



ASB Community Trust
Te Kaitiaki Putea o Tamaki o Tai Tokerau

supported by ASB



Photo: Eric Wilson



Photo: MF Richlen



SUMMARY FINDINGS:

Green Grants in NZ

This think piece is a summary of findings from a Saints Information report commissioned by The Hikurangi Foundation and the ASB Community Trust. The main aim of the report was to provide an overview of grants made to the environment sector, including a specific focus on climate change, by philanthropic grant makers in New Zealand.

MOTIVATION FOR THE REPORT

Our environment is important to New Zealand for numerous economic, social and cultural reasons. New Zealand's economy is highly dependent on its agriculture, horticulture, forestry, fishing and tourism industries and all of these industries require natural resources and healthy ecosystems. The maintenance of acceptable living standards, health, wellbeing, community development and equality are all driven by the quality of the environment.

In Māori culture, all things have a mauri - a life force. Damage to this mauri, or human attempts to dominate it result in the mauri losing its energy and vitality. Any loss of mauri affects the lives of people themselves as well as the resilience of ecosystems.

The environment is highly valued by New Zealanders in their leisure and sense of identity. Yet many indicators of sustainability in New Zealand are going in the wrong direction with, for example biodiversity under extreme pressure, household

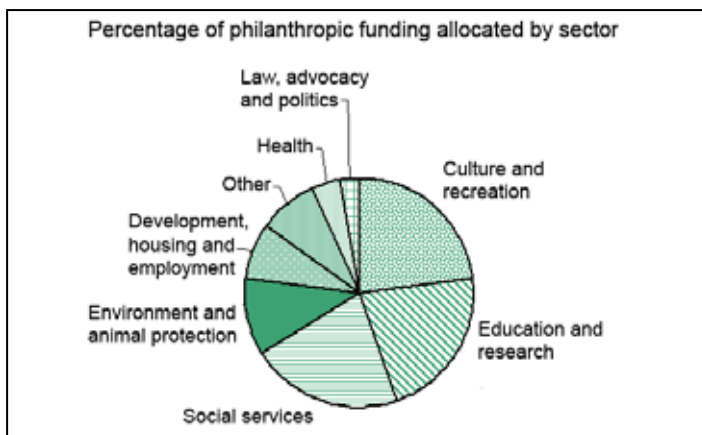


Table 1: Philanthropic funding by sector

Culture and recreation, education and social services enjoy the greatest levels of support, both in the number of trusts providing funding and those giving the largest percentage of their funding to the area.

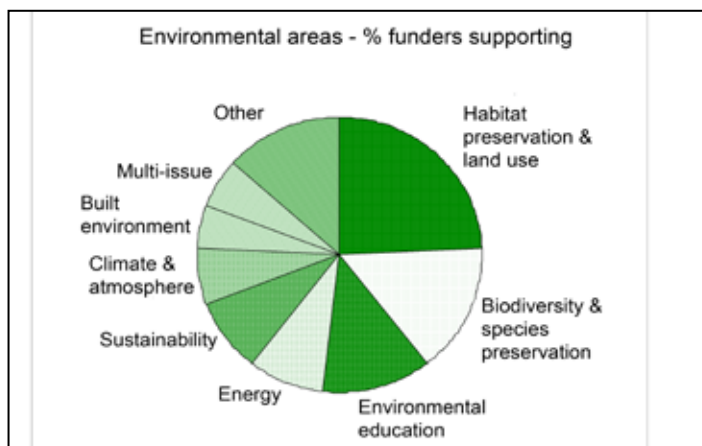


Table 2: Environment areas supported by funders

Conservation, represented here by habitat preservation and land-use and biodiversity and species preservation (which are not always treated separately), enjoys the largest level of support. Environmental education is next.

Funding provided to the environment sector by philanthropic organisations is less than 3% of all annual grants

consumption levels rising and environmental related health concerns at high international levels. Within this, climate change is an issue which many say is the greatest environmental threat the world faces.

The Hikurangi Foundation and the ASB Community Trust, both currently fund environmental issues in different ways. They both are looking to be more strategic in their funding and to support the wider grant giving community in understanding the issues and how they can make a difference. This survey is one contribution they are making to the debate in the wider sector and New Zealand.

OVERVIEW

In 2008 an initial investigation was completed by Saints information Ltd for Hikurangi Foundation, into who is funding environment and climate change initiatives in New Zealand and how. It provided an overview of what is known to date and how a more detailed picture could best be assembled.

For a copy of the 2008 Scoping Study, contact Liana Stupples at the Hikurangi Foundation, liana.stupples@hikurangi.org.nz

This report was able to conclude that between 1-6% of philanthropic funding was granted for environmental purposes.

But information relating to the philanthropic sector, especially voluntary trusts and foundations was not detailed enough to analyse grants made by Philanthropic Trusts or for specific environmental issues such as climate change.

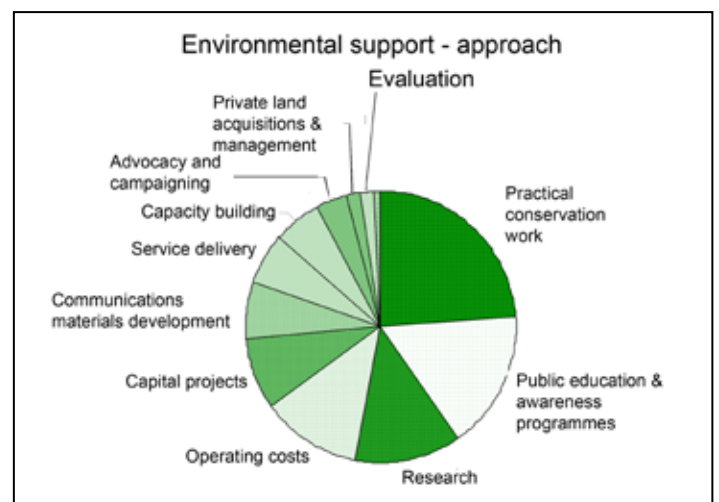


Table 3: Environmental Support/Approach

Practical conservation work was the most popular approach, followed by public education and awareness programmes



Photo: Robyn Grant

THE 2009 SURVEY - Green Grants in NZ

In response to the lack of information on philanthropic giving in the environment sector, Hikurangi Foundation and the ASB Community Trust commissioned Saints Information to survey philanthropic funders for more detailed information on the funding they provide for the Environment sector.

The findings from this study are intended to enhance grantmakers' knowledge and understanding of funding available to the environment sector, in order to promote best practice grant making.

This survey set out to find out from philanthropic funders:

- Overall patterns of giving
- Patterns of environment funding
- Funding available for climate change
- Attitudes to climate change
- Funders plans for the future

METHODOLOGY

A web based survey was sent to 220 grant makers in March 2009. The response rate was 33% which compares well with general survey response rates. Primary respondents were private and family trusts (30%), gaming trusts (23%) and statutory trusts (11%). Trustee companies and the Public Trust which administer in excess of 1,000 private trusts were excluded from the survey because of the difficulty in providing data due to the "number, diversity and variety of administration and granting (processes) for each trust".

POINTS OF INTEREST

Overall, the survey suggests that most funders focus on providing funding to education, social services, recreation and culture

- Respondents reported total giving in the last financial year of just under \$259 million.
- There was a wide spread of funding from \$4,000 - \$35million but 55% gave away less than a million.
- The largest 20 Trusts account for 88% of the total funding.

- The survey results showed that the trusts distributed the largest percentage of their funding for education and research (22%), Social Service (22%) and culture and recreation (23%) purposes
- Most funders stated that they were unlikely to change the percentage of funding they provide to each sector in the upcoming 12 months.

OVERVIEW OF ENVIRONMENT FUNDING

Overall it appears that environmental funding is small (less than 3%) and concentrated on conservation and education.

While over half of the trusts surveyed provided some support to the environment, there is almost no middle ground between the two extremes of general funders who provide a small percentage (0-15%) of their support to the environment and dedicated funders who give all of their funding to the environment.

Giving may vary a lot from year to year but appears to be static over the medium term

- Between 50-60% of trusts surveyed provided some support to the environment. Thirty six percent said they provided regular support and 10% listed it as their largest area of support.
- Respondents reported total giving to the environment sector of \$6.2 million.
- Funders tend to give a lot to the environment (100%) or not much (less than 1%-15%). Except for one trust that gave 50% of its funding to the environment, none of the surveyed trusts gave between the two extremes.
- Funding provided to the environment sector by philanthropic organisations is less than 3% of all annual grants.
- Statutory Trust (e.g. Community Trusts, Energy Trusts and Gaming Trusts) gave 65% of the total given to the environment, while voluntary trusts (family foundations, private philanthropic trusts) gave 35%.
- However Statutory Trusts only contributed 2.4% of their annual budget to the environment whereas Voluntary Trusts give 13% of their annual budget to the environment. Indicating that voluntary Trusts contribute more as a percentage of their overall funding budgets.

Conservation is the main area of environmental funding both in area and approach. Education is second, as both an area (environmental education) and approach (public education and awareness programmes).

■ KEY FINDINGS ■

- Funding provided to the environment sector by philanthropic organisations is less than 3% of all annual grants
- The majority of funders support habitat, biodiversity and species preservation through funding conservation and environmental education activities
- Thirteen percent of funders are directly supporting climate change initiatives.
- Overall climate change funding accounts for less than 1.6% of all philanthropic funding
- The survey found that grantmakers overwhelmingly agree that climate change is a significant environmental issue for NZ.

Of the trusts that indicated they had not given to the environment sector, the reasons given were mostly split between:

- Environment is not a current funding priority (29%)
- Did not receive any suitable requests (29%)
- Restrictions by the Trust deed which does not allow funding for environmental purposes (26%)

COMPARISON WITH PREVIOUS SURVEYS

According to the Giving New Zealand research (2006)⁽¹⁾, 6.6% of grants were made in the environmental area (this did not include giving by gaming trusts). The Funding New Zealand 2002⁽²⁾ study put giving by trusts to the environment lower at 2%.

The 2002 report found no funding to the environment from gaming trusts, although a Department of Internal Affairs (DIA) study of 2005⁽³⁾ grants found about a quarter of the 4% that went to the Environment and Heritage category was allocated to environmental organisations. The 2004 Non-Profit Satellite Account⁽⁴⁾ found that of the total income from memberships, donations and grants received by non-profit organisations, 1.3% went to environmental organisations.

Based on these results the earlier 2008 Scoping Study therefore estimated that giving to the environment was between 1-6% and probably closer to the lower end. The current finding of less than 3% is in line with this, as is the finding that the voluntary trusts give more than statutory trusts.

One of the difficulties of establishing a definitive estimate is that environmental funding is believed to vary quite considerably from year to year and each estimate represents a snap-shot of a particular year.

CLIMATE CHANGE

The survey indicates that 13% of trusts provide direct support for climate change activities. However this figure rises to 38% when indirect support for climate change initiatives is also included. Total giving was estimated at \$2.3m which equates to 1.6% of annual philanthropic grants. Grants ranged from \$2,500 to \$480,000.

The survey found that grantmakers overwhelmingly agree that climate change is a significant environmental issue for NZ.

Funders mostly agree that it is an issue they can make a contribution on, but question the role of philanthropy in relation to funding for climate change initiatives. When it comes to knowledge on the subject the majority were neutral or questioned their own confidence to make decisions and/or access suitable expertise to assist with decision making.

NEXT STEPS

Three primary steps have been identified as the result of this research:

- Ensure the results are widely read and debated;
- Build capability for ongoing tracking of green giving;
- Launch a network of funders who explore opportunities in green giving together

1. *Giving New Zealand Philanthropic Funding 2006 prepared by Berl is available from Philanthropy New Zealand website www.giving.org.nz*
2. *Funding New Zealand 2002 by David Robinson, Pat Hanley is available from Philanthropy New Zealand website at www.giving.org.nz*
3. *Where Do Gaming Machine Profits Go? A Survey of the Allocation for Authorised Purposes of Non-Casino Gaming Machine Profits in 2005 is available at www.dia.govt.nz*
4. *The 2004 Non-Profit Satellite Account report is available at www.stats.govt.nz/publications/statisticalmethods/non-profit-institutions-satellite-account-2004.aspx*

WHO WE ARE

The Hikurangi Foundation

The Hikurangi Foundation is a new initiative dedicated to helping kiwis take positive action on sustainability and climate change in particular. It has an expert overview, and catalyses practical projects that encourage learning through doing. It makes grants, facilitates collaboration, speaks out and encourages innovation. The Hikurangi Foundation acknowledges the generous support of the Todd Foundation and Tindall Foundation. www.hikurangi.org.nz

ASB Community Trust

Enhancing equity, enriching society

ASB Community Trust is an independent grant-making organisation supporting the work of not-for-profit groups in Auckland and Northland. The Trust's strategy for the environment sector is "To support projects and organisations that protect and enhance the environment in which we live". www.ASBCommunityTrust.org.nz

Saints Information Ltd

Specialist researchers for fundraising and philanthropy. Email: info@saintsinformation.co.nz. www.saintsinformation.co.nz

The Green Grantmakers Network was launched at the 2009 Philanthropy New Zealand conference. The network has been established to give environmental funders the opportunity to share information, ideas and passion for the environment. For information on the network, or if you would like a full copy of this survey, contact Liana Stupples at the Hikurangi Foundation liana.stupples@hikurangi.org.nz