

MANAGING THE FUNDS AND ADDRESSING NEEDS

As a registered charitable trust, the Christchurch Earthquake Appeal Trust must comply with The Charities Act 2005 and ensure that funds are directed to the intended purpose outlined in the Deed of Trust. That is, "...to provide relief to the community of Christchurch and the Canterbury region from the adverse effects of the earthquakes."

The gap that had been identified by Prime Minister John Key and Settlor Ministers Hon Bill English, Minister of Finance, and Hon Nathan Guy, then Minister of Internal Affairs, early on - between the initial disaster response and the long-term rebuild - is the focus of the Appeal Trust, and where its funding efforts are directed.

The Trustees agreed the focus of the Appeal Trust must be on the need - now, and in the future, but not to duplicate the efforts of government and other funders that address hardship for individuals.

Transparent portfolios

There are six portfolio categories or "buckets" into which donations could be directed. These are derived from the recognised classes of charitable purpose and provide donors with a way to direct their dollar to the need most in accord with their wishes. A donor might not be able to fund a large single project on their own, for instance, but might want to make sure their money went in to a portfolio that would fund projects in their general area of interest.

The six portfolio categories are:

- » economic revitalisation
- » education/youth
- » environment
- » hardship/spiritual and faith
- » heritage and culture, and
- » sport and recreation.

Three Trustees are responsible for allocating Appeal funds to earthquake recovery projects. An Advisory Board comprised of Canterbury community representatives, in turn provides Trustees with additional local perspective and advice on specific proposals. The same six members originally appointed to the Advisory Board remain today.

In addition, the Trust Secretariat seeks input from a range of Canterbury external advisers when assessing prospective projects for funding. These include Canterbury Earthquake Recovery Authority (CERA), Christchurch City Council, the Sports Leadership Group - in particular Sport Canterbury, the Ministry of Culture and Heritage, the Ministry of Social Development and Creative New Zealand.

The operating model of the Appeal Trust and the mechanism by which the fund would be managed (and money given out), was given strong consideration by those involved in its formation. The Appeal Trust recognised that setting up a bureaucracy to allocate money to the thousands of individuals and groups affected by the earthquakes would be a) unwieldy, b) not cost-effective and c) not the best use of resources. Also, many individual hardship needs were being met elsewhere - by the Government benefit system or by Red Cross or the Salvation Army, for example. For these reasons, the Appeal Trust gave, and continues to give, priority consideration to collaborative proposals that address multiple needs with one solution and deliver the widest possible benefit to the community. In late 2011, after seven months of granting Appeal funds to projects, the Advisory Board and Trustees developed general Principles to further guide their funding allocation decisions and acknowledge the intentions of donors.

General principles of policy

The general Principles are to support proposals that:

- » are major initiatives that deliver the widest possible benefit for the community
- » address multiple needs with one solution
- » are collaborative with input from key stakeholders in the proposed area of funding
- » are proposed by an organisation or Trust that has capability to effectively deliver results
- » do not duplicate the activities of other relief agencies
- » do not require directly funding Government agencies
- » leverage off existing capabilities to target and deliver funding through organisations that have specialist funding expertise
- » fit within the fiscal constraints of the category in which they lie
- » are taken in context of Christchurch City Council and CERA plans
- » respond to the wishes of donors in a manner consistent with the Trust Deed.

What the Trust generally does not fund:

- » Projects that are not addressing an earthquake-related need
- » Business-as-usual or normal operating costs
- » Initiatives that are the responsibility of government agencies, such as the CERA, Ministry of Social Development, Ministry for Culture and Heritage, and the Ministry of Education
- » Costs normally covered by insurance (but the Trust may help with insurance shortfalls in some cases)
- » Initiatives that have other funding options available to them, and
- » Individuals.