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AUCKLAND  
COUNCIL

COMMUNITY FUNDING: A FOCUS ON  
GAMING GRANTS

• **point**research



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# Executive Summary

### **Purpose**

The research was undertaken to look at the impact of gaming funding from Class 4 Gaming societies on sporting and community organisations.

Auckland Council commissioned the research to find out more about community funding in general, in particular what is working well, not working well, and in particular how gaming grants are used and how dependent organisations are on different forms of funding.

### **Method**

The New Zealand Problem Gambling Foundation database was used to select 580 recipients that had received gaming funding, and an arts database was used to select a further 410 contacts. .

A link to an online survey was sent to these organisations asking if they wished to participate in a survey about community funding.

A total of 182 responded, giving a 19% response rate:

### **Respondents**

Most of the respondents (78%) described the activities of their organisations as predominantly cultural, sports or recreational in nature. Some said that they had an educational (29%), health (20%), community development (12.8%) or social services (12%) focus.

### **Security of funding**

Over half (55%) of those surveyed felt that their funding was insecure (rated 1-4 on a 10 point scale where 10 is very secure).

The largest group (76%) said that they had applied for Gaming Trusts grants.<sup>1</sup> Most of the applications appear to have been successful, with two-thirds (64%) of the respondents saying that their organisations had received funding from a Gaming Trust.

### **Relationships**

Most do not have a relationship with the Gaming Trusts. Around one-quarter (24%), however, said that they had a moderate to strong relationship with the Gaming Trust. Two-thirds (69%) of those who had formed a relationship with the Gaming Trusts found that relationship to be moderately or very helpful.

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<sup>1</sup> It is noted that the sample was undertaken from a database of organisations who have received Gaming Trust funding.

## Executive Summary

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### **Importance of Gaming Trusts to organisations**

The Gaming Trusts are an important funding source. One-third of the respondents (33%) considered the Gaming Trust to be a major source of funding, with a further 37% indicating that they were a moderate funding source..

There appears to be a reliance on gaming funding. Most (75%) indicated that their organisation is moderately or totally reliant on this source to fund core business.

Most (55%) believed that there would be a high to extreme risk to their organisation and their core business if they did not receive this funding. A further one-quarter (26%) said that there would be a moderate risk if they did not receive it.

### **Alternative funding sources**

This dependence is compounded by the lack of alternative funding sources. Two-thirds (68%) said that they thought that they would be unlikely to find another source of funding if gaming funding was not available.

### **Ease of the process**

Respondents were most likely to believe, that it was easy to meet the application criteria for the Gaming Trusts (38.7%), ranking it the easiest of all the funding sources.

Respondents were also most likely to find to Gaming Trust funding easy to apply for with almost half (48%) finding the application process to the Gaming Trusts to be quite or very easy. Again, when the different funding sources were compared, the Gaming Trusts were ranked as having the easiest processes (35%).

The Gaming Trusts were thought to be reasonably transparent compared with other sources.

Again, respondents were more likely to find the reporting process to Gaming Trusts easy when compared with other funding sources. Most (60%) indicated that they thought the reporting and accountability process to Gaming Trusts was quite or very easy..

### **Branding**

Gaming Trusts are unable to require branding as part of their contracts. Despite this, over half (54%) of those that received Gaming Trust funding believed that branding was in fact required. Gaming Trust branding was widely used in newsletters and websites, and the Trusts were thanked at events.

### **What it is used for**

The funding is used for a wide range of items and activities, including sports equipment, grounds maintenance, salaries, operating expenses, building projects, education projects, administration costs, the costs of entering

## Executive Summary

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tournaments and venue hire. Many respondents believed that the Gaming Trusts had a useful role in picking up gaps in funding, as other organisations were less likely to fund these items and activities.

### **Concerns**

Most respondents said that they did not believe that anyone in their organisation had concerns about applying for funding from a Gaming Trust (76%)

Those who were not comfortable with this source of funding were largely concerned about the ethics of taking money from those who can least afford it, and were worried about the harm caused by gambling to community members.

Three-quarters did not think accepting Trust funding would affect their reputation, but one in six (15%) were unsure. Almost half (43%) agree, however, that there is a moral dilemma in taking the funding.

There was concern about the impact of gambling on the community, the poor and that the funding was given to organisations outside the community in which it was generated.

### **Benefits**

Most respondents (78%) believe that the Gaming Trusts and the distribution of funds benefits communities and most saw the Trusts as philanthropic organisations. Many respondents commented that the Trusts have a legal obligation to fund community groups and organisations and this money was very much needed by the community.

Most of the respondents said that their clients and community was not directly affected by problem gambling.

# Introduction

## Purpose

The research was undertaken to look at community funding in general, and the impact of gaming funding from Class 4 Gaming societies on sporting and community organisations, in particular to determine how:

- Easy it is to meet the funding criteria;
- Easy the application process is;
- Easy the accountability process is;
- Reliant organisations are on the funding for core activities;
- Reliant organisations are on this source of funding for non core activities;
- Gaming impacts on the communities in which grant recipients work;
- Gaming impacts on the work of their organisations, and
- The respondents perceive the funding affects their reputation.

## Background

Under the Gambling (Class 4 Net Proceeds) Regulations 2004 Corporate Societies that conduct Class 4 gambling must distribute a minimum of 37.12% of their gross proceeds to authorised purposes as specified in the corporate society's license. Authorised purposes must be a charitable purpose; a non-commercial purpose that is beneficial to the whole or a section of the community and promoting, controlling and conducting race meetings.

The corporate societies that operate gaming machines fall into two categories:

1. *Public societies* are societies that operate gaming machines in commercial venues such as bars. They distribute their profits to the wider community by way of grants (Department of Internal Affairs 2007).
2. *Clubs* are societies that operate gaming machines in their own premises. There are three types of clubs:
  - chartered clubs
  - Returned and Services' Associations (RSAs)
  - sports clubs (eg, bowling clubs, squash clubs).

With a 2011 Auckland Gaming Machine Profit of \$253,651,496; there was at least \$94,155,435 (excluding interest and the sale of chattels) allocated for authorised purposes.

The New Zealand Problem Gambling Foundation maintains a database of all Class 4 Gambling Venue grants allocated in New Zealand. For 2011 they found that grants totalling \$55,340,405 were allocated to Auckland. This excludes grants from clubs that are usually used for the clubs' own purposes and grants to national and regional organisations.

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Auckland Council was interested in find out from these organisations more about these grants, how they are used and how dependent organisations are on this funding.

## Method

### Data Collection

The New Zealand Problem Gambling Foundation database was used to select 580 recipients that had received gaming funding, and an arts database was used to select a further 410 contacts. .

A link to an online survey was sent to these organisations asking if they wished to participate in a survey of community funding. Thirteen emails bounced back. A reminder was sent to organisations two weeks later.

Respondents were asked:

- What funding their organisation had applied for
- What funding their organisation had received
- Whether they have connections or relationships with the funders
- Whether the relationships were helpful
- The risk to core and core business activities if the funding was not received
- How easy the criteria was to meet, how easy the application process and reporting process for each of the different funders was
- The transparency of the decision making process
- Whether they had concerns applying for gaming funding, and
- How well community funding works.

A total of 182 responded, giving a 19% response rate:



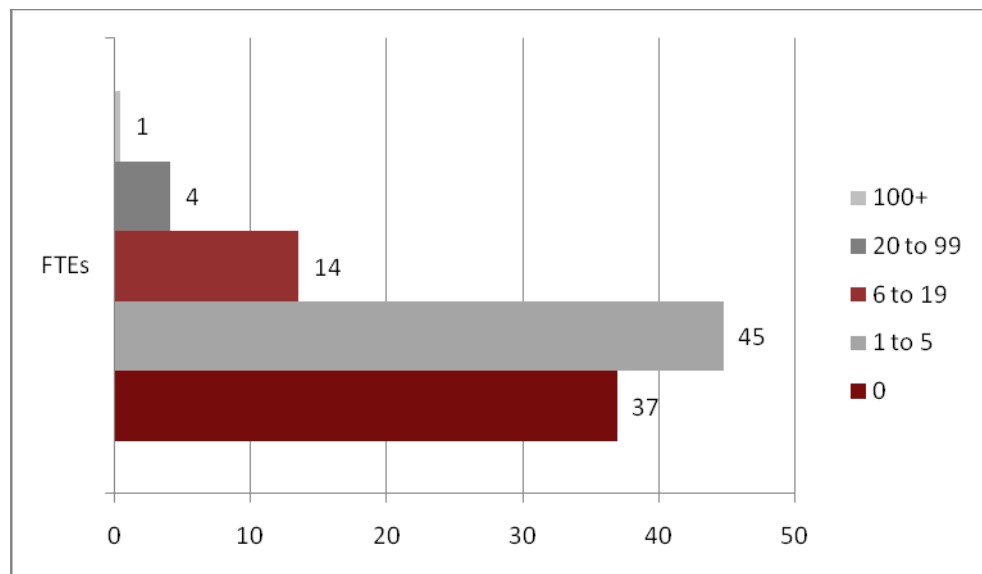
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## About the Respondents

Most of the respondents (78%) described the activities of their organisations as predominantly cultural, sports or recreational in nature. Some said that they had an educational (29%), health (20%), community development (12.8%) or social services (12%) focus.

Most respondents were from small organisations with fewer than five full time equivalent staff members (FTEs). One third (37%) did not have any FTEs.

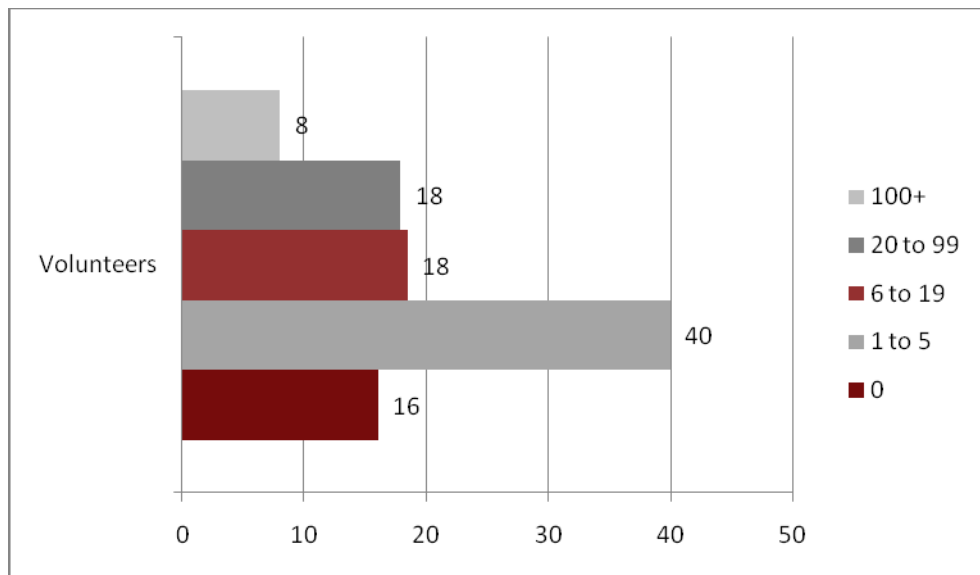
**Figure 1: Number of FTEs**



n=180

All but fifteen per cent (15 %) of respondents said that their organisations had between one and five FTE volunteers, with over one-quarter having twenty or more.

**Figure 2: Number of fulltime equivalent volunteers**



n= 171

One-third of respondents (34%) described their role as the CEO or Director of their organisation. A further seventeen per cent were managers.

Respondents who said that they held 'Other' roles in their organisations, tended to hold positions such as chairperson, secretary, president or treasurer.

**Figure 3: Role or Respondent**

Role	%
CEO or Director	34
Manager	17
Funding manager	7
Accountant	3
Community worker	3
Other	37

n= 180

## Results

### Funding

#### Application and Receipt of Funding

Respondents were asked what types of funding their organisations had applied for in the last 12 months.

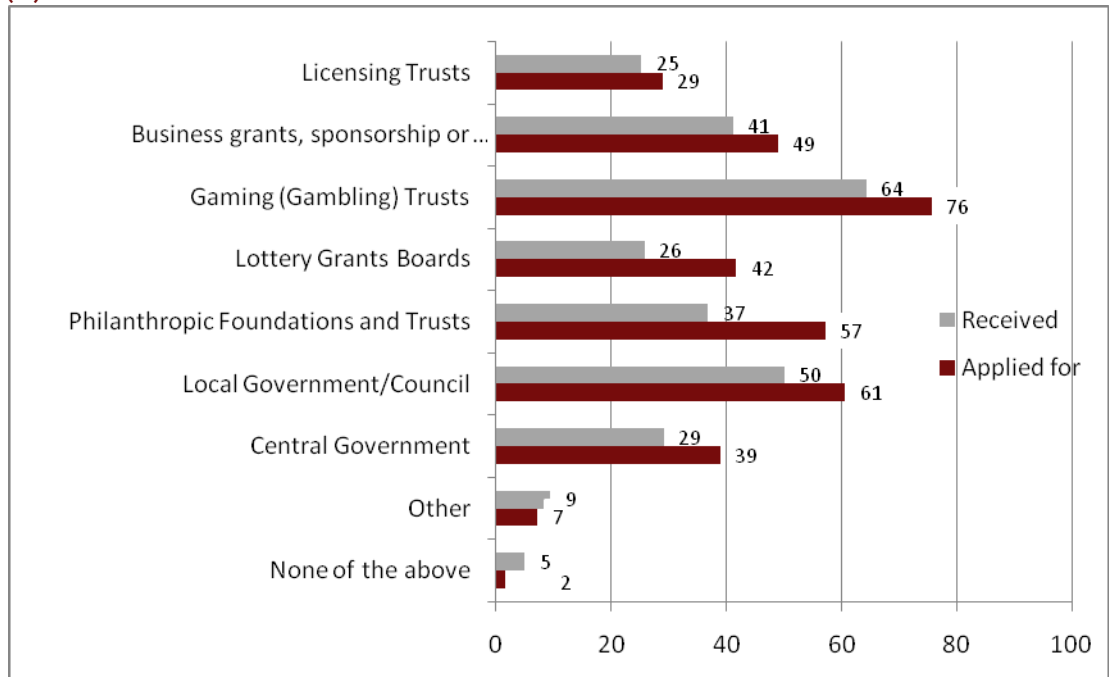
The largest group (76%) said that they had applied for Gaming Trusts grants.<sup>2</sup> Most of the applications appear to have been successful, with two-thirds (64%)

<sup>2</sup> It is noted that the sample was undertaken from a database of organisations who have received Gaming Trust funding.

of the respondents saying that their organisations had received funding from a Gaming Trust.

It is noted that significantly more organisations applied to Philanthropic organisations or Lottery Boards than had received grants from them.

**Figure 4: Type of funding applied for in the past 12 months (%)**



n=180

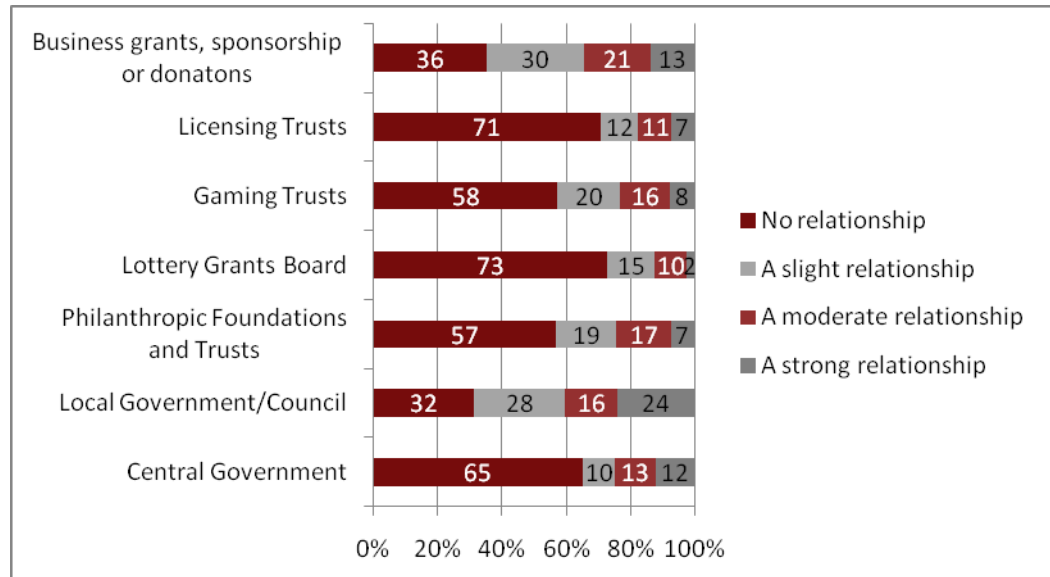
## Relationships with Funders

Those who said that their organisations had received funding from one of the funding sources listed, were asked if they or others in their organisation had contacts, connections or a relationship with those who had funded them.

Most indicated that they do not have a relationship with the Gaming Trusts. Around one-quarter (24%), however, said that they had a moderate to strong relationship with the Gaming Trust.

Apart from those who had received funding from the Council or the business sector, most said that they had no relationship with their funders. They were least likely say that they had some form of relationship with Lotteries or the Licensing Trusts.

**Figure 5: Relationship with funders**



n= 182

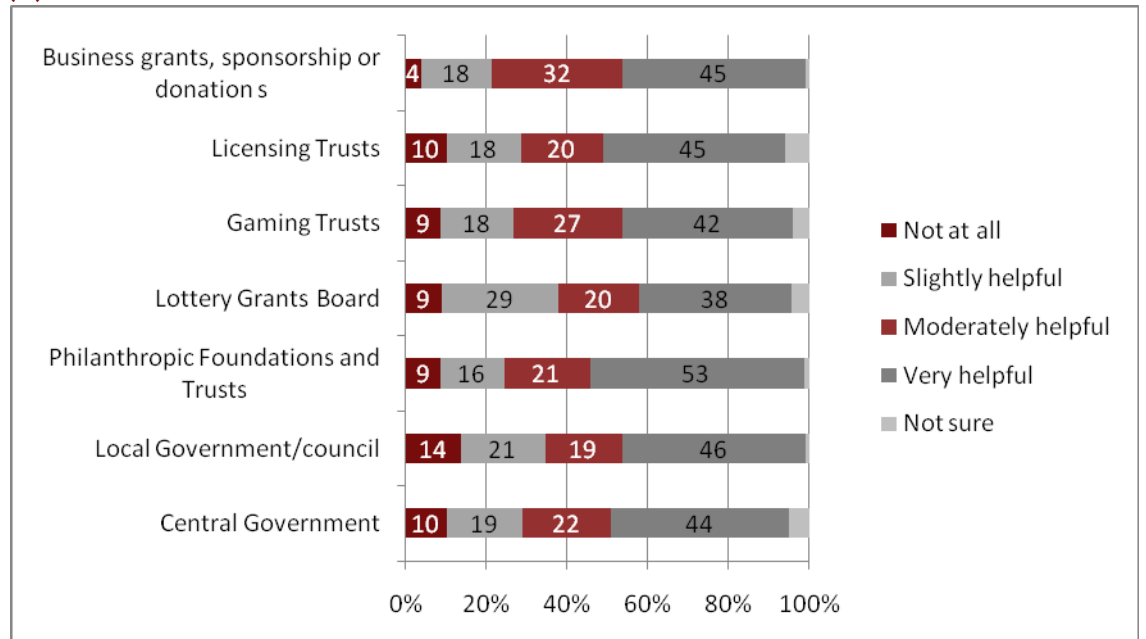
### Helpfulness of Relationships

Those who said that they had a relationship with their funders were asked whether they had found that relationship to be helpful.

Overall, it appears that respondents find having a relationship with their funders to be helpful. Two-thirds (69%) of those who had formed a relationship with the Gaming Trusts found that relationship to be moderately or very helpful.

Those who had formed a relationship with the Philanthropic Trusts were also most likely to say that they found that relationships to be helpful.

**Figure 6: Helpfulness of the relationships (%)**



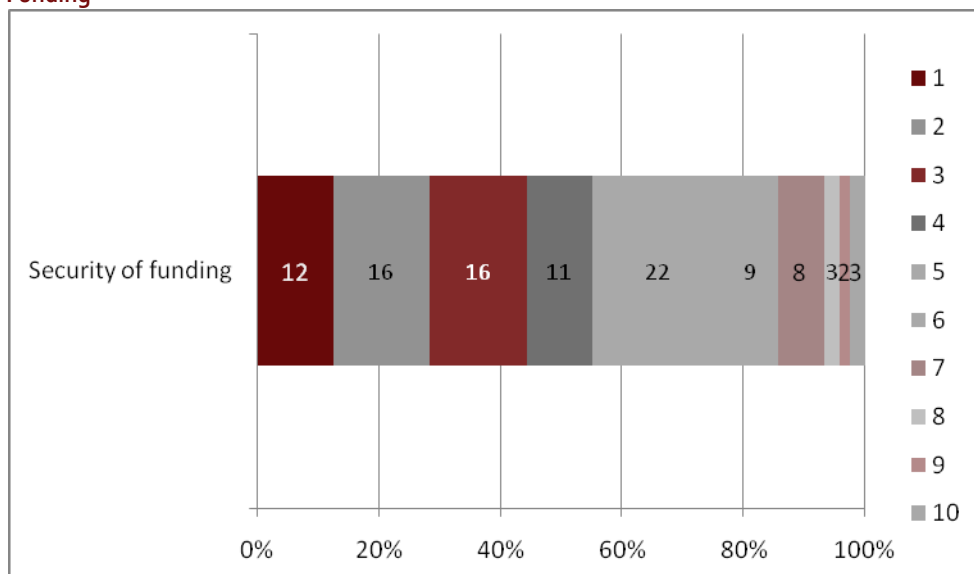
n= 145

## Security of Funding

Respondents were asked to rate how secure they felt their funding was on a ten point scale, with 1 being very insecure and 10 very secure.

It appears that most in the sector do not feel that their funding is particularly secure. Over half (55%) felt that their funding was insecure (rated 1-4). The average (mean) rating was 4.1.

Figure 7: Security of Funding



n= 182

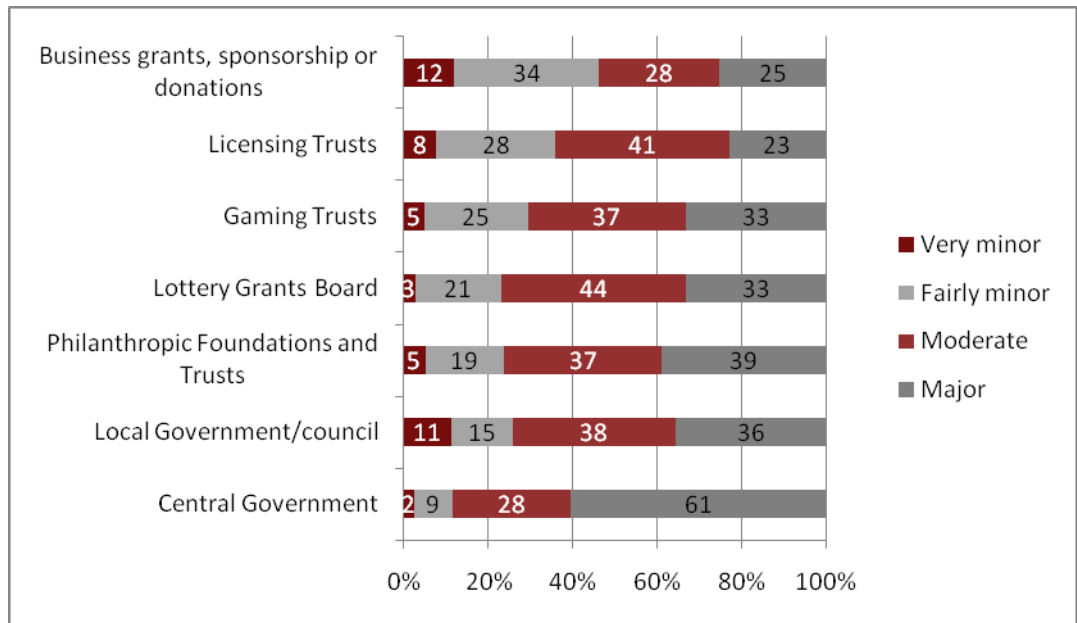
## Dependence on Funding

The respondents were asked whether their funders were a minor or major source of funding.

Seventy per cent indicated that Gaming Trusts were a significant source of funding. One-third of the respondents (33%) considered the Gaming Trust to be a major source of funding, with a further 37% saying that they were a moderate funding source.

For those that received it, Central Government (61%) was a major funding source

**Figure 8: Funding sources (very minor through major %)**

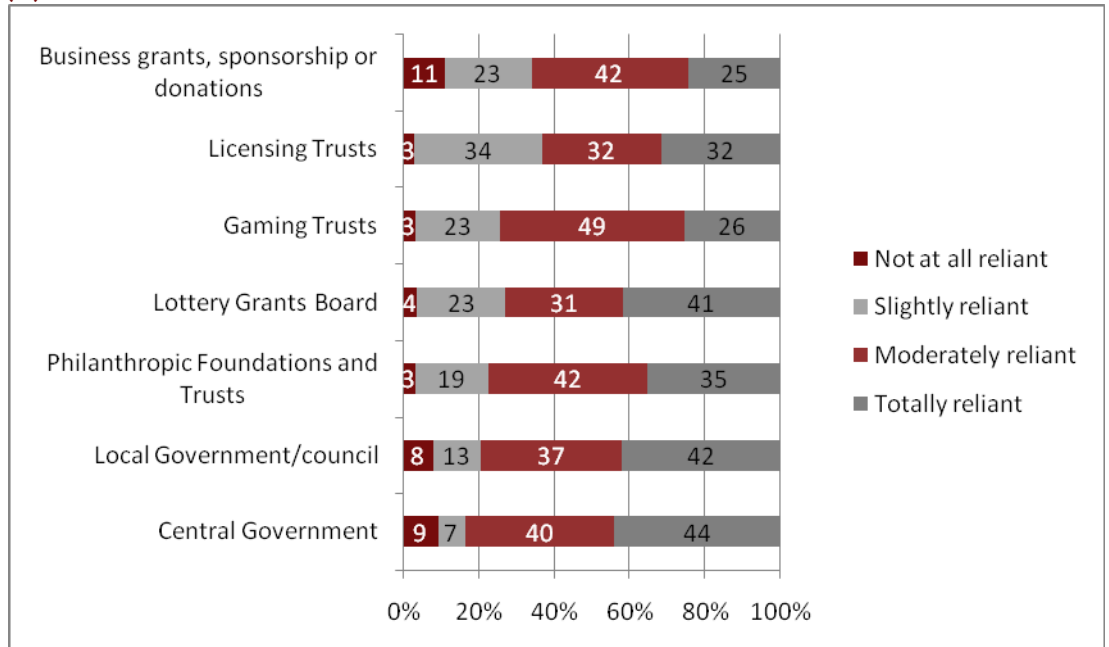


n=155

### Core Business

There appears to be a reliance on gaming funding. Of those that received gaming funding most (75%) indicated that their organisation is moderately or totally reliant on this source to fund its core business.

**Figure 9: Reliance on funding for core business (%).**



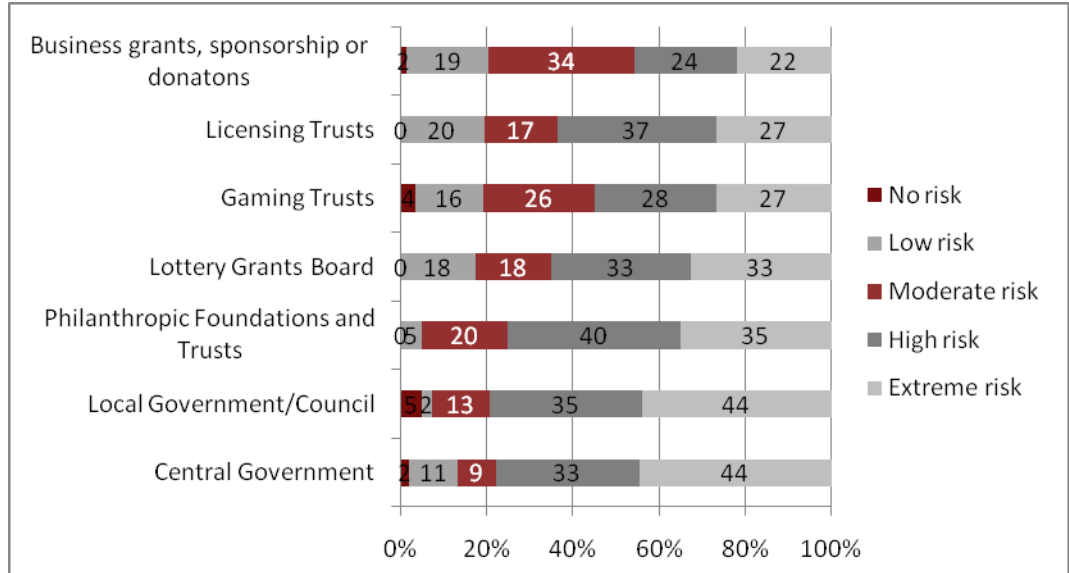
n= 152

### Risk to the Organisation

It appears that respondents believe that there would be a risk to their organisation if they did not receive grants from Gaming Trusts.

Of those respondents who received Gaming Trust funding, most (55%) believed that there would be a high to extreme risk to their organisation and core business if they did not receive funding from this source. A further one-quarter (26%) said that there would be a moderate risk if they did not receive this funding.

**Figure 10: Risk to organisation and core business if not funded (%).**



n=154

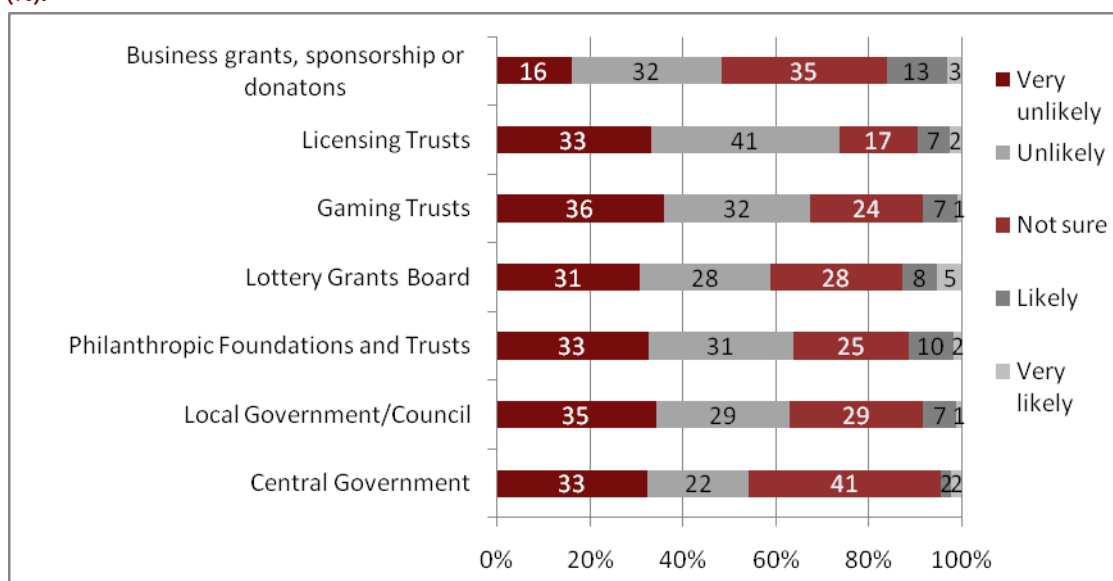
### Other funding sources

Respondents were asked how likely they would be to find another source of funding if it was no longer available.

Two-thirds (68%) of those receiving Gaming Trust funding said that they thought that they would be unlikely to find another source of funding

Most respondents, however, indicated that they would be very unlikely or unlikely to find another source of funding, whatever the source.

**Figure 11: Likelihood of finding other sources of funding (%)**



n=153

### Additional activities (not core funding)

The respondents were asked about activities, projects, and items that are *not* core to their work or business, and how reliant they are on funding sources to achieve these.

Over half of the respondents indicated that their organisations were moderately or totally reliant on the funding they had received to undertake these activities, projects or items, whatever the source.

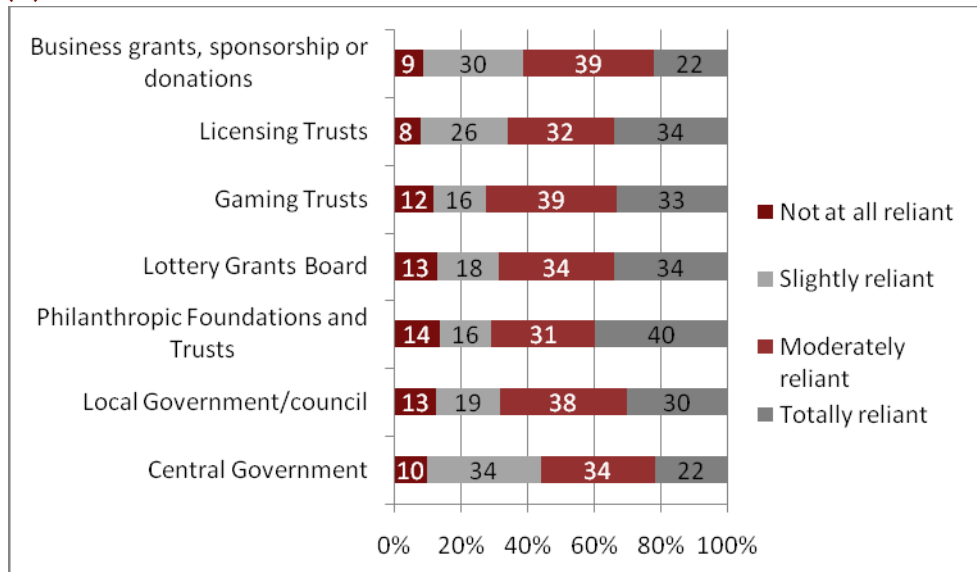
There appears to be a particularly heavy reliance on Gaming Trusts, however, to fund these types of activities. Three-quarters (73%) of Gaming Trust recipients said that they were moderately to totally reliant on this source to fund these types of activities, with a further 16% saying their organisations were moderately reliant.

They were more likely to say they were moderately to totally reliant on Gaming Trusts than any sources to fund these types of activities.

Those who commented said that they Gaming Trusts often funded small items, such as computers or items such as sports equipment, that other funders appeared to be reluctant to fund.



**Figure 12: Reliance of funding for activities not core to work or business (%)**



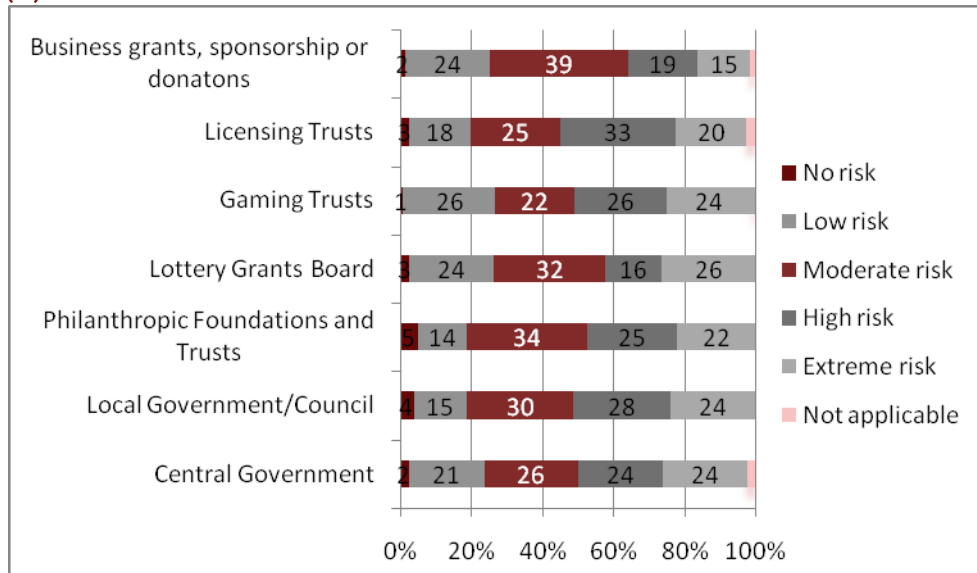
n=154

### Perceived risk

Most respondents indicated that the risk to undertaking these non-essential activities would be moderate to extreme if they did not receive the funding.

Almost three-quarters (72%) of those receiving grants from Gaming Trusts felt this way.

**Figure 13: Perceived risk of activities not core to business (%)**



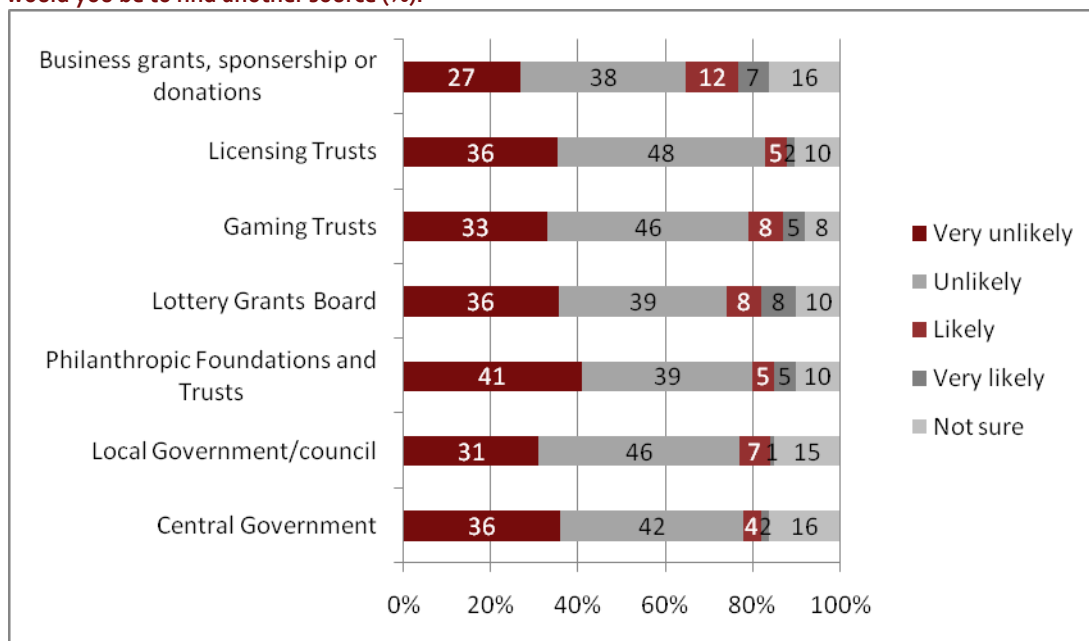
n= 154

## Alternative Funding Sources

Again most respondents indicated that if the funding source was no longer available they would be unlikely or very unlikely to find another source of funding for these types of activities.

Three-quarters (79%) of those who received gaming funding felt this way.

**Figure 14: If funding from these sources was not available for these activities, how likely would you be to find another source (%).**



n=154

## Alternative funding sources

When asked where they would turn to if the funding sources were not available, of those who commented (n=147) most said that they would try to seek funding from:

- The private sector (26%)
- The Philanthropic sector (15%)
- Charging members more (15%)
- Other Gaming Trusts (8%)
- Internal fundraising (7%)
- Council funding (7%)

Some said that they:

- Would make cut backs and staff reductions (5%)
- Close down (3%), or that
- Didn't know (12%)

Many of those commented that even though they would seek funding from alternative sources, it would be difficult to find as the funding situation was very

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tight and organisations were already making multiple applications to multiple funders.

“We have no idea! Without funding, parents would have to cover the shortfall. In reality this would mean the expense involved would price certain aspects of our sport out of reach & our team sports in particular would fold.”

“First we would approach other Gaming Machine Trusts then we would have to look at running raffles within the club to balance our books.”

“Reduce activity. Try for sponsorship but that has proved difficult.”

## **Applying for Funding**

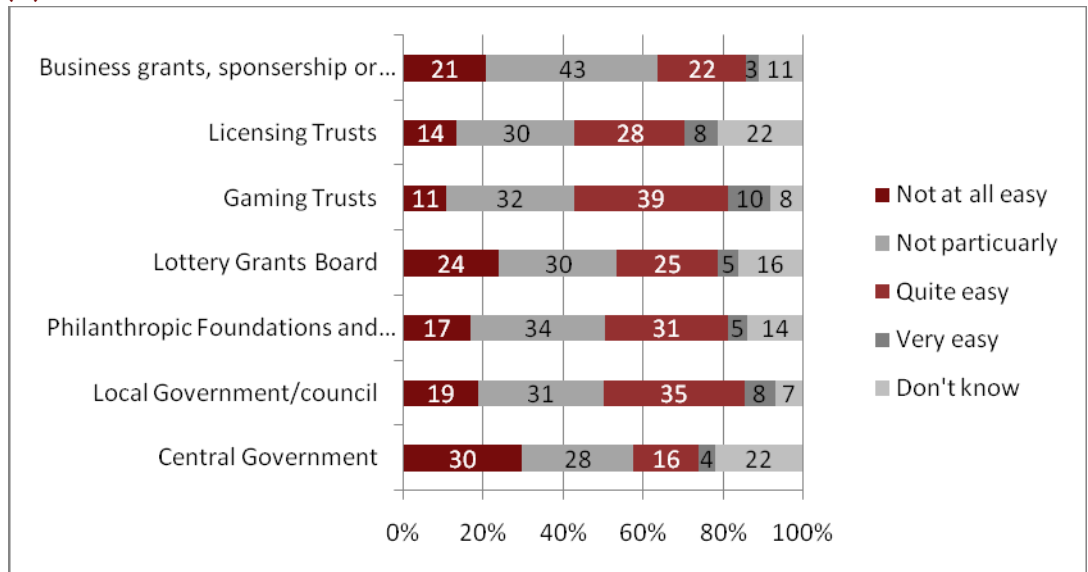
### **Criteria**

When respondents thought about the different types of funding organisations, and how easy it is to meet funding criteria, many indicated it was not particularly easy, whatever the source.

Respondents were most likely to believe however, that it was easy to meet the application criteria for the Gaming Trusts (38.7%), and Local Government/Council (35.5%).

Central Government was thought to be the most difficult with almost one-third (30%) respondents indicating that they believed it was not at all easy to meet the criteria.

**Figure 15: Ease of meeting funding criteria (%)**

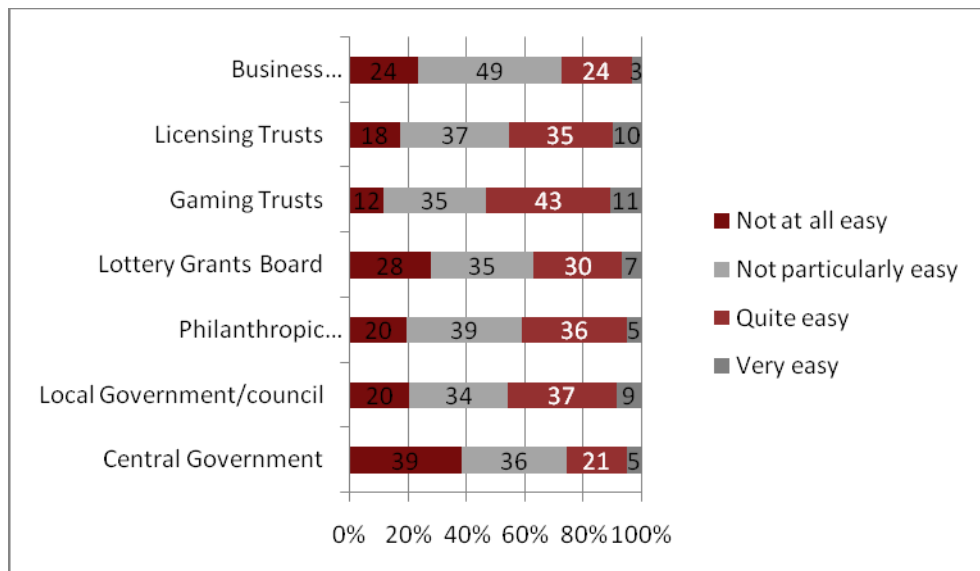


n=181

When those that 'did not know' about the ease of the criteria were removed, respondents were still most likely to find the Gaming Trusts application criteria to be 'easy' to meet (53%).

Just under half (46%) of respondents found the Local Government application criteria to be easy, compared with Central Government, where only one-quarter (26%) of respondents perceived this to be the case.

**Figure 26: Familiar with ease of meeting the criteria (%)**



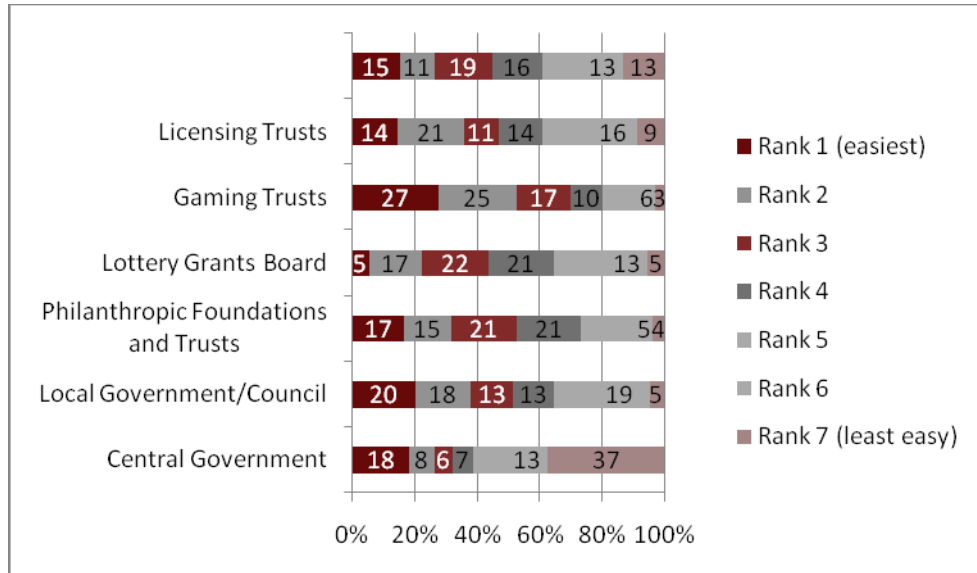
n=167

### Ranking the ease of meeting the criteria

Respondents were asked to think about each of the funders and rank the ease of meeting their criteria, from easiest to least easy.

Gaming Trusts were considered to be the easiest with one-quarter of the respondents (27 %) giving them the highest ranking. Again, Central Government was most likely to be ranked the least easy (37.2%).

**Figure 17: How does the ease in meeting the criteria compare. Ranked from easiest to most onerous**



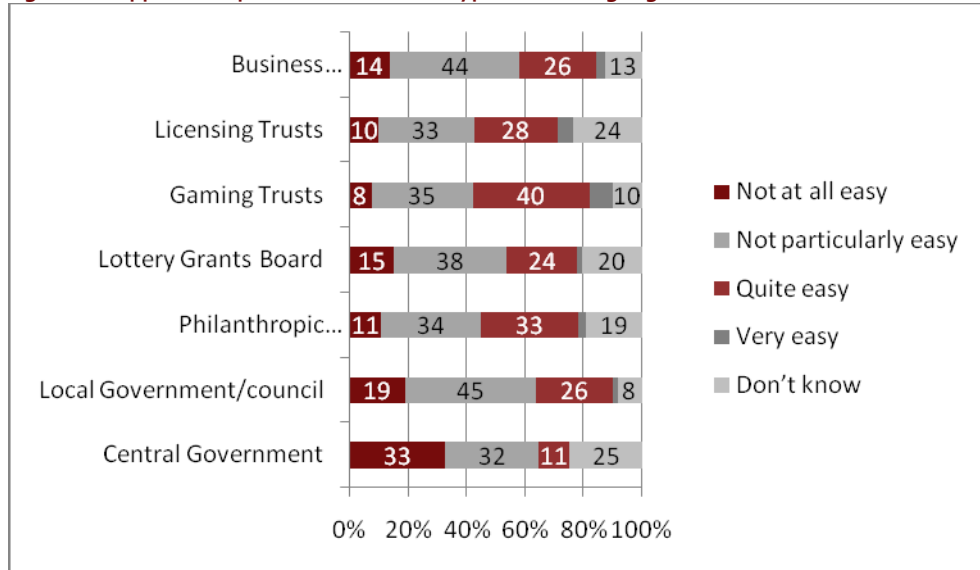
n=165

### Ease of the Application Process

Respondents were asked how easy they found the application process. It appears many do not find the application process easy, regardless of the funding source.

Of all the sources, respondents were most likely to find to Gaming Trust funding easy to apply for with almost half (48%) finding the application process to the Gaming Trusts to be quite or very easy.

Figure 18: Application process for different types of funding organisations.

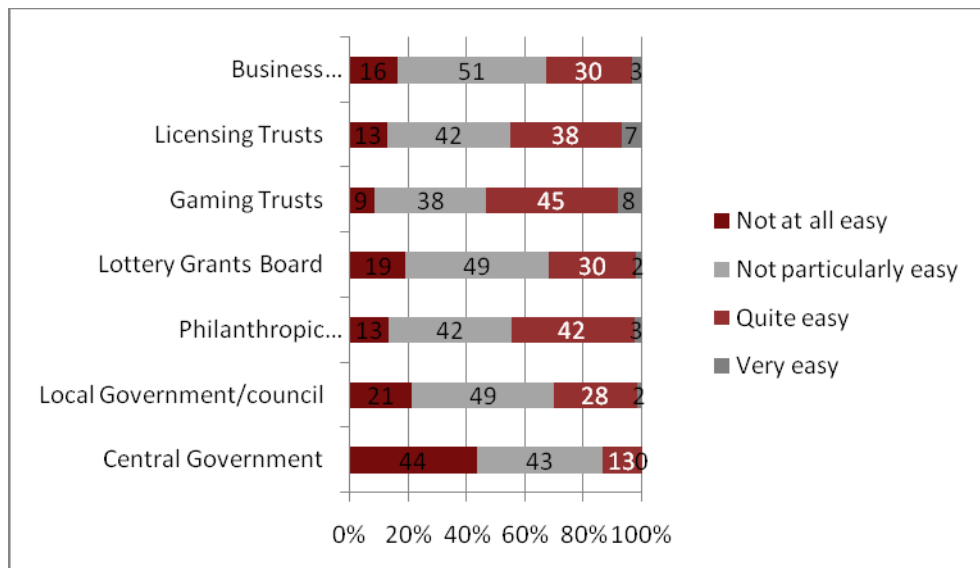


n= 179

When those that 'did not know' about the ease of the application process were removed, respondents were still most likely to find the Gaming Trusts application process to be easy to meet (53%).

Other sources appear to be more difficult. Just under one-third (30%) of respondents found the Local Government application process to be easy, compared with Central Government, where fewer than one in six (13%) of respondents perceived this to be the case.

Figure 19: Familiar with ease of the application process (%)



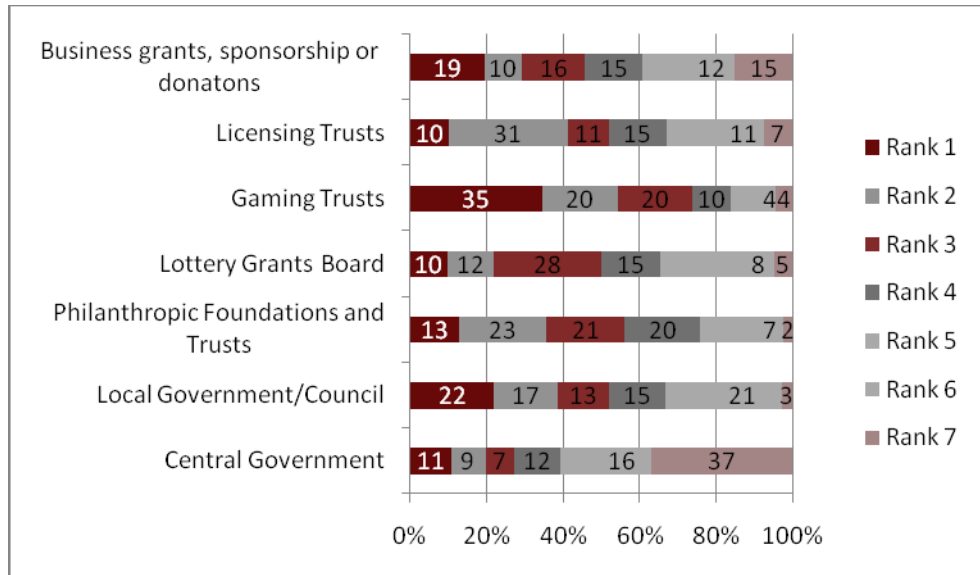
n=176

### Ranking the ease of the application process

The respondents then ranked the application process of each of the different types of funding organisations from easiest to least easy. Again, when the different funding sources were compared, the Gaming Trusts were ranked as

having the easiest processes (35%) and Central Government was ranked as having the least easy (11%) application process.

**Figure 20: How does the application process compare. Easiest to most onerous**



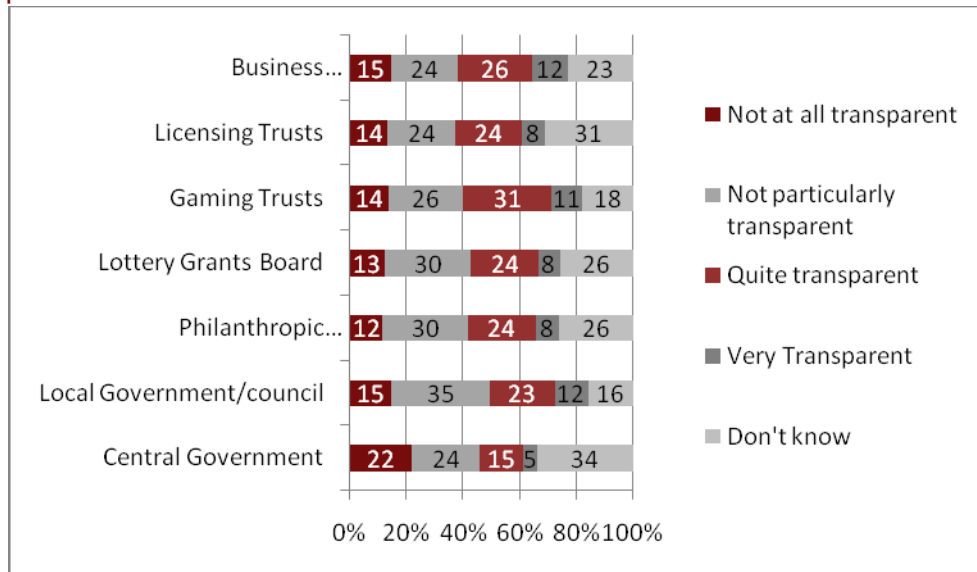
n=163

### Transparency

Respondents were also asked how transparent they believed that the decision making process of each funder was. Again, many did not feel that the process was particularly transparent, regardless of the funding source.

The Gaming Trusts, however, were thought to be reasonable transparent by almost half (42%) of the respondents.

**Figure 21: Transparency of funders decision making process.**



n=180

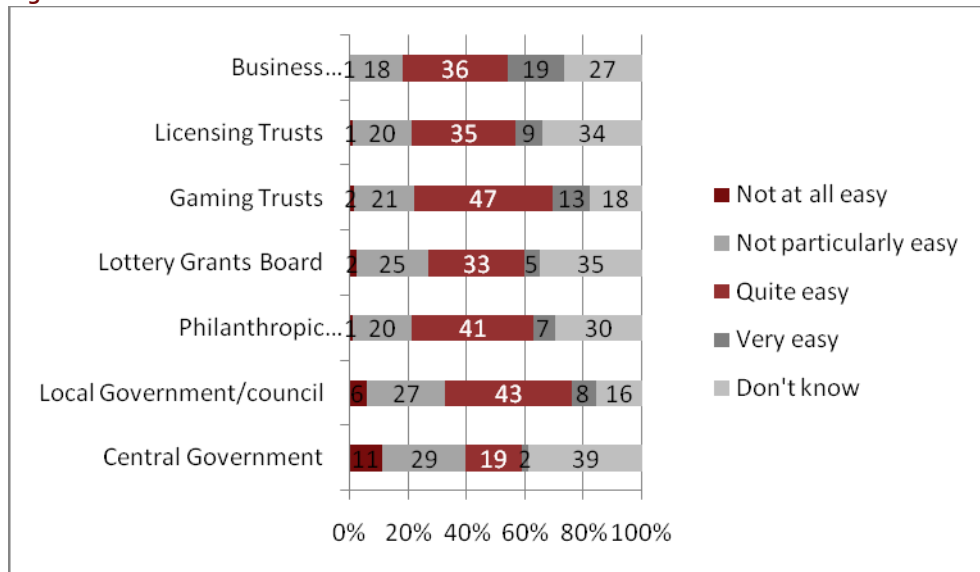
### Reporting and Accountability

When thinking about the different types of funding organisations, and how easy the reporting and accountability processes were, many were unfamiliar with the ease of the accounting and accountability processes, with over half unsure about the reporting requirements of Central Government, Lottery Grants and Licensing Trusts.

Most (60%), however, indicated that they thought the reporting and accountability process to Gaming Trusts was quite or very easy.



**Figure 22: Ease of reporting and accountability process for different funding organisations.**

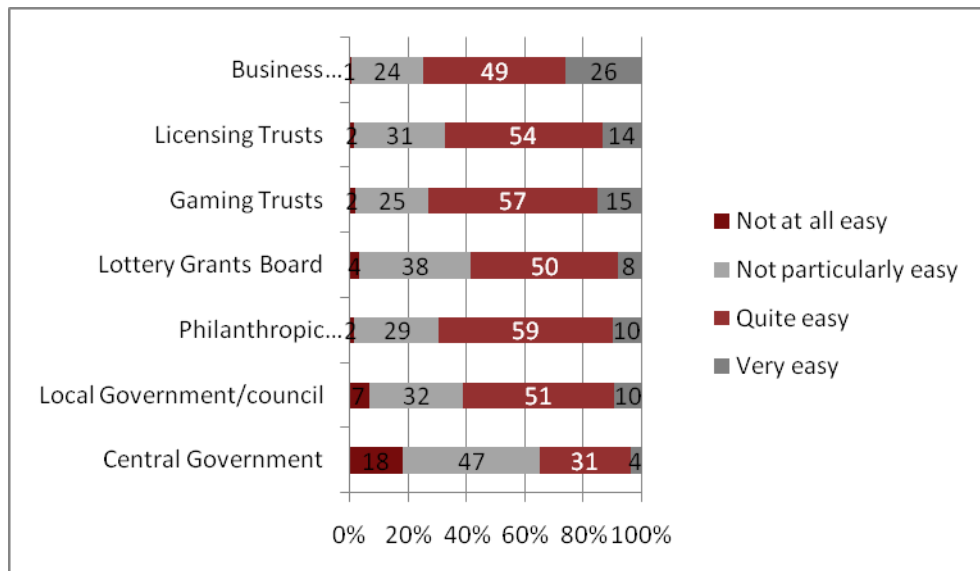


n=177

When those that did not know about the ease of the accountability process were removed, respondents were still most likely to find the accountability to Gaming Trusts to be easy (73%).

It is noted that six in ten (61%) of respondents believed the reporting requirements to Local Government were easy, compared with only one-third (35%) of the respondents who rated Central Government on this measure.

**Figure 23: Familiarity with the accountability and reporting process (%)**



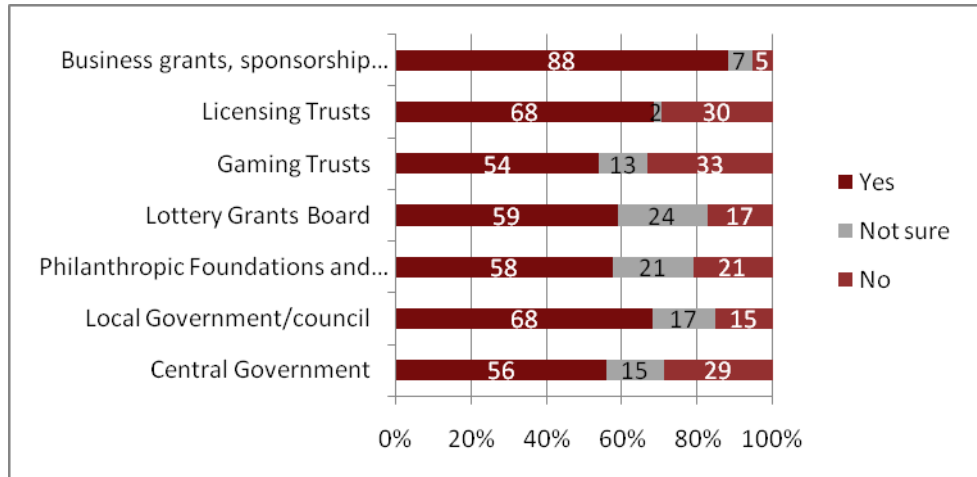
n=144

## Branding

Most indicated that the funders' branding was required as part of the contract for funding, whatever the funding source.

Gaming Trusts are unable to require branding. Despite this, over half (54%) of those that received Gaming Trust funding believed that branding was in fact required.

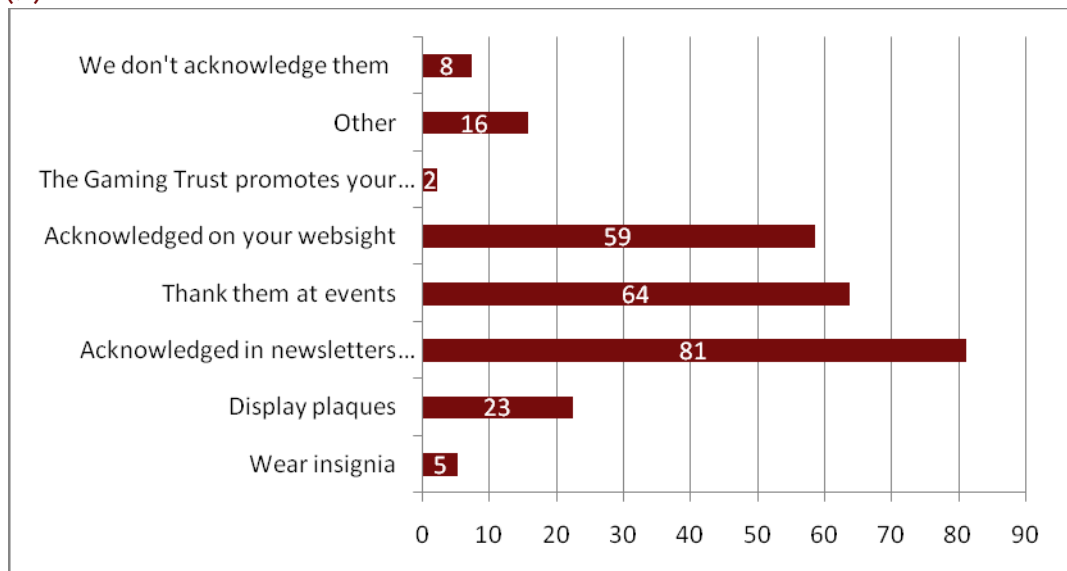
**Figure 24: Is the funders' branding or promotion required as part of your funding?**



n=169

When asked what branding organisations had provided, most indicated that they had acknowledged the Gaming Trusts in newsletters or correspondence thanked them at events (63%) or acknowledged them on their website (59%)

**Figure 25: What do you provide in promotion or branding in relation to the Gaming Trust (%)**

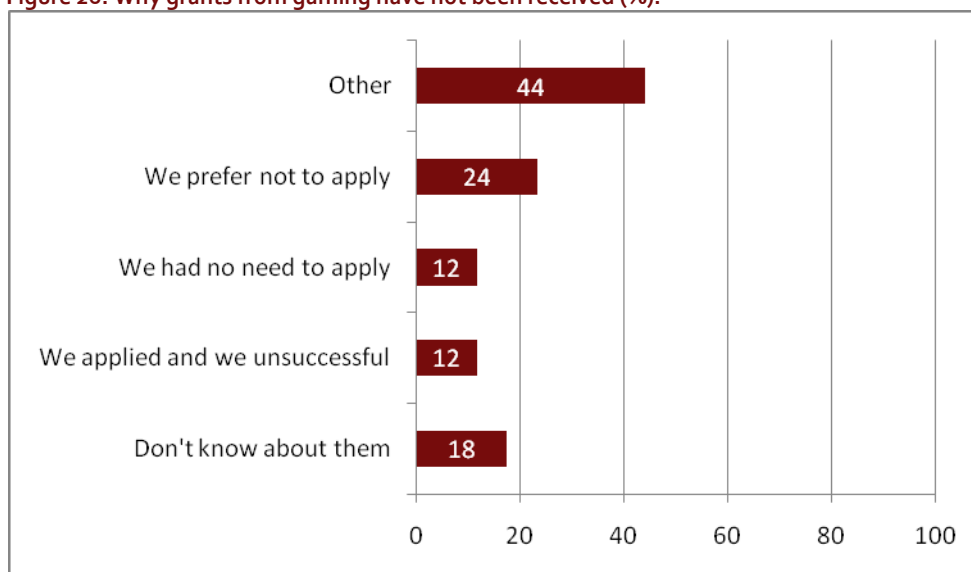


n=140

## Reasons for not Receiving Gaming Grants

Of those who had not received a Gaming Trust grant, almost one-quarter (44.%) indicated they did not wish to apply.

Figure 26: Why grants from gaming have not been received (%).



n=35

Those who preferred not to apply were asked why this was the case. Of the 8 that replied, most said it was because they believed it was unethical to do so as it ruined lives, it was taking money from those who could least afford it or that in principle they were against gambling.

"I feel the money is tainted as gambling destroys lives."

## The use of Gaming Trust funding

Over one hundred respondents (108) commented on how Gaming Trust funding had been used. The funding was used for:

### Sports equipment (33%)

Around one-third of those that commented said that the grants went towards sports equipment and gear such as balls, hoops and sports uniforms.

### Grounds maintenance (18%)

One in six said that the grants contributed towards grounds maintenance, such as relocating floodlights, fencing sports complexes or pools, installing irrigation systems, installing drainage on fields or repairing or maintaining grounds

### Salaries (16%)

One in six said the grants went towards salaries for staff, funding music teachers, or tutors' salaries, for example.

### Operating expenses (12%)

Some said the grants were used for operating expenses such as overheads, rent, telephone, security surveillance systems.

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### **New building projects or renovations (8%)**

Eight per cent of respondents said the funds were used for capital works such as building projects, redevelopment projects or the upgrading of facilities such as toilets.

### **Education (7%)**

Some used the funding for the education projects, training programmes or coaching.

### **Administration costs (7%)**

Some used the grants for financial administration, auditing costs or mail out costs.

### **Entering tournaments (7%)**

The funding was also used for travel expenses to tournaments, to assist with airfares etc.

### **Venue hire (5%)**

Some said the grants were used for venue and sound equipment hire for events, productions or competitions.

## **Benefits**

Respondents were asked to describe the benefits of receiving the grant.

### **Community (21%)**

One in five respondents gave examples describing how the funding had allowed them to support children, young people and disabled people in their communities.

“We were able to provide rides and fun activities for children attending the Fun Day.”

“Keep the community informed of and involved in school and community notices and events.”

“Deliver and facilitate a successful project specific to youth in our local community. Youth involved felt valued and part of the wider community, while learning new skills.”

### **Hold events and programmes (14%)**

One in six said that they used the funding to hold events, festivals, concerts or productions.

### **Maintain grounds (13%)**

One in six said that they were able to do importance maintenance work which provided shelter, improved playing conditions for members, repaired roof leaks or improved safety.

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“We have been able to erect a large roof over our sandpit to provide added shelter in adverse weather and extra protection in summer.”

“Provide a safer playing environment for players in our team.”

### **New small items of equipment (13%)**

The benefits mentioned included providing team uniforms, equipment essential to sports and musical instruments.

“We are able to provide the musicians with first class instruments and facilities which enables us to recruit and retain our members.”

“Purchase quality sport uniforms that our students wear with pride.”

### **Education and training (10%)**

Some mentioned benefits such as providing coaching, training volunteers and coaches and staff training.

“We were able to provide essential training and leadership skills to our girls working in the community.”

“Educate our volunteers to coach our players.”

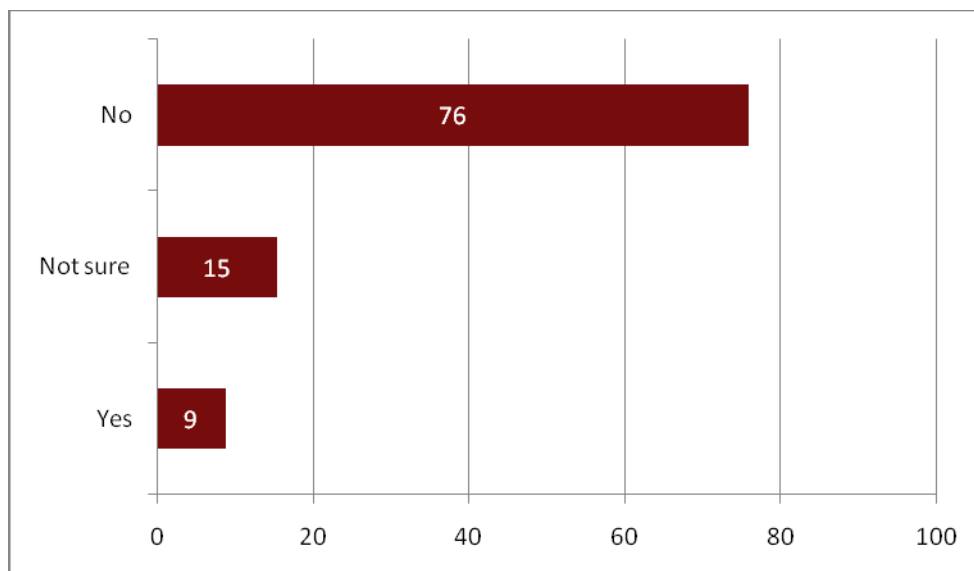
Others mentioned benefits such as:

- Upgrading health and safety (7%)
- Restoring or maintaining buildings (7%)
- Buying expensive equipment such as boats, vehicles, beds, sound equipment (7%)
- Making the environment safer, eg by providing safety fencing or life saving equipment (7%)
- Creating employment and employing staff such as admin staff or coaches (6%)

## Concerns applying for Funding

Most respondents said that they did not believe that anyone in their organisation had concerns or were uncomfortable about applying for funding from a Gaming Trust (76%)

Figure 27: Did anyone in your organisation have any concerns or indicate discomfort with applying for funding from a Gaming trust (%)?



n= 144

The twelve respondents who commented that there were some people in their organisation that were not comfortable applying for funding were largely concerned about the ethics of taking money from those who can least afford it, and were worried about the harm caused by gambling to community members.

“Ethically, whether it was appropriate to accept funding that came from gambling, knowing the harm that gambling can have to some whanau in the community - and how this aligns with our organisations' ethics and organisational mission.”

“There is a worry that we are really taking money from people who cannot afford to gamble it in the first place. Does that fit with the integrity of our organisation?”

The considerations that helped them to overcome these concerns and apply for the grants largely related to the lack of funding support from other sources, and the perceived benefits of the service the organisations could provide if funded.

“We receive little support from other arenas so we need to accept the money to survive.”

‘The facts are that grant money must be given out by law, so groups such as ours need to meet the various criteria of the individual funding organisation and follow the procedures laid out.’

## Taking Gaming Trust Funding

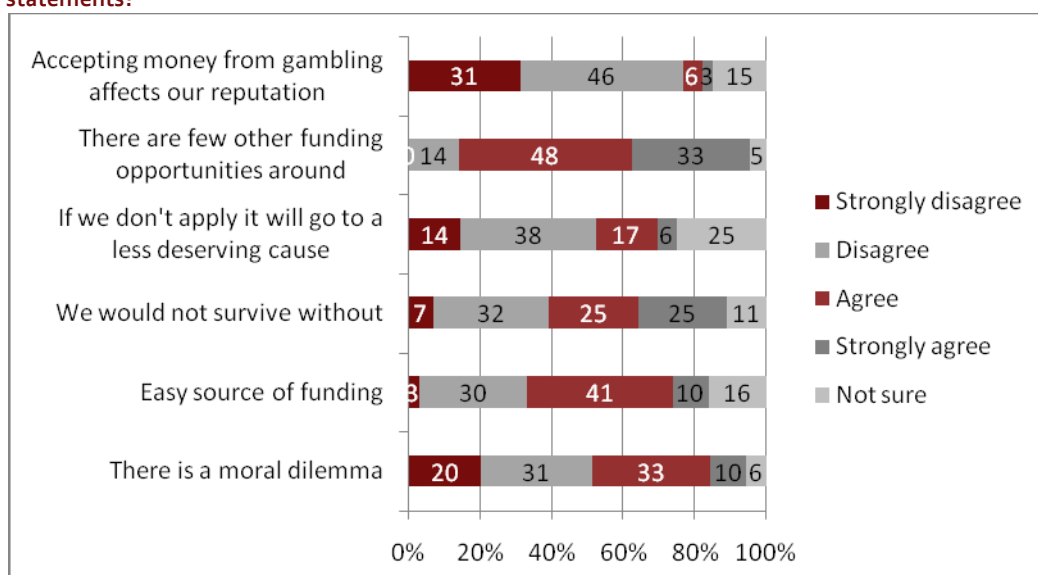
Around half (51%) feel that the Gaming Trusts are an easy source of funding, and that they would not survive without it (50%). Most agreed (81%) that they applied to the Gaming Trusts as there were few other funding opportunities around

Some (23%) respondents agreed that if they didn't apply that the money would go to a less deserving cause.

## Reputation

Respondents were asked if they thought accepting money from gambling affected their organisation's reputation. Three-quarters did not think it would affect their reputation, but one in six (15%) were unsure. Almost half (43%) agree, however, that there is a moral dilemma in taking the funding.

Figure 28: Think about Gaming Trusts, how much do you agree with the following statements?



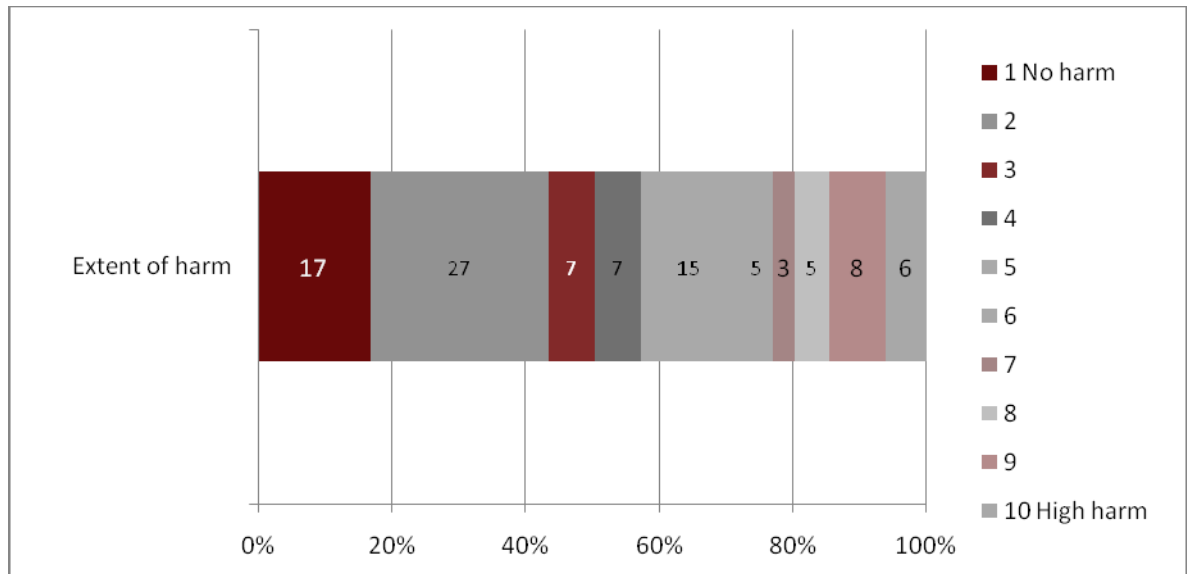
## Gambling Harm

### Extent of harm on community

Respondents were asked to rate the extent of harm they considered gambling had on the community they worked in.

Half (57%) do not consider that gambling has a particularly harmful impact on their clients or community, rating it 4 or less on a 10 point scale where 1 is no harm, and 10 is high harm. The average (mean) rating was 4.2.

Figure 29: What extent of harm, if any, do you consider gambling has on the community you work with?



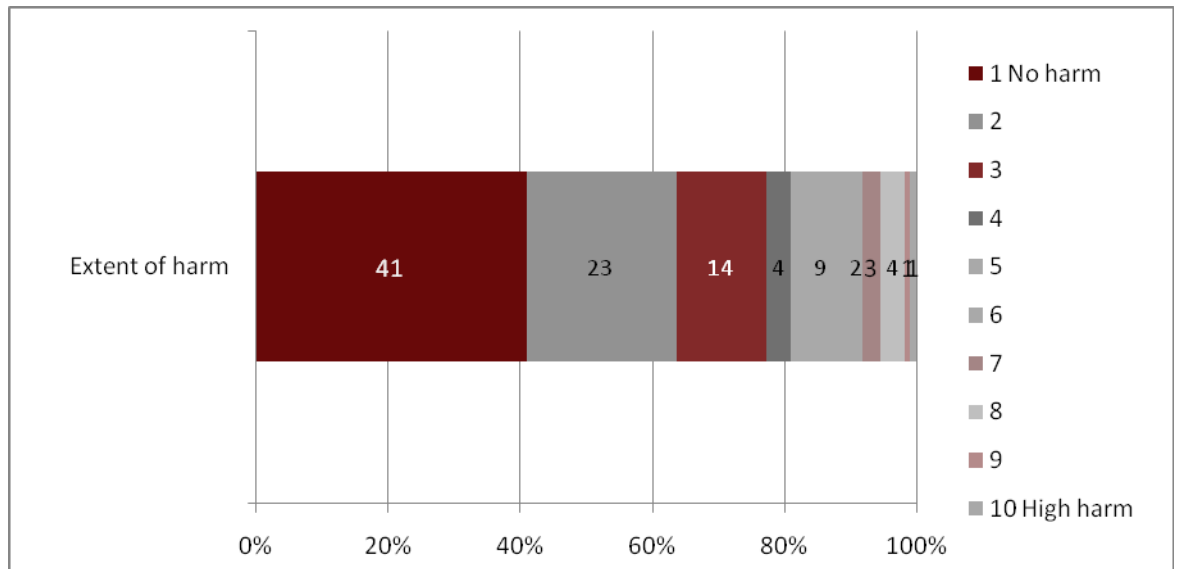
n= 182

### Extent that harm impact work of organisation

Respondents were asked to think about the work of the organisation, and the impact of gambling on work of their organisations.

Most (81%) do not feel that gambling has an impact on the type of work their organisation does, rating it between 1 -4 on a ten point scale where 1 is no harm and 10 is high harm. The average (mean) rating was 2.6.

Figure 30: What extent of harm, if any, do you consider gambling has on the clients or community you work with?



n= 182

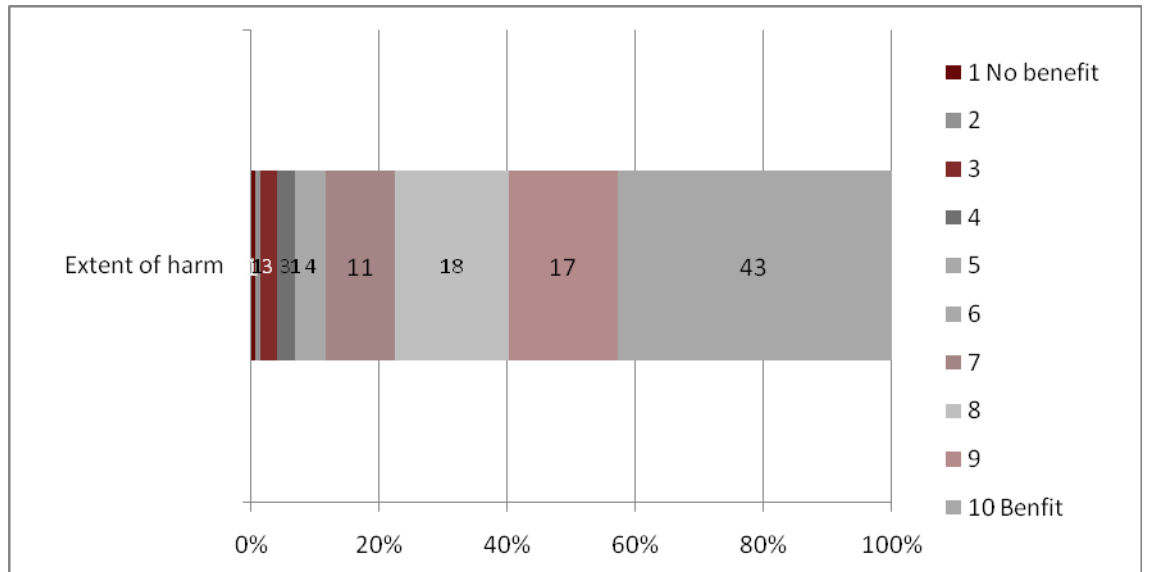


## Extent that Gaming Trusts benefit the community

Respondents were asked to what extent they believed that Gaming Trusts and the distribution of funds benefitted communities.

Most respondents (78%) believe that the Gaming Trusts and the distribution of funds benefits communities, rating it between 8-10 on a ten point scale where 1 is no benefit and 10 is high benefit. The average (mean) rating was 8.5

**Figure 31: What extent of harm, if any, do you consider gambling has on the clients or community you work with?**

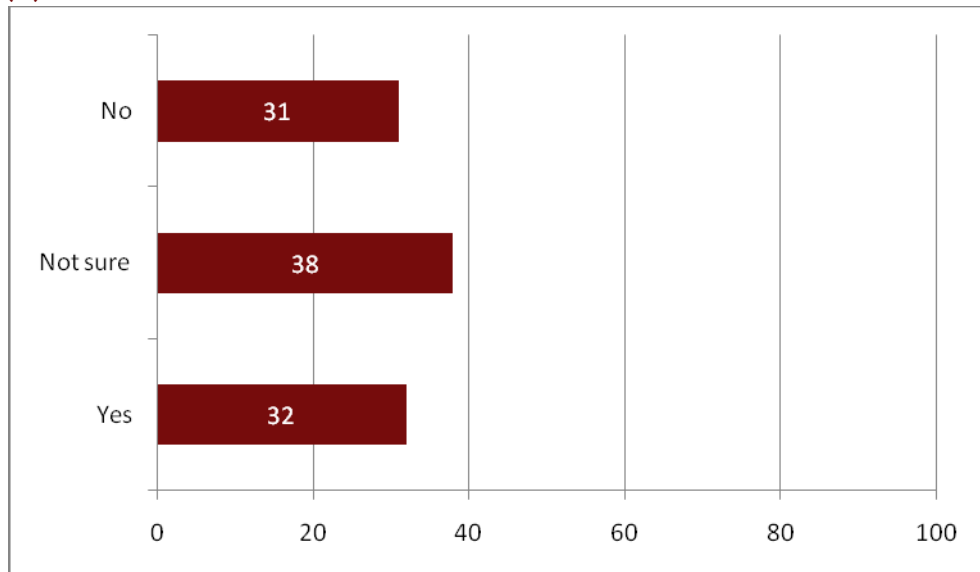


n= 182

## Philanthropic Trusts

There is confusion as to whether the Gaming Trusts are the same as philanthropic Trusts. One-third (31%) thought they were the same, and a further 38% were not sure.

Figure 32: Would you describe Gaming Trusts as philanthropic trusts (%)?



n=181

## Community Funding

### What is Working Well (n=159)

Respondents were asked what parts of community funding worked well

#### Gaming Trusts (13%)

Many of the respondents felt that the Gaming Trusts worked well as although there are issues with gambling, they are at least giving back funding to communities, and they are the only source of money that community groups can rely on.

“Gambling will happen in all communities whether we like it or not. Gaming trusts allows the money to be redistributed to assist community groups with important work rather than lining individuals pockets.”

“Whilst gambling is not always good - the funding that comes from it turns around and helps provide good resources for those clubs that require assistance.”

“Most not for profits would not exist in the community in New Zealand without them:

#### Application process ( 11%)

Respondents felt that application forms which are straightforward, take little time to complete and have a quick turn-around work best. On-line application forms, such as from COGS, received particular mention for being convenient and easy to complete.

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“COGS online is a great way to keep your applications and reporting records. Council should look at this option for its contracts and applications. A one stop shop etc.”

### **Funding to lower costs and provide services (9%)**

It was noted that community funding is vital as it allows organisations to lower the fees and costs of their services or search for other forms of funding.

“The funds allow organisations to provide their "product" in a cost effective way if funding is allocated.”

“Enables organisations to provide opportunities for members at lower at reasonable cost. Without funding support some activities are simply not viable as user pays prices them out of members reach.”

### **Other aspects that work well include:**

- That the community benefits in general from community funding (9%)
- Community groups have equal opportunities (8%)

“Everyone has an opportunity to apply and be successful.”  
“A wide range of activities and groups are supported.”

- Funding bodies get to know and understand communities better (5%)

“We would say that what works well in community funding in general is strong engagement with the communities of interest and organisations and individuals with expertise that work in the sector on a daily basis. Planners and fund administrators would do well to strongly engage with these people/organisations to help formulate strategy, policy and planning processes that best applies available funds / resources from any source.”

- There is a fair and effective distribution of funds (5%)

“The distribution is well available for all to see and appears to cover a very wide selection of community activities with good allocations to community service organizations.”

## **What is not Working Well (n=147)**

### **Application (20%)**

Many of the respondents felt that the application process was not working particularly well. It was felt that application dates needed to be advertised, that when applications are declined, organisations need to wait a year for the next round, that funding guidelines need to be clearer and amplified, that they need to be shorter and quicker as the paper work is onerous and is extremely time consuming.

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“We as an organisation must complete a complex jig-saw puzzle of funding to cover each of the ten programmes we provide. Much administration time is used in researching, applying and accounting for grants, where as this could be spent on delivering more services to more clients.”

“Some of the application forms take forever to complete whereas others are only 2 pages. When you have to list your income and expenditure over a year, is it not easier to just attach audited accounts? The process needs to be quicker for us filling in the forms.”

### **Allocation is inequitable (20%)**

Many of the respondents believe that the allocation of community funding is inequitable and there is a bias toward some groups, types of organisations and activities.

“Some trusts are predisposed towards sport and children. This should change. Health charities need greater support.”

“Community funding which seems to go to professional sports and touring by these groups places provider groups of cultural and health services at a disadvantage.”

“More needs to be available to sporting Clubs.”

“Most trusts won't contribute towards salary or administration costs. This needs to change where a charity has a proven record of community service.”

### **Local Government (14%)**

Many of the respondents believed the Council funding needs to be easier to apply for.

“Council funding could be more specific with criteria. I have had limited success with funding from them and more guidelines would be useful. ”

“There needs to be more consistency and support from Local Government and an acknowledgement that partners are partners not employees.”

“Local Government particularly the Auckland City needs to address needs universally. There has historically been a very different philosophy for community support between the component local government areas. The support needs to be rationalised and greater equity between areas within the city and the funding projects supported.”

### **Transparency (12%)**

Some respondents wanted greater transparency about both why they are turned down for funding, and why funding is given to difference groups.

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“Much more transparent system, who receives funding and for what.”

“We need to know why we were declined not just insufficient funds cos we apply at the beginning of the year and midway and the end and they all come back saying ‘insufficient funds’ or ‘don’t meet the criteria’ -let us know what else we need to meet the criteria.”

### **Funding for art (12%)**

Many of the respondents wanted arts and culture to be better funded, in particular as it supports cultural identity.

### **Security of funding (8%)**

Some of the respondents asked for longer term funding to support the sustainability of organisations.

### **Gambling Trusts (6%)**

Some felt that the Gaming Trusts are currently picking up the shortfall of other sectors. Some would like to see the Gaming Trusts more accountable for their spending, in particular what goes to which projects.

“I think that with regard to Gaming Trusts there should be some accountability for what they spend their money on and what percentage goes to which projects, ie there ought to be some process of regulation - rather than simply being a decision made by a small collection of persons on a Board, who may not necessarily make decisions in the best interests of people or community.”

### **Central Government funding (6%)**

Some respondents wanted central government to support smaller organisations and the arts more. It was pointed out that some organisations currently fall through the gaps between government departments and are missing out on funding.

### **Accountabilities (4%)**

Some considered the accountability and reporting process to be onerous and believed that the reporting process should match the amount given, and one respondent suggested that a funded treasurer shared amongst groups would be helpful.

### **Political influence (4%)**

There is a perception amongst some respondents that there may be a political influence in the funding decisions, and that politicians need to avoid involvement in funding trusts.

“Politicians need to avoid involvement in funding trusts. Government funding goes to the people who have political connections not to the people who desperately need it.”

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“Funding that is subtly tied to political influence - as is currently happening with the gaming trusts. Funding that is made in a not very transparent way - as is happening with gaming trusts.”

## **Final Comments**

Respondents were asked if there was anything else that they wished to comment on. Over one-hundred (119) respondents commented:

### **Community funding is vital (19%)**

Many of the respondents felt that community funding in general, and gaming funding in particular was vital if much needed work in the community was to be undertaken.

“Our organisation would not exist without community funding. We would not be able to work within our community delivering activities and projects without it. We are very fortunate and thankful for community funding.”

### **Funding needs to flow back into the community it came from (18%)**

There was concern that the money was not going to the communities in which the money was coming from.

“Money received from gaming outlets needs to be given back to the town where the money came from”

### **Thankful for community funding (12%)**

Some groups expressed thank that community funding was available.

“We appreciate that there is funding there.”

### **There are issues with distribution (10%)**

There was a feeling amongst respondents that groups, in particular sports groups, or those with connections to funders, were receiving the lion’s share of funding. This was not considered fair or equitable.

“Just to share the funds around, not favour certain organisations.”

### **There needs to be greater transparency (5%)**

Some felt that funding decisions were not particularly transparent and that this needed to change.

“It needs to be transparent – and fair”

### **There is a lack of community funding (4%)**

Some were concerned there was insufficient community funding and the funding there was did not always go to the right organisations.

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"Our organization attracts very little funding although I believe we are deserving."

**There are issues with the time and accountability processes (4%)**

Some respondents felt that the time taken to apply for funding and the account for it was extremely onerous

"Funders need to understand how much time and cost is involved in making and managing funding applications provide SIMPLE and COST-effective ways for organisations to apply."

"Funders expect a high degree of professionalism when completing forms for funding, however many organisations in dire need are administered by volunteers who may have the necessary skills but not the "time" factor to collect the information required. The requirements for funding submissions are too cumbersome, too many quotes are expected, preferred partnerships are not necessarily acceptable, some companies refuse to quote when they know they are only being asked as an alternate."

**There are political issues (4%)**

Some felt that the decisions were driven by political decisions.

"Community funding is generally for very narrow purposes which seem to be politically biased or biased towards the needier elements of society - everyone should be able to have access to this sort of funding, not just the poor and destitute."

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## Conclusion

Gaming Trust funding is a major source of community funding for organisations in the Auckland Region. Most respondents believe that the funding for their organisations is not particularly secure and are highly dependent on gaming funding, not just for discretionary or extra activities, but to fund their core business. There is a dependence on this funding with over half the respondents believing that their organisations would be at extreme risk if they did not receive it. Most felt that if the funding was not available, they would struggle to find an alternative source of funding. Some would cut down the activities they undertook, others say they would be forced to close down.

Gaming Trust funding is seen as comparatively easy to get. The criteria, application process and reporting requirements are considered to be easier than those of other funders. Moreover, it was seen as funding activities that other funders would not necessarily fund.

Although Gaming Trusts are not allowed to require branding as part of the contractual requirements, most recipients use the branding in their newsletters, and thank the Trusts in newsletters, correspondence, on websites and at events.

Most of the respondents said that their organisations and client group were not strongly affected by gaming harm.

Most respondents did not have concerns about applying to Gaming Trusts for funding. Those who did were concerned about the ethics of taking funding from the poorest communities, or were worried about gambling harm and the impact of this harm on the community.

Although most did not believe taking Gaming Trust funding would affect the reputation of their organisations, almost half agreed that there was a moral dilemma in taking the funding. Key concerns were the impact of gambling harm on the community, and some were concerned that the money was being taken out of the communities in which it was generated, which were amongst the poorest communities.

Some aspects of community funding are working well, such as having access to funding sources that enable organisations to provide services at reduced costs. Many respondents, however, are patching together funding from a range of sources, with different criteria, applications processes, cycles of funding, accountability and reporting requirements, and appear to be spending large amounts of their time navigating and administering this complex patchwork to secure funding. This is affecting their ability to provide services.



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Respondents have asked for greater transparency of the criteria, a deeper understanding of how they can improve their chances when they are turned down for funding, less onerous application processes, greater transparency of decision making, and more equitable funding decisions.