



## ***Philanthropic sector monthly bulletin June 2020***

Released 30 June

### **Purpose of this update**

Philanthropy New Zealand is releasing this monthly bulletin to share information on the current landscape for philanthropic and grantmaking activity and insight around current community and funding needs. It has a focus on activity in the month of June.

This bulletin is the last in a series of updates with a specific focus on Covid-19. From here monthly bulletins will have a focus on the wider policy and research environment for the philanthropic and grantmaking sector. This is a general public document, provided to Ministers, Government, funders, community groups and media.

### **The philanthropic landscapes**

#### **Community needs**

On 8th June, New Zealand moved from Alert level 2 to Alert level 1 and at the same time the civil defence emergency management (CDEM) transition period ended. It was noted by the National Emergency Management Agency at this point that “the end of this national transition period does not signal the end of the recovery from Covid-19. Recovery for some parts of New Zealand will take many years”.

Over past months, we have signposted issues for communities and population groups that have been amplified by Covid-19 or have emerged as a result. Some updates on these are:

- There continues to be steadily rising unemployment. Looking at those receiving job-seeker support the most significant increase between rates in February and May is for 20-24 year-olds (up 70%), followed by 25-29 year-olds (up 63%). The latest [BERL report](#) for Tokona Te Raki Māori Futures Collective discusses the challenges and opportunities ahead for Māori rangatahi in the workforce.
- The New Zealand Council of Christian Social Services has been one of a number of parties concerned about the [status quo](#) of the welfare benefit. They note that Budget 2020 has not responded to last year’s Welfare Expert Advisory Group’s recommendations around increasing payments for recipients to meet their basic needs.
- Whilst the Government has committed to providing more permanent housing solutions for homeless people accommodated in motels and other private units during the lockdown period, concern remain around how long this will be sustainable given housing shortages combined with a slow recovery in the construction industry following lock down period.



- Philanthropic funders and grantmakers are working alongside other sectors to support urgent food provision as well as rethink the food system. Ministry of Social Development have summarised [current initiatives](#). Government grants can be applied for until 5th July for [Community Food Response Funding](#) and applications for [Food Secure Communities Grants](#) close on 2 August 2020.
- The struggle continues for migrant workers who have lost jobs and a wider group of foreign nationals unable to return home (either due to a lack of availability or high cost of repatriation flights). Before now, CDEM was providing food security, utility, and housing support where possible. The Government has now provided three months of relief (totaling \$37.6 million) to provide essentials. It has stated that this will be administered by the Department of Internal Affairs and delivered by a community-based NGO.
- The Office of Ethnic Communities has realigned its funding priorities to support ethnic communities as they navigate the impacts of Covid-19, and provide them with alternative ways to stay connected, employment initiatives, community support and recovery. Between May-June 2020, they have partially or fully funded [38 organisations](#).
- In June, the Facebook Messenger chat-bot called Āmio (created by three New Zealand doctors to increase equitable access to health care and Covid-19 information), [announced](#) that it will be expanding the reach from English and Mandarin to include Pacific languages in the coming months.
- New Zealanders who live with chronic health conditions and disabilities did not have the same access to health care over the past months because of the realigned priorities of the health system to focus on Covid-19. Although there is now greater access to health services, the prolonged period without the maintenance support means that these communities are potentially more vulnerable than they were before Covid-19.
- A [report](#) entitled *Protecting and Promoting Mental Wellbeing: Beyond Covid-19* signals that as much as 40% of the population may be affected by mental health challenges due to Covid-19 (twice the usual number in any given year). There will be groups that are newly at-risk including children and the elderly. The report argues that culturally aligned, community led support is paramount to foster better mental health.
- The Digital Inclusion Alliance Aotearoa (DIAA) have announced a new digital literacy programme: [Better Digital Futures for Seniors](#) commences in July, and provides four free modules which include Digital Engagement to help expand skills and Digital Safety to keep themselves and whānau safe. This follows the DIAA and other community groups and funders calling on the Government in May to implement [The five point plan for digital inclusion: Covid-19 and beyond](#).
- [Equity Through Education NZ](#) have highlighted how some of the responses to COVID-19 have tackled inequality in education. These are: providing all students/teachers with internet connection, devices, a list of Educational Technology (EdTech) in line with the NZ Curriculum



(e.g. Education Perfect, Code Avengers, Rocket Island), distributing students the best EdTech tools, and home learning TV.

- Government agencies are starting to share wellbeing survey results undertaken with a range of population groups during the Covid-19 lockdown. Releases so far include surveys of the [disability community](#) and findings from a continuous [population survey](#) focusing on general health and wellbeing.

## Response of the community and voluntary sector

In its June newsletter, Charities Services acknowledged the extent of the response of the charitable sector to Covid-19 – on the front line and in adapting their ways of operating. They have shared some of the stories of response in their [sector showcase page](#).

The *Reimagine Us – The Western Bay of Plenty Social Sector post Covid-19 Action Plan* work undertaken by SocialLink with social sector providers is one example of recent research that provides useful insights into issues that are dominant in this sector. [Results released](#) show the priorities expressed by participants in an online hui:

- Working as a team in the sector.
- Affordable housing, food security and employment/training opportunities
- Social cohesion.
- Social sector sustainability/long term financial security/alternative sources of funding.
- Cross sector collaboration.
- Agile government agencies and departments.
- Increased coordination of services.
- Government to fund local projects/organisations, allocation of funds determined by local organisations.
- Investment in technology/digital access.
- Social procurement.
- Co-designing with Iwi and hapu.
- Inviting financial sponsorship from industry and corporate sectors less affected by Covid-19.

Results of a nationwide survey of community organisations are currently being analysed and will be released in July. HuiE!, Volunteering New Zealand, the Centre for Social Impact and Philanthropy New Zealand undertook the survey to help pre-empt, record and respond to the impacts Covid-19 has had. The results will help inform discussions and decisions around recovery, support and shaping the future of our sector.

## Support for the arts

ANZ's [April quarterly economic outlook](#) reinforced that the arts and recreation industries are likely to be badly hit into the longer term. Modelling based on Treasury forecasts shows that without government intervention, the cultural sector will be roughly hit twice as hard as the rest of the economy. New Zealand is not alone in this and cultural recovery programmes have been set up around the world.



The Government announced a [\\$175 million package](#) to help support the arts and creatives sector. This includes \$70 million over three years for a Creative Arts Recovery and Employment Fund to support rebuilding of the sector, with a focus on creating local and national initiatives and adding value to the economy. An additional \$25 million has been given to Creative New Zealand, which includes the \$4 million boost towards the Creatives in Schools programmes, providing work opportunities for more artists. This will be delivered by the Ministry of Education in partnership with Manatū Taonga Ministry for Culture and Heritage and Creative New Zealand. NZ on Air is also funding 24 Pasifika artists to record new music, including tracks in Pacific languages.

As of June 2020, Creative New Zealand, a Crown entity governed by the Arts Council, have invested [\\$29 million](#) towards the [Arts Continuity and Emergency Response Grants](#). The unprecedented applications for the Emergency Response Grants highlights the difficulties that the sector faces, and the need for continued support.

Te Taumata Toi a Iwi (The Arts Regional Trust and an Auckland-based Council Controlled Organisation) that supports the development of arts ecosystems and infrastructure) has responded positively to central government's Arts and Music Sector Recovery Package. Te Taumata Toi-a-Iwi also note the need for continued support from local councils and regional funders to sustain the sector. They report that some organisations require urgent relief to continue their operations and, given their reliance on multiple funding sources, would value funders taking a collaborative approach to seeking applications and considering proposals. Small grants add value for small to mid-sized organisations in this sector.

## **Sports Recovery Package**

In June 2020, Sports New Zealand released \$4.6 million of their \$265 million Sports Recovery Package from the Government, to professional sports clubs around New Zealand. They [acknowledge](#) that although sports franchises don't usually receive Government funding, these clubs are an important part of communities and required support because they have exhausted their financial options. This is in addition to the \$25 million [short term support fund](#), including \$15 million for the Community Resilience Fund that was announced in May. The latter has particularly been welcomed across New Zealand.

## **Policy update from Department of Internal Affairs**

Covid-19 has had a significant effect on the community, sporting and racing sectors, impacting the ongoing viability of these sectors and giving rise to the need to consider how to support their survival and, in the longer-term, provide for a more efficient and integrated approach to how gambling-based revenue contributes to New Zealand communities.

In response, and as a priority, the Ministers of Racing and Internal Affairs, together with the Minister for the Community and Voluntary Sector, have asked officials to evaluate the gambling framework and the contributions made through community funding to our community, sporting and racing groups.

The Department of Internal Affairs is planning to work with a range of stakeholders, including the broader community and voluntary sector, to inform this work.



Philanthropy New Zealand will continue to keep in contact with DIA on this workstream going forward.

## PNZ funder member responses to Covid-19

In May 2020, Philanthropy New Zealand heard from 82 of its philanthropic and grantmaker member organisations about the impacts of Covid-19 on their funding and approaches. This group represented around \$432 million worth of giving in the last 12 months.

Funders have been hit by the economic decline, with 21% saying they are likely to decrease their distributions in the next year predominantly for reasons associated with Covid-19.

The respondents reported employing a range of funding approaches with nearly half adapting agreements with grant holders to introduce more flexibility, and around half making proactive approaches to fund community organisations working with those in greatest need.

There has also been significant collaboration amongst funders during the Covid-19 crisis with a large proportion sharing intelligence about funding needs, and/or working with other funders to identify community organisations in need. There has also been the rise of joint funds to increase efficiency and impact. Read the [full report](#).

One of the change initiatives demonstrating multi-sector collaboration during Covid-19 is the Tindall Foundation's partnership with organisations such as New World, Hyundai and Z Energy to help the Student Volunteer Army to scale a [Grocery Service](#) throughout New Zealand. Although it began as a way to provide groceries for vulnerable members in the community, it will be continued beyond Covid-19, as a way to increase community connection and decrease loneliness.

There is a growing emphasis on how philanthropic funders and grantmakers can support communities to be resilient into the future and support community sector organisations adapt in challenging financial times. The Acorn Foundation for example have indicated that phase three of their Covid-19 funding support will be directed at supporting the longer-term resilience and reinvention of the sector. The Working Together More Fund (set up by eight philanthropic organisations) are running Brokering Better Partnerships training in August for small charitable organisations. TSB Trust is offering additional support to not-for-profit organisations to ensure they also are supported and have access to guidance, advice and professional services so they can remain a viable resource for the community.

## Economic outlook

The Treasury's [weekly economic update](#) remains a useful way of keeping up to date with economic indicators within New Zealand and overseas. The Treasury notes that economic activity has improved from the lows in April however job seeker numbers have risen substantially, and the wage subsidy scheme is providing considerable support for labour market incomes.

Deloitte has developed a new regional forecasting model for New Zealand, their latest regional forecasts can be found [here](#).



The OECD has stated that the global economy is now experiencing the deepest recession since the Great Depression in the 1930s and that growth prospects depend on a range of factors including “how Covid-19 evolves, the duration of any shutdowns, the impact on activity and the implementation of fiscal and monetary policy support”. Their economic outlook has developed two scenarios for its projections – one being a recovery where another major outbreak is avoided and the second where shutdowns occur again with another surge of Covid-19. Useful data and charts (which also show New Zealand’s outlook in a global context) can be found [here](#).