

NEW ZEALAND

Community foundations

History

The organisations that were the forerunners to the current community foundations in New Zealand were variously established up to 16 years ago. One was an offshoot of a commercial trustee company (Wellington), one was a vehicle to fund specific community development activities around a community services village (Tauranga – Western Bay of Plenty) and one was a vehicle for corporate social responsibility established by the territorial local authority (Manukau).

Many of the people who became involved in those organisations (in both a paid and volunteer capacity) developed a bigger vision for their organisations and the contribution they could make to enhancing the quality of life for the people who lived and worked in their communities. A major catalyst for change for those early organisations – and a platform for the on-going development of community philanthropy in New Zealand – was a ‘generosity seminar’ hosted by one of New Zealand’s influential family foundations (The Tindall Foundation) in 2002. Attendees at that seminar were challenged to consider how they might “stitch generosity into the fabric of our (New Zealand) society”.

That challenge has been picked up across the country in several initiatives – the most cohesive of which is the development of a fledgling community foundation movement.

There are now 7 emerging community foundations at varying stages of development, plus one existing statutory trust (Whanganui) that is considering making the transformation into a community foundation.

The legal structures of the first three community foundations have all required revision in order to facilitate their development as true community foundations.

Current situation: Facts and figures

Number of community foundations formally established in total.	7
Number of community foundations established in 2007.	1 – Geyser Community Foundation in Rotorua
The number of community foundations at early stages of development.	2 – One group is actively investigating the establishment of a community foundation. One other is also in the early stages of consideration.
Percentage of country's territory covered by community foundations.	Not known
Percentage of population that has access to a community foundation.	30 percent
Total number of people with access to a community foundation.	1,274,444
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Very little change

See the detailed answer under Local Attitudes towards Philanthropy below.

Total sum of grants made by community foundations in 2007	NZ \$638,000. Approximately US \$489,000
Total number of grants made in 2007.	Not known
Total sum of the income/donations in 2007.	NZ \$579,000. Approximately US \$455,615
Single largest source of income for community foundations	Acorn Community Fdn – donations NZ \$107,000. Approx. US \$ 84,200; Manukau Community Fdn– sale of advertising for operating expenses NZ \$196,000. Approx. US 150,200
Total sum of endowments at the end of 2007.	\$5.7 million Approximately US \$ 4.4 million
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	Wellington Region Foundation. NZ \$3.6 million. Approximately US \$2,832,840

Note: Conversion to US dollars as of 28 April 2008.

Complete list of community foundations

New Zealand Community Foundations

Acorn Foundation

Initially established as Compass Community Foundation (2002)

Area - Tauranga and the Western Bay of Plenty

Chair - Bill Holland

Contact - Nicky Wilkins

Address - PO Box 13604, Tauranga, New Zealand

Telephone - +64 7 579 9839

Advance Ashburton

Established in 2003

Area - Ashburton District Council geographic area

Chair - Neil Sinclair,

Address - PO Box 310, Ashburton, New Zealand

Telephone - +64 3 308 4301 Fax: +64 3 308 4301

Geyser Community Foundation

Established in 2007

Area - Rotorua District Council geographic area

Chair - Joe La Grouw

Telephone - +64 7 347 7962

Email - info@geysercommunityfoundation.co.nz

Manukau Community Foundation

Initially established as Trust Manukau in 2000 – current organisation formed in 2005

Area - Manukau City

Chair - Steve Chaney

Contact - Janis McArdle

Address - PO Box 200 114, Papatoetoe, Manukau City, New Zealand

Telephone - +64 9 277 8833

Northland Community Foundation

Established in 2005

Area - Wellsford north, including Kaipara, Whangarei District, Mid-north and Far North Districts

Chair - Jack Broome

Contact - Megan Dean

Address - PO Box 1844, Whangarei, New Zealand

Telephone - + 64 459 6327

The Community Foundation Hawkes Bay

Original organisation was called Transfusion Hawkes Bay and associated with the District Health Board.

Current organisation was established in 2003

Area - Wairoa, Napier, Hastings, Central Hawkes Bay

Chair - Peter Dunkerly

Contact - Janice Gilmour

Address - PO Box 2025, Stortford Lodge, Hastings, New Zealand

Telephone - +64 6 870 4648

Wellington Region Foundation

Established by Guardian Trust in 1991. Current organisation established in 2006

Area - Wellington, Hutt Valley, Porirua, Kapiti Coast and Wairarapa

Chair - Kevin O'Connor

Contact - Sue Piper/Adrienne Bushell

Address - PO Box 23 279, Wellington 6040, New Zealand

Telephone - +64 4 472 2470

Statutory trust interested in transformation:

Whanganui Community Foundation

Established as Trust Bank Whanganui Community Trust in 1989

Area - Whanganui, Rangitikei, Waimarino, Waverley and Patea

Chair - Kate Joblin

Contact - Judith Timpany/ Rachel Ritchie

Address - PO Box 365, Whanganui, New Zealand

Telephone - +64 6 348 8300

Community foundation staffing

The 6 of the 7 community foundations have paid staff who undertake a variety of roles: from CEO to marketing, donor services, grant making and general administration. Only 1 community foundation is run entirely by volunteers (Ashburton). In this case they are also board members.

Community foundation income

Income

Most new income into the New Zealand community foundations has come from individual donors – and predominantly through bequests. The Acorn Foundation in Tauranga (Western Bay of Plenty) has been the most successful in attracting this form of income.

New Zealand community foundations do not receive or distribute any government funds. Neither have any of the New Zealand community foundations attracted any support funding or funds for distribution from international sources.

Purposes

As all of the New Zealand community foundations are in a very early stage of development, most struggle to attract income to cover their operating expenses. With the exception of the Acorn Foundation, most of the new funds attracted into the rest of the community foundations in 2007 have been to cover operating expenses.

Permanent funds/Sustainability

Acorn Foundation has attracted NZ \$1.9 million (approximately US \$1,495,110) into its endowment fund due mostly to the realisation of some substantial bequests. The other community foundations are making very slow progress in building their endowment funds, although this is definitely part of their development strategy.

Sustainability is a significant, indeed critical issue, for all of the New Zealand community foundations. Most are surviving on small grants towards operating expenses either from the Tindall Foundation or from among their own board members. Acorn Foundation charges its donors an up-front fee to establish a named fund. Only the Manukau Community Foundation currently has a long-term income stream to cover its operating expenses and to build a small operating reserve, through a series of contracts with its local territorial authority for the sale of advertising on public amenities in the city.

Environment for philanthropy

Local attitudes

The New Zealand ‘charity’ marketplace is dominated by several large mainstream charities (disability, cancer, sports, faith-based). These all have well-established fund-raising programmes and loyal donors. This donor population has been well trained in ‘cause-related’ charitable giving. Therefore the concept of donor-driven giving is not as well-understood or promoted beyond the meagre advertising budget and word of mouth activities of the fledgling community foundations.

In addition, the ‘grant making’ marketplace is dominated by a group of regional community trusts (whose substantial assets were established from the sale of the trustee savings banks and energy distribution organisations), gaming trusts (including the national lottery) and liquor licensing trusts. All of these organisations have a multi-million dollar impact on the community sector.

A recent survey by Philanthropy New Zealand indicated that these statutory trusts (which have an explicit legal or statutory duty to give money away) distributed NZ \$742 million (US \$584 million) in 2006. By contrast the same survey measured personal philanthropy at NZ \$443 million (US \$349 million) and giving by the corporate and business sector at NZ \$89 million (US \$70 million). The full text of this survey can be found at:

http://giving.org.nz/files/Giving2006_print_1.pdf

This ‘domination’ of funding into the community sector by these large trusts has created a form of complacency among the potential donors to community foundations that their money is not needed. The challenge facing the community foundations is to place donors back at the centre of the ‘giving equation’ and allow them to understand how they can have their charitable needs met while impacting on the community causes that really matter to them.

Legal and tax environment

There are no special legal or tax incentives for giving through community foundations in New Zealand.

On April 1, 2008 a change in the tax laws increased the rebate available to individual donors, closely-held companies and publicly-owned companies on donations made to registered charitable trusts.

Some commentators believe that this more generous tax regime may boost charitable giving in general. Earlier surveys indicate that the reasons people in New Zealand said they gave to charity was not influenced by getting a tax break.

Changing attitudes and the national or local environment

The philanthropy scene in New Zealand is fairly static. Over time it is hoped that the emergence of one or two successful and high profile community foundations will draw attention to this form of giving and community engagement. It will however be a very long process to change behaviours and build a stronger culture of individual (and family) philanthropy.

Community foundation activity and impact

Example: Finding a creative way to give back to one's community.

The donor, Gregory Brownlees, gifted his funeral business, valued at more than NZ \$1 million, to the people of Tauranga. All profits from the funeral business will be distributed to the community annually, so that those who use his funeral services will be giving to the community at the same time. This usual gift was organised by the chair of the Acorn Foundation, Bill Holland, and will be managed by the Acorn Foundation. To learn more about how this was done, please see the announcement of the gift at http://www.legacyfunerals.co.nz/index.php/pi_pageid/35

Current challenges and future developments

Major challenges facing community foundations

There are two main challenges: one is internal – with each new start-up community foundation struggling to build a sustainable income stream to cover its operating costs. The other challenge is external – the dominance of the existing statutory trusts which give the appearance that many of our communities are “awash with funds” for community activities so potential donors don't see the need for their contributions.

Areas for future community foundations development

Community foundations in New Zealand have the opportunity to partner at a local level with the larger statutory trusts to help leverage more of their funding into the community foundation's own territorial area. Community foundations may also take on the task of capacity building within the community sector in their areas. Many smaller not-for-profit groups struggle to attract funding due to the fragility of their governance and management structures, even though they are doing excellent and sometimes ground breaking work.

International links

The Manukau Community Foundation has just recently appointed Marion Webster, Chair of the Melbourne Community Foundation, onto its board, with immediate impact on the quality of its governance and opportunities to promote the community foundation among professional advisors. Manukau's CEO also recently visited the UK and met with colleagues in Scotland, London, Ireland and the Community Foundation Network – again an absolutely fabulous learning opportunity.

Board members from the various New Zealand community foundations are encouraged to visit with other community foundations when they are travelling on business or for personal reasons. Bill Holland from

Acorn did this several years ago and his learning from that contact (Australia) has certainly assisted Acorn's development and success.

New Zealand community foundations would welcome with open arms any opportunities for peer exchange or peer learning opportunities with our sister organisations around the world.

Support Organization: The Tindall Foundation

History and purpose

The Tindall Foundation is a private family foundation that has been operating in New Zealand for over 11 years. It primarily provides donations and supports initiatives that assist families and social services, but is also active in the fields of environment, community sector, enterprise and employment and promoting generosity and giving.

Their website is: www.tindall.org.nz

Other organizations that support and promote the development of community foundations

A range of other smaller organisations support individual community foundations in their regions (e.g. local councils, gaming trusts, community trusts) but none to a large or sustained degree, or at a national level like the Tindall Foundation.

Structure and organization

The Tindall Foundation has 4 paid staff, one of whom has community foundations as a small part of their portfolio of responsibilities. It is open to approaches from any community interested in emerging a community foundation in their region and work with them to develop a tailored set of funding 'milestones' that they go through over a 5-8 year period.

The Foundation's funding comes almost entirely from dividends on shares that were gifted by the founder.

The Foundation is governed by a Board of 4 trustees, none of whom are community foundation members. Its role is primarily as a funder and supporter of individual community foundations and the movement nationally.

Recent accomplishments

The Tindall Foundation continues to support the 7 original community foundations who signed up to funding milestone agreements with the Foundation 4-5 years ago. It appears that several have done very well, some are in a holding pattern and one is struggling to continue.

The Foundation is supporting the launch of another community foundation, and interest is coming forward to look at the viability of yet another new entity.

The Foundation promotes its association with community foundations widely – in annual reports, with other funders and government and through philanthropic networks, not always with success.

It also funds peer-to-peer gatherings and learning, including links to each other and community foundations in Australia and elsewhere where relevant. It believes that the best learning is between key individuals in New Zealand, as the environment here is quite different to other countries.

The Tindall Foundation has linked a research student to the movement, but has yet to see their report.

The Tindall Foundation does not seek to manage a programme through community foundations, but does make large grants from its Families and Social Services focus area available for re-granting within their regions, when they attain the capacity to do so.

Current challenges/future developments

In our opinion, the challenge in New Zealand for organisations wishing to support community foundations is the large amount of existing ‘community capital’ available to communities from the sale of publicly-owned assets, like savings banks and utility companies. This makes it difficult for donors to sometimes see the need for a separate body, even though that need is real and urgent. Communicating the community foundation concept and niche, then sustaining them through their set-up phase can also be difficult, but several have proven that it can be done and is worth the struggle.

Additional resources

Links to all the New Zealand community foundations are on this site.

www.nzcommunityfoundations.org.nz

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