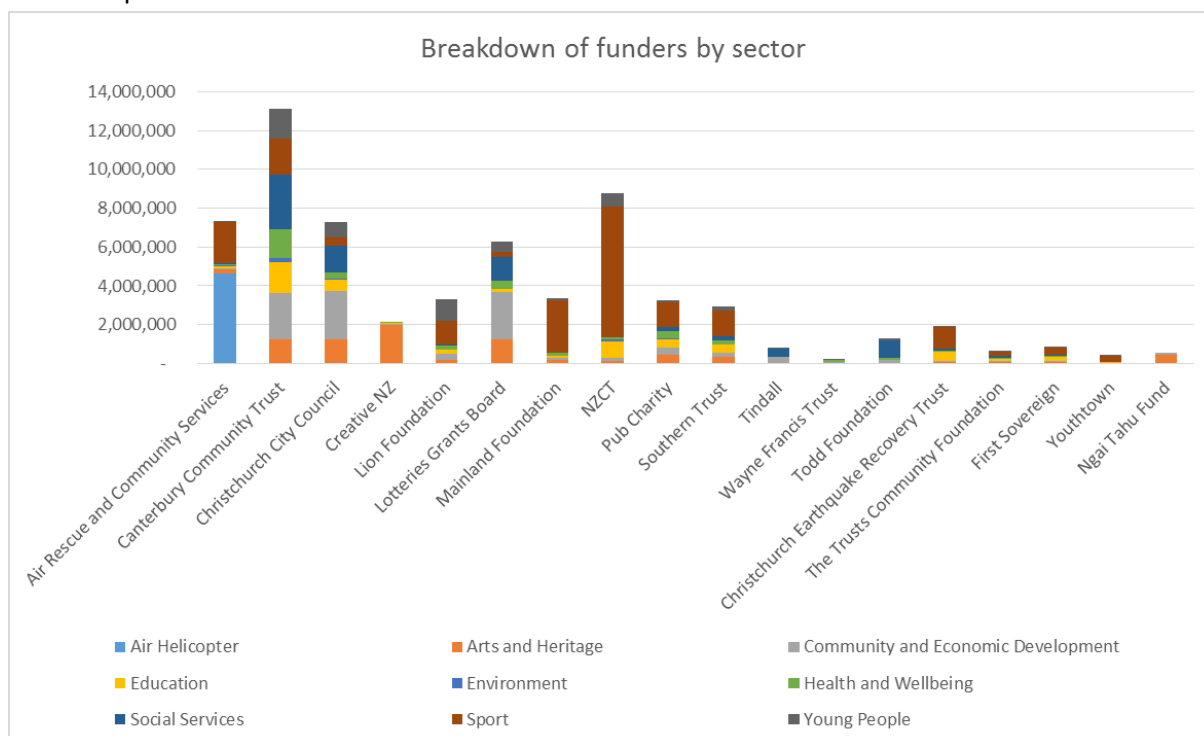
Key observations from this include:

- Sport accounts for just under a third of the grants made:
- 12% of grants are going into social services:
- 15% of grants are going into Community and Economic Development:
- Arts takes 12% of the grants.

Looking at the number of entities supported, it seems that some sectors are more organised at extracting grants. This can be seen in looking at the differences between the average grant by grant number, compared to the average grant by organisation.

Looking at the number of organisations receiving funding, it's evident that each organisation receives around 2.5 grants a year. Just under half of organisations only sourced one grant from one organisation.

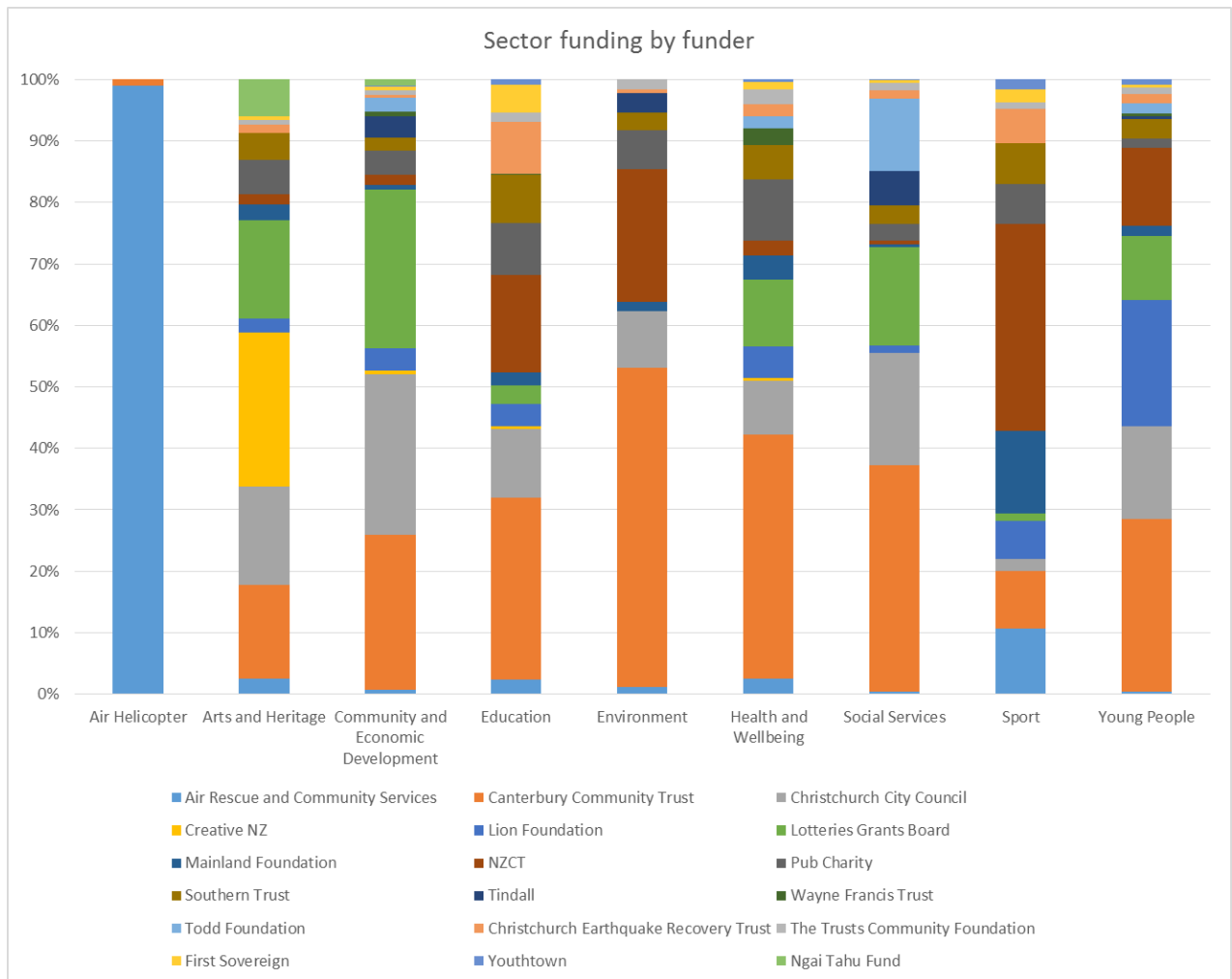
From here it's interesting to look at who funds what. From the chart below its immediately apparent that the gaming trusts contribute a considerable amount of their funds towards sports. Indeed, when we look at the purposes of many of the education grants, these can be skewed towards sports.



- Air Rescue and Community Trust spent 29% of their donations on Sport (most the balance was on the Air Rescue service),
- Lion spent 37% on sport, and 33% on young people (driven mostly by three large capital grants)

- NZCT gave 77% to Sport
- Mainland Foundation granted 80% to Sport
- Both Southern Trust and Pub Charity spent around 40% on Sport.
- Rata Foundation spent 14% on sport

Other funders had minimal spend in this area. CCC spending is skewed to Social Services and Community Development, which is expected. 6% of their funding has gone into sport.



A differing view of the same data is presented above. This shows who the funding players are for each sector, and shows the percentage of funding by sector for each grant making entity.

**Analysis of Sport as the highest funded sector.**

The sports sector can be broken down by code. There are of course some substantial capital items in these grants.

- The sport getting the most support from donations seems to be rugby union, with a total donated of \$3.5m.
- The second most supported sport is football, receiving some \$1.9m.
- The first female dominant sport, netball, is the eleventh sport in terms of attraction of dollars.

- The label “organiser” includes those entities who task themselves with events (such as marathons), school competitions, or overarching bodies, such as Sport Canterbury.
- “Clubs” refers to those entities who are hubbing multiple sports within their environment. The dollar amount is driven by two capital grants.

1	Rugby Union	\$3,534,869
2	Football	\$1,946,668
3	Cricket	\$1,787,717
4	Clubs	\$1,330,503
5	Tennis	\$1,204,785
6	Organisers	\$938,357
7	Rugby League	\$759,074
8	Golf	\$750,887
9	Hockey	\$728,798
10	Bowls	\$717,335
11	Netball	\$476,854
12	Basketball	\$475,507
13	Softball	\$361,948
14	Yachting	\$342,495
15	Life Saving	\$336,247
16	Disabled Sport	\$336,043
17	Rowing	\$325,420
18	Athletics	\$310,611

It would be interesting to look at the amount of grants by code and divided by the number of registered participants. Currently, there is little publically available data available but for those where information is available:

- Rugby Union, in 2014 had 14,734 players. Dividing the total grants by the number of registered players shows rugby union receives \$240 in grants per player, on top of club registration fees.
- Tennis in 2013 had 8122 players in the Tennis Canterbury region (covering Nelson / Marlborough and West Coast). Scaling this participation back to look at simply Canterbury shows around 5850 registered players, at a rate of \$148 per head.
- Touch Canterbury say on their website they have over 15,000 registered players. In 2014 Touch received \$230,913. This equates to around \$15 per registered player.

It's also interesting to consider where codes get their funding. For example, Tennis received 64% of its \$1.2m from NZCT, Marching received 64% of its \$148k from NZCT, Bowls received 18% of its \$717k from Air Rescue, and Swimming received 31% of its \$270k from Rata Foundation.

Unsurprisingly, Rugby Union received 53% of its \$3.5m from Mainland.

Some in this sector are well organised at extracting grant funding. One sporting organisation, for example, received some 16 separate grants totalling \$41k in one year, from twelve different funders.

Most grant makers do not disclose what the grant is for. For those that do, equipment costs are commonly covered, along with coaching costs, uniforms and travel.

The education sector is interesting. Grants are going to primary schools of all decile levels. Funding goes into technology (devices for children) and sports equipment. There are some capital amounts going to secondary schools, and grant funding going to state and private schools.

Primary	\$2,433,509
Secondary	\$989,227
Preschool	\$588,071
Specialist	\$580,536
Adult	\$165,068
Special	\$162,203
Life	\$153,680
Tertiary	\$105,128
Oscar	\$75,500
Adventure	\$61,190
Support	\$48,000

### Cost to serve

There is a cost to getting this funding into the community both those applying, and those making grants. A high level analysis has been done of various grant makers' financials. This has looked at the operating costs of making donations, and dividing by the number of successful applications. Not included is the CCC's or Lotteries costs, as those costs are effectively buried in the financial reporting of the entities. Costs range from just under \$1000 to get a grant into the community to just on \$4000 per donation. Around a third of donations given are less than \$3000.

Of course, the objective is not minimising this: in many cases it's better to have a higher cost per donation to ensure the application has gone through a process. This analysis also fails to account for declined applications: in many cases it takes more time to decline an application to ensure the correct decision is being made than to make a grant in the first place. Another measure of efficiency could be the operating cost per donation: most organisations sit at a cost of between 17 and 45 cents per dollar given. Greater transparency and sharing of information between groups giving grants could help make more efficient processes and decisions.

There is also a cost from an organisation view as well: with around eighteen grant giving organisations in the region, finding grant opportunities can take a significant amount of time. This has not been costed, but US work suggests that top performing NFPs will have a cost of around 20 cents in the dollar, and of course some groups pay third parties to do this process for them.

## Appendix 1

### Methodology

Data has been drawn from the publically available information from the following organisations. Data is available for both 2013 and 2014, but analysis is focused on 2014 data where available.

- NZCT (Gaming)
- Southern Trust (Gaming)
- Air Rescue and Community Services(Gaming)
- Lion Foundation (Gaming)
- Pub Charity (Gaming)
- Mainland Foundation (Gaming)
- Youthtown (Gaming)
- First Sovereign (Gaming)
- The Trusts Community Foundation (Gaming)
- Christchurch Earthquake Recovery Trust (Gaming)
- Wayne Francis
- Rata Foundation (formerly The Canterbury Community Trust ignoring Special Fund)
- Lotteries
- Todd
- Tindall (2013 data only – 2014 not available)
- CCC
- Creative NZ (some only)
- Ngai Tahu Fund

Each grant has been categorised into one of eight groups (generally using Rata Foundation’s “sector buckets”, and where appropriate sub categorised for further analysis - for example, to show sporting code, school status or preschools). Grants have also been put into Local Area Government zone as well.

CEAT, Rata’s Special Fund and Red Cross have not been included given their focus on earthquake effect as opposed to business as usual. Also ignored is central government funding, which is often used for providing social services, or health and wellbeing.