



**FOUNDATION  
NORTH**

*Te Kaitiaki Pūtea o  
Tāmaki o Tai Tokerau*

# Investing for Impact in Northland

*Full Report*

*May 2018*

*Written by the Centre for Social Impact*

# Contents

<b>Executive Summary</b>	<b>3</b>
Background	3
The Northland communities	3
The Northland community sector landscape - barriers to impact	4
Opportunities for investing in impact in Northland	5
<b>1 Introduction</b>	<b>7</b>
1.1 Background/purpose	7
1.2 Methodology	8
<b>2 The Northland communities</b>	<b>9</b>
2.1 Northland	9
2.2 Community snapshot	10
<b>3 The Northland community sector landscape - barriers to impact</b>	<b>15</b>
<b>4 Opportunities for effective philanthropy to strengthen impact in Northland</b>	<b>17</b>
4.1 Priority ways of working	17
4.2 Investment approaches	19
4.3 Strategic roles	23
<b>References</b>	<b>25</b>
<b>Appendix</b>	<b>26</b>

# Executive summary

## Background

Philanthropic organisations have opportunities to work in ways that are more responsive to communities by engaging with evidence about a community or region's needs and aspirations.

Foundation North's new strategy identifies Northland as a priority community that is disproportionately affected by disparities across key indicators, including income, education, employment, child and youth wellbeing and outcomes for Māori.

Research was undertaken by the Centre for Social Impact to further understand how and where these disparities are experienced by communities within Northland. The research centred on key informant interviews with stakeholders who are positioned to provide advice to the philanthropic sector, and other investors, about priority strategies, solutions and investment approaches with the highest potential to address disparities in the region.

## The Northland communities

### Key Messages:

1. Population growth in Northland has been slow, with some population decline in the Far North.
2. Māori make up 45% of the region's population.
3. The level of overall need and deprivation is high and widespread. Deprivation is highest in the Far North, where half of the community live in areas of highest deprivation (deciles 9-10).
4. Unemployment in Northland is high, especially in the Far North, and for Māori across the region.
5. Income disparity and economic development are key issues in Northland's geographically isolated communities. The region also has the lowest GDP per capita of any region in New Zealand.

### Summary findings:

- Just over half of Northland's residents live in Whangārei, and just over one third live in the Far North. Kaipara is the most sparsely populated region, with 13% of Northland's residents.
- Across a range of indicators – including income, employment, educational achievement, child and youth wellbeing and deprivation – Northland can be identified as an area of high need.
- In Northland, over 56,000 people are living in the areas of highest deprivation. Within the region, the overall need is greatest in the Far North, where half of the community (26,082) is living in the areas of highest deprivation (deciles 9-10).
- Indicators for children and young people are concerning. One quarter of all Northland children, and one third of children in the Far North, have two or more risk factors<sup>1</sup>. Northland has the highest rates of NEET youth in New Zealand (young people not in education, employment or training).
- Unemployment is also higher than the national average across the region, but is most significant in the Far North where the unemployment rate is 11.4% compared with 7.1% nationally.
- The unemployment rate for Māori in Northland is double the regional average, at 20%. The median income for Māori is \$19,100, which is also lower than the regional average of \$23,400.
- Job availability in Northland is low. Low labour-intensity industries account for 30% of GDP (agriculture and manufacturing), and the region has the lowest GDP per capita in New Zealand.

**Income disparity is a key driver of need, and economic development is an issue in Northland's geographically isolated communities. Addressing income and other disparities requires responses that are local, community-led and culturally responsive to Northland's large Māori population.**

<sup>1</sup> Indicators of future risk of poor outcomes for children and young people are identified by The Treasury. For more information see: [www.insights.apps.treasury.govt.nz](http://www.insights.apps.treasury.govt.nz)

## The Northland community sector landscape – barriers to impact

### Key messages:

1. Northland's communities have significant levels of need. Key structural issues – particularly the lack of infrastructure and regional economic development – are seen to perpetuate the levels of need in Northland. Long-term strategy and sustained investment are required to tackle entrenched issues.
2. The strategies of funders and agencies based outside of Northland are not always as responsive to the needs and aspirations of communities as they could be. Stronger local presence, engagement and co-design is needed to strengthen impact.
3. Communities are frustrated with contestable funding models that are viewed as driving competition between community organisations. There is an appetite for partnership, collaboration and resource-sharing within Northland's community sector.

*“Northland needs sustained economic development, which is likely to take longer than 20 years.”*

### Summary findings:

**Interviews with key informants identified priority challenges within the Northland community sector landscape that act as key barriers to sustained impact. Finding ways of working that address these challenges offers funders significant opportunity to strengthen impact in the Northland region.**

#### **Key barriers/challenges in Northland's community sector landscape include:**

- **Entrenched issues:** The scale of need in Northland is significant. Stakeholders in Northland identified a need for long-term strategy, sustained investment and new approaches in order to tackle issues that are deeply entrenched.
- **The need to address economic development as a key structural issue:** Economic development – both regional and community-based - was recognised by interviewees as a significant root-cause of other social wellbeing indicators in Northland. To address income inequalities - and other associated wellbeing indicators - requires strategic and sustained economic development across the region.
- **The need to address infrastructure as a key structural issue:** A chronic lack of infrastructure (e.g. technology, transport, communications, investment, facilities) is seen as another key structural driver of overall poverty and disparity in Northland. This lack of infrastructure is also perceived to limit the ability of communities, service providers and other agencies from supporting whānau and communities effectively.
- **Competition fatigue:** Communities in Northland are experiencing 'competition fatigue' in relation to contestable funding models. There is a growing appetite for more equitable access to resources and more community-centred models of funding that enable collaboration.
- **Fragmented approaches and doing 'to' community:** Agencies and funders coming into Northland from outside the region, and without having a sustained presence there, was identified as an issue by key informants. More arms-length approaches mean that strategies are not always as responsive as possible to local and regional needs; and can be disjointed, with limited genuine collaboration between investors or with communities.

*“Funders have to have a better understanding of Te Tai Tokerau peculiarities – the rurality, roads, telecommunication systems.”*

# Opportunities for investing in impact in Northland

## Key messages:

1. Northland's communities have an appetite for engaged partnership with philanthropic and other funders/investors.
2. Communities need support to develop their readiness to engage with funders and receive funds. Investing in developing capacity (people, leadership) and readiness for investment (communities, organisations) is a priority in order to develop opportunities for impact that are sustainable.
3. Communities are seeking a broader investment approach in Northland. This would include continuation of funding to initiatives/services that work; whilst also exploring other investment approaches - with innovation and impact investment seen as key priorities.
4. Multi-lateral partnerships and strategies across philanthropy, government, business, iwi and communities are required to strengthen impact and shift the dial on systemic issues in Northland.

## Summary findings:

**Interviews with key informants identified opportunities for effective investment with the potential to strengthen impact in the Northland community. The scope of the advice offered by key informants relates to priority ways of working, priority investment approaches, and other strategic roles that funders/investors could consider to increase their impact in Northland.**

Funders could consider the following priority ways of working:

- **Engaging and building 'caring' partnerships:** Communities in Northland are looking to move away from transactional relationships with funders, to relationships based on partnership. To support this, funders are encouraged to develop a stronger presence in Northland and work more actively alongside communities in identifying opportunities to invest.
- **Responding to community aspirations:** Interviews highlighted the importance of funders developing responsive funding strategies i.e. strategies that are based on community knowledge and aspirations. Communities were described as 'knowing what they need', and funders are encouraged to work in ways that respond to community voices, and enhance and enable tino rangatiratanga/self-determination.
- **Recognising readiness:** A priority approach for working effectively alongside communities in Northland is recognising community readiness to engage and organisational readiness to receive different types of funding. Funders working in Northland were encouraged by key informants to commit long-term to building capacity and readiness in Northland.

**Funders could also consider the following priority investment approaches:**

- **Growing capacity:** Investing in capacity development – particularly with regards to people, leadership and financial or investment capabilities – was identified by interviewees as a key priority. Achieving sustainable impact in Northland requires communities to grow long-term capacity to determine and implement their own solutions.
- **Funding across ecosystems:** To respond to the lack of infrastructure and capacity in Northland, funders are encouraged to adopt a funding approach that enables resources and capacity to be shared across the whole community 'ecosystem'. This means working with communities to identify parts of their ecosystem (issues, organisations) that require support; as well as funding across key community partners and the organisations that make up their network.

*“We need a caring partner, as opposed to a detached funder.”*

*“Be responsive to communities as they know where and how funds can be used to make a difference.”*

*“Think long-term [readiness support] – not something for 1-2 years.”*

*“[Consider] long-term investment in people i.e. building the capacity of people... so that a community can plan how it can achieve the outcomes that it wants.”*

*“Choose what is already 'winning'; discover the other not-for-profits who are supporting that organisation, and grow from within that ecosystem. There are good quality organisations [within that ecosystem] making a difference.”*

**Broadening investment approaches, including:**

- Prioritising funding to 'what's working'.
- Funding over longer timeframes – which includes resourcing pre-investment support, as well as funding over the longer-term when readiness development is needed.
- Providing innovation funding, including: more agile/untagged funding to respond to emerging opportunities; seed-funding; and investing in 'disruptive leaders'.
- Providing impact investment, including: underwriting loans; micro-finance; and investment in community-owned land assets and land-based social businesses.
- Undertaking participatory grantmaking, including: community-held budgets (managed via intermediaries) and community decision-making.

**Key informants also provided insight into the non-financial, strategic roles that funders in Northland could seek to adopt to increase their impact. These roles include:**

1. **Advocacy and brokering**, with a focus on bridging conversations between community and government/other funders.
2. **Developing multi-lateral regional partnerships**, with a focus on using these partnerships to design cross-sector, regional strategies on key issues such as housing and economic development; as well as leveraging co-investment opportunities across multiple partners.

*“Funders have a real opportunity as influencers to ensure that the voices of Northland communities and their realities are not only heard, but also supported.”*

*“[Each funder] is part of a wider ecosystem and should fund based on other parts of the system – agencies, business, iwi, philanthropy and communities – each part of the ecosystem has a part to play in the design, funding and implementation of initiatives to strengthen communities.”*

# 1. Introduction

## 1.1 Background/Purpose

### Strategy context

Philanthropic organisations have opportunities to work in ways that are more responsive to communities by engaging with evidence about a community or region's needs and aspirations.

Foundation North's new strategy identifies Northland as a priority community that is disproportionately affected by disparities across key indicators, in relation to a range of indicators that include income, educational achievement, child and youth wellbeing and social cohesion.

Research was undertaken by the Centre for Social Impact to further understand how and where these disparities are experienced by communities within Northland. The research centred on key informant interviews with stakeholders who are positioned to provide advice to the philanthropic sector, and other investors, about priority strategies, solutions and investment.

### Purpose of this research

To support effective implementation of the Foundation North strategy and priorities, trustees identified a need for further research that would assist with the identification of more localised priorities, potential high-impact funding approaches and emerging investment opportunities in Northland (and South Auckland).

**This research paper is focused on Northland, and has been designed in consultation with Foundation North. It focuses on exploring:**

- the scope of Foundation North's investment in Northland communities to date;
- priority challenges that are affecting the ability or capacity of local communities - and the community sector more widely - to respond effectively to key issues in Northland;
- the characteristics of effective funding practice that could improve impact and return on investment from funding in Northland;
- investment opportunities – existing or new initiatives or partnerships with the potential to achieve significant impact in Northland, in line with Foundation North's priorities.

This strategic advice paper has been developed for Foundation North by the Centre for Social Impact. The findings in this report will be used to develop an internal Northland Action Plan that will support effective strategy implementation by Foundation North staff.

## 1.2 Methodology

The strategic advice provided in this report has been developed from an analysis of grantmaking data, evidence collected from key informant interviews, and supporting information from other sources. These methodologies are summarised in table 1 below.

Table 1: Research methodologies	
Method	Data source/approach
<b>Evidence review summary</b>	<p>An evidence review of the priority challenges and community needs in the Auckland and Northland region was completed by the Centre for Social Impact in September 2017.</p> <p><i>"Understanding the Landscape of Auckland &amp; Northland: An Evidence Review"</i>.</p> <p>Available on Foundation North's website            - <a href="http://www.foundationnorth.org.nz/how-we-work/resources/">www.foundationnorth.org.nz/how-we-work/resources/</a></p>
<b>Key informant interviews</b>	<p>A series of 13 key informant interviews was completed with key stakeholders identified as having strategic insight to offer Foundation North in relation to priorities and opportunities within Northland communities.</p> <p>Semi-structured interviews were carried out with representatives from government, council and non-profit organisations, to identify:</p> <ul style="list-style-type: none"> <li>- the most effective roles Foundation North could take to achieve impact in Northland;</li> <li>- challenges to Foundation North achieving priority impacts in Northland;</li> <li>- priorities and key enablers to support impact in Northland;</li> <li>- future trends that may influence Foundation North's role and impact in Northland.</li> </ul> <p>A list of organisations that participated in key informant interviews is included in Appendix 1. Data/quotations included in the body of this report have been anonymised.</p>
<b>Sense-making</b>	<p>Internal discussion workshops were held between Foundation North staff and Centre for Social Impact Associates, to identify key trends and recommendations included in this report.</p>



# 2.The Northland communities

## 2.1 Northland

The Northland community is comprised of the territorial authorities of the Far North, Whangārei and Kaipara.

The total population in Northland is 151,689, with most people residing in Whangārei (76,995), followed by the Far North (55,734) and Kaipara (18,960) (Statistics NZ, 2013).

Figure 1 shows that the overall population density in Northland is low. Kaipara has the lowest population density in the entire Foundation North region (five people per square kilometre), followed by the Far North (seven people per square kilometre). Whangārei has the joint third lowest population density, alongside Franklin (25 people per square kilometre).

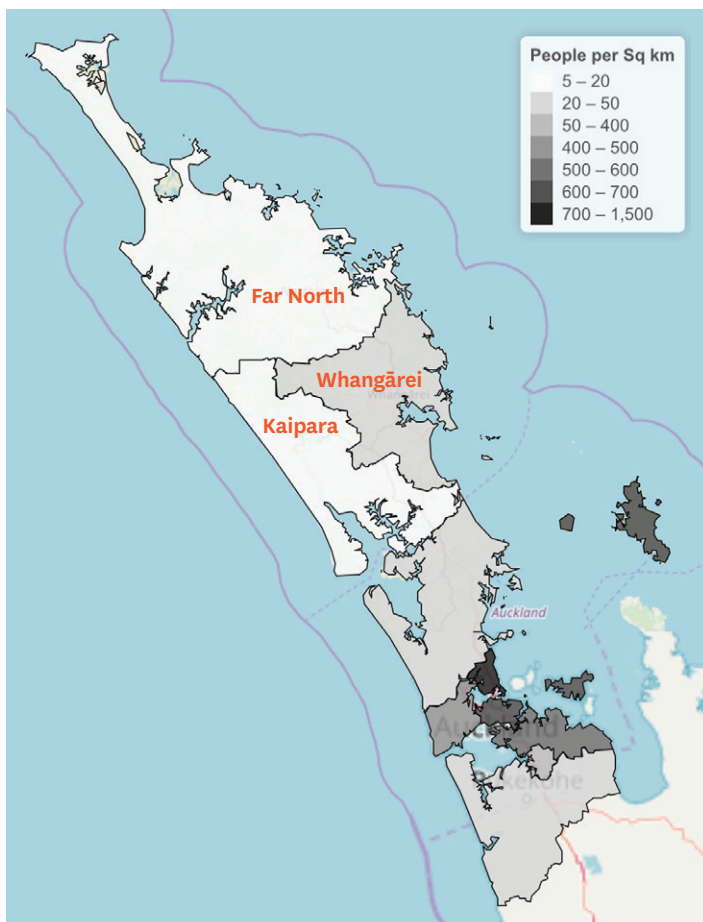


Figure 1: Northland population density

## 2.2 Community snapshot

Table 2 below provides a snapshot of the Northland community, by territorial authority area. The table compares each area and the Northland regional data, Auckland regional data and national data relating to:

- the relative size of the community (by number of households);
- the population size and rate of recent population growth;
- median age;
- overall ethnicity profile, as well as the percentage of population born overseas;
- household income;
- levels of home ownership;
- unemployment rates;
- NCEA Level 1 achievement rates;
- the local areas (census area units) of highest deprivation within each territorial authority area.

**Where appropriate, data that varies significantly from the regional average has been highlighted.**

(Note – ethnicity; individuals may identify with more than one ethnicity and this is reflected in the ethnicity statistics.)

Table 2: Community snapshot by territorial authority (Statistics NZ, 2013; The University of Otago, n.d., Education Counts, n.d.)										
Area	Households - % of regional count	Population & growth 2006-13	Median age	Population born overseas %	Ethnicity profile	Median income	Home ownership	Unemployment rate (15+ yrs)	NCEA Level 1 achievement rate	Deprivation index 9-10 (census area units)
<b>Far North</b>	21,369 (36%)	- 111 (-0.2%)	43.3 years	15%	66% European 45% Māori 4% Pacific 2% Asian	\$21,500	65%	11.4%	85.5%	North Cape, Hokianga North & South, Kaitiaki East & West, Kāeo, Kaikohe, Kawakawa Ngāpuhi-Kaikou (10); Houhora, Ahipara, Karikari Peninsula- Maungataniwha, Mangapa- Matauri Bay, Ōkaihau, Pokere-Waihaha (9)
<b>Whangārei</b>	29,778 (51%)	2,532 (+3%)	41.8 years	17%	80% European 26% Māori 4% Asian 3% Pacific	\$25,300	67%	9.1%	87.4%	Hikurangi, Tikipunga West, Otangarei, Vinetown, Whangārei Central, Raumanga West & East, Port-Limeburners (10); Kamo East, Tikipunga East, Regent, Woodhill, Morningside, Onerahi (9)
<b>Kaipara</b>	7,800 (13%)	825 (+5%)	45.3 years	13%	84% European 23% Māori 3% Pacific 2% Asian	\$22,600	68%	7.7%	84.5%	Te Kōpuru, Ruāwai (10); Dargaville, Kaiwaka (9)
<b>Northland region total</b>	58,947	3,219 (+2%)	42.7 years	16%	76% European 32% Māori 3% Pacific 3% Asian	\$23,400	66%	9.7%	86.4%	
<b>Auckland region</b>	473,451	1,415,550 (+8%)	35.1 years	39%	59% European 23% Asian 15% Pacific 11% Māori	\$29,600	61%	8.1%	91.2%	
<b>New Zealand</b>	4,242,051	209,919 (+5%)	38 years	25%	74% European 15% Māori 12% Asian 7% Pacific	\$28,500	65%	7.1%	89.4%	

## Community snapshot – key findings

### **Northland has a high median age and has experienced slow population growth.**

- Northland's population has grown at a slower rate than New Zealand's – largely attributable to population decrease in the Far North.
- Northland's population growth will continue to be slow – growing by 10% in the next 20 years (2018 – 2038), compared to 12% nationally and 18% in Auckland.
- 100% of this growth is projected to be people over 65 years (this equates to a 65% increase from current levels).

### **Northland has a large Māori population, which will continue to grow. Asian and Pacific communities in Northland will grow most over the next 20 years.**

- Māori make up a quarter of Northland's population (26%, 44,928 people). This equates to 7.5% of New Zealand's total Māori population (Statistics NZ, 2013).
- Northland's ethnicity will be 40% Māori by 2038, which is an increase of 10%. Northland's Asian population (58% increase) and Pasifika population (105% increase) will experience the largest overall growth, and form 11% of Northland's population by 2038 (Statistics NZ, 2017).
- These changes to cultural diversity may have an impact on social cohesion in the region.

### **Northland has significant numbers of vulnerable children and young people who are at risk of poor outcomes across multiple indicators.**

- Levels of prior participation in early childhood education for children starting school are lower than the national average (96.8%) across Northland. Current prior participation rates (as at June 2017) are 92.2% in Kaipara, 93.1% in the Far North and 95.2% in Whangārei (Education Counts, 2017).
- NCEA Level 1 achievement rates are significantly below the national average – particularly in Kaipara and the Far North. NCEA level 1 achievement rates are lower for Māori and Pacific students across NZ – and comparatively lower again for Pacific students in Northland (Education Counts, n.d.).
- Student transience is higher in Northland than any other region in New Zealand, at a rate of 19.4 per 1,000 students, compared to 5.0 per 1,000 students nationally. Northland's rates of stand-downs, suspensions, exclusions and expulsions are 1.5 to 3 times the national average. Stand-down rates are most elevated for Māori boys (Education Counts, n.d.).
- One in four children aged 0-14 years in Northland has two or more risk factors<sup>2</sup>. In the Far North, this increases to almost one in three children (30%) (Treasury, 2015).
- One in four young people aged 15-19 years in Northland is in a target risk population<sup>3</sup>. In the Far North, one in five young people aged 20-24 is in a target risk population – more than twice the national average (Treasury, 2015).
- Northland has the highest proportions of youth not in education, employment or training (NEET) in New Zealand at 16.8%. This equates to around 5,000 young people (Statistics NZ, 2013). One quarter (26%) of young people aged 20-24 years in Northland are long-term NEET. This rises to 32% in the Far North.

<sup>2</sup> Four risk factors for children aged 0-5 and 6-14 have been identified by the Treasury. See: <https://insights.apps.treasury.govt.nz>

<sup>3</sup> Five risk factors for young people 15-19, and five risk factors for young people aged 20-24 have been identified by the Treasury. See: <https://insights.apps.treasury.govt.nz>

**Median incomes in Northland are low; and unemployment rates are also high.**

- Median income is lower than the national average across the Northland region, and is lowest in the Far North (\$21,500) and Kaipara (\$22,600) (Statistics NZ, 2013).
- Unemployment is also higher than the national average across the region, but is most significant in the Far North where unemployment rates are 11.4%, compared to 7.1% nationally (Statistics NZ, 2013).
- Unemployment rates for Māori in Northland are double the regional average, at 20%. The median income for Māori is \$19,100, which is also lower than the regional average of \$23,400.
- Job availability in Northland is low. Low labour-intensity industries account for 30% of GDP (agriculture and manufacturing), and the region has the lowest GDP per capita in New Zealand (Statistics NZ, 2013).

**Half of the Far North's population live in areas of highest deprivation (deciles 9 - 10).**

- The average deprivation index score for both the Far North and Kaipara is 8, and Whangārei has an average score of 7 (see figure 2).
- Across these two areas, over 56,000 people are living in the most deprived decile 9 - 10 areas (University of Otago, n.d.).
- 50% of the Far North's population (28,026) are living in decile 9 - 10 communities, whilst 30% (23,172) of the Whangārei community and 26% (4,872) of the Kaipara community are also living in decile 9 - 10 areas (University of Otago, n.d.).
- Figure 3 maps highest deprivation to a local level, showing widespread deprivation in the Far North and pockets of high deprivation centred around Whangārei city.

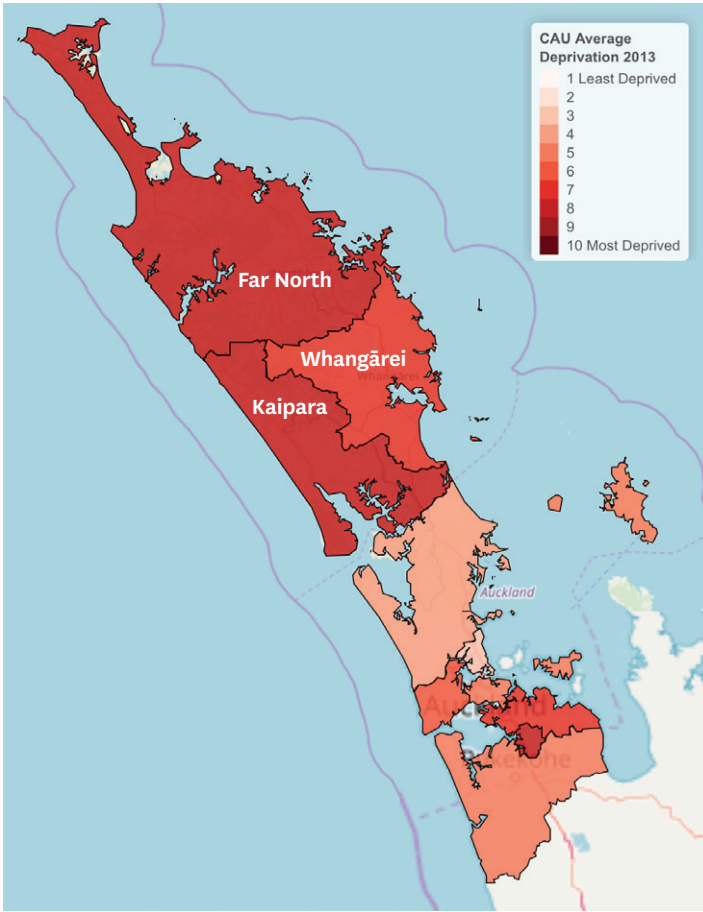


Figure 2: Average census area unit NZDep2013 Index by former ward

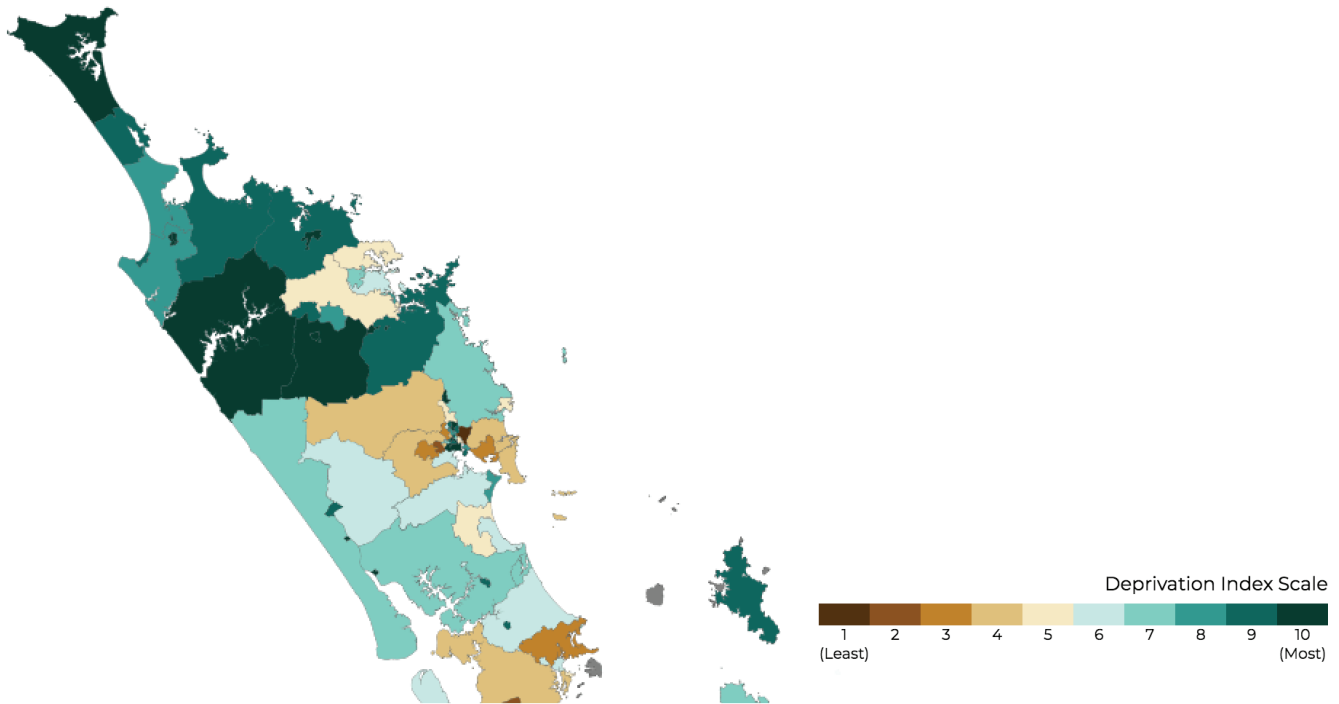


Figure 3: NZ Deprivation Index 2013 by census area unit (image source: New Zealand Herald Insights, 2014)

## Local profiles snapshot and key issues

The population profiles and key issues of each area in Northland are summarised in table 3 below.

Table 3: Summary of key issues	
Territorial authority	Profile snapshot and key issues
<b>Far North</b>	<ul style="list-style-type: none"> <li>- Population decrease and ageing population.</li> <li>- Almost half of the population is Māori.</li> <li>- Low median income.</li> <li>- High unemployment.</li> <li>- Over 50% of people living in highest deprivation areas.</li> <li>- Most significant need for children and young people.</li> <li>- Geographic isolation.</li> </ul>
<b>Whangārei</b>	<ul style="list-style-type: none"> <li>- Limited population growth and ageing population.</li> <li>- One quarter of the population is Māori.</li> <li>- High unemployment.</li> <li>- Significant pockets of high deprivation in Whangārei city.</li> <li>- Significant need for children and young people.</li> </ul>
<b>Kaipara</b>	<ul style="list-style-type: none"> <li>- Limited population growth and ageing population.</li> <li>- One quarter of the population is Māori.</li> <li>- Low median income.</li> <li>- Relatively high deprivation across the area.</li> <li>- Significant need for children and young people.</li> <li>- Geographic isolation.</li> </ul>

# 3. The Northland community sector landscape – barriers to impact

Interviews with key informants, whilst particularly solutions-focused, identified priority challenges within the Northland community sector landscape<sup>4</sup> that have acted as key barriers to sustained impact.

Key challenges in Northland's community sector landscape include:

1. **Entrenched issues** that require long-term strategies, sustained funding and new approaches.
2. **Need for sustained economic development.**
3. **Lack of infrastructure and accessibility.**
4. **Funding competition culture and competition 'fatigue'.**
5. **Fragmented, 'outside-in' approaches.**

These challenges are further summarised below.

## 1. Entrenched issues that require long-term strategies, sustained funding and new approaches

Need and disparity are widespread in Northland across multiple indicators – including housing, education, infrastructure, income and poverty. In order to address these “big” issues and their underlying causes, interviewees described the need for:

- longer-term strategies;
- sustained investment over these longer-timeframes; and,
- new approaches with potential to interrupt the current systems.

*“The wider issues of housing, education, income and justice require new and innovative approaches to change the current state.”*

*“The big issues of addressing the causes of poverty, or the need for transport for disparate Northland whānau, absolutely require attention.”*

<sup>4</sup> The 'sector landscape' is defined as including local social service providers, non-profit groups, volunteer community organisations, community leaders, iwi, hapū and whānau, social entrepreneurs, and other community-led activity.

## 2. Need for sustained economic development

**Economic development – both regional and community-based – was recognised by interviewees as a significant driver of the concerning social wellbeing indicators in Northland.** To address income inequalities, poverty, housing and outcomes for children and young people requires strategic and sustained economic development across the region. Interviewees recognised that achieving this would not be a ‘quick fix’, and would require a multi-lateral approach and partnerships (see section 4).

*“Northland needs sustained economic development, which is likely to take longer than 20 years.”*

*“Sustainability will continue to be a challenge.”*

## 3. Lack of infrastructure and accessibility

**Almost all interviewees referenced the physical isolation in Northland.** Whānau and communities experience significant barriers to accessing services, education and other opportunities, through a lack of broadband, transport and other infrastructure. The same lack of infrastructure that contributes to overall poverty and disparities in Northland, is also seen to affect the ability of communities, service providers and other agencies to respond to/support whānau and communities effectively. Infrastructure is a key structural barrier preventing accelerated impact in Northland.

*“There are real barriers to a joined up approach.”*

*“We need to remove the obstacles of transport and accessibility.”*

## 4. Funding - competition culture and competition fatigue

**Several interview discussions highlighted wider issues across the Northland community sector landscape relating to a funding ‘competition culture’.** Communities in Northland are experiencing ‘competition fatigue’; with a growing appetite for equitable access and more community-centred models of funding.

*“We have chosen to step back from funding if we feel it is competitive.”*

*“We are all doing the same thing – running social programmes, education, environmental work – [so] we aspire to parity.”*

## 5. Fragmented, ‘outside-in’ approaches

**Northland’s distance from Auckland and Wellington was perceived by several interviewees as a significant challenge affecting communities and the community sector.** Outside agencies and funders coming into Northland, without a sustained presence there, means that strategies are not always responsive to local and regional needs; and are often disjointed with limited genuine, collaborative strategy between councils, philanthropic funders, government and Northland communities.

*“[Funders] can’t come in from outside and expect to understand Northland.”*

*“Funders have to have a better understanding of Te Tai Tokerau peculiarities – the rurality, roads, telecommunication systems.”*

*“There hasn’t been a lot of collaboration with other organisations.”*

Where funding strategy is not responsive to local communities and the needs of organisations working in the Northland community sector, there are barriers to community tino rangatiratanga/self-determination and issues with mission-drift as groups try to align with external funding criteria:

*“Community groups change their behaviour outside of their mission to fit in with the funder’s vision of interest.”*



# 4. Opportunities for effective philanthropy to strengthen impact in Northland

Interviews with key informants identified opportunities for effective philanthropy with the potential to strengthen impact in the Northland community. The opportunities relate to:

- priority ways of working with community, the sector and other funders
- investment approaches with the highest potential to address challenges and accelerate impact; and,
- other strategic roles that Foundation North could play to deliver on its prioritisation of Northland and strengthen impact.

**These opportunities are discussed in this section of the report.**

## 4.1 Priority ways of working

**Interviews with key informants highlighted priority ways of working alongside community that address current issues and gaps and/or have the potential to increase philanthropic funding for impact. Priority ways of working include:**

- Increased engagement to work effectively alongside communities.
- Recognising community knowledge and responding to community aspirations.
- Developing meaningful partnerships.
- Recognising readiness.

**These opportunities are further summarised below.**

## 1. Increased engagement to work effectively alongside communities

Increasing engagement in order to work most effectively alongside communities was one of the priority opportunities raised by all interviewees. Funders were encouraged to increase overall engagement with communities by having a stronger local presence (staff and trustees) across the region and engaging with communities in ways that are responsive to Te Ao Māori and other community values.

**Overall, delivering on a goal of increased community engagement would support funders to:**

- increase understanding of community needs and realities;
- increase communication and transparency with stakeholder communities;
- demonstrate commitment and lay the groundwork to develop caring partnerships;
- identify groups and initiatives doing good work;
- get closer alongside communities in order to create the space needed to identify where and how the Foundation can add value (beyond just funding).

**Suggested ideas to achieve increased engagement and presence, included:**

- the development of community hubs/spaces;
- new staff and trustee 'inductions' into Northland communities;
- ongoing site visits;
- local staff member(s) – including a dedicated Northland resources within philanthropic organisations.

## 2. Recognising community knowledge and responding to community aspirations

Interviewees highlighted the importance of responsive funding strategies, based on community knowledge and aspirations. Communities were described as 'knowing what they need', and funders working in ways that respond to community voices, and enhance and enable tino rangatiratanga/self-determination, were cited by interviewees as a priority.

*“Assist Māori organisations in their own aspirations.”*

*“Many communities know what works for them.”*

*“Be responsive to communities as they know where and how the funds can be used to make a difference.”*

*“The ‘brave’ funder supports communities who themselves know what they need to make a difference.”*

## 2. Developing meaningful partnerships

Partnership was a strong theme across all interviewees, who recognised that responding to the depth and breadth of need in Northland requires a joined-up approach involving multiple partners.

Interviewees were clear about the principles of the partnership approach desired with funders:

*“We need a caring partner, as opposed to a detached granter.”*

*“funders have a real opportunity to make a difference in communities, not only as a funder, but also as a real partner working close to communities to respond to ‘their’ realities. Meaningful relationship is a long-term investment.”*

## 4. Recognising readiness

Interviewees described the importance of recognising when the community is ready to:

- engage in developing solutions;
- receive funding;
- to partner/collaborate; and/or,
- to engage in alternative forms of investment.

Providing support to communities for them to develop readiness across these different contexts was also identified as a priority; and to do this effectively relies on strong leadership and may, in some cases, require long-term commitment.

*“It takes a lot of steps to get people to a state of readiness...  
The process of getting there is where groups need assistance.”*

*“Think long-term [readiness support] – not something for 1-2 years.”*

Funders may need to develop the ability to recognise or identify readiness in these different contexts; and the capacity to make this readiness assessment more systematic across the organisation (including at a governance level).

### 4.2 Investment approaches

Interviews with key informants highlighted potential investment approaches that funders could consider in order to strengthen impact in Northland. This advice included opportunities to strengthen transactional funding approaches, as well as opportunities for new ways of investing. Priority approaches identified by interviewees included:

1. Investing to grow capacity.
2. Funding across ecosystems.
3. Broadening the scope of investment approaches.
4. Participatory grantmaking.

These opportunities are further summarised below.

#### 1. Investing to grow capacity

Investing to build and strengthen the capacity of Northland’s whānau, communities and organisations was a clear priority identified across key informant interviews. Within this capacity development focus, two key priorities were established:

- developing people,
- developing financial investment capacity and capabilities.

##### Developing people

Interviewees identified the opportunity to create sustainable impact by growing the capacity and capability of the people working to serve Northland’s whānau and communities. Capacity development investment that is focused on growing the capability of key leaders was identified as a priority mechanism to support community-led development, as well as to support succession planning in small Northland communities.

Effective capacity support should be long-term, and, ideally, delivered in localised ways.

*“Investment in people should be a priority to build the overall capacity and capability of Tai Tokerau.”*

*“Strengthen the people-capability.”*

*“[Consider] long-term investment in people i.e. building the capacity of people... so that a community can plan how it can achieve the outcomes that it wants.”*

### Financial investment capability

Interviewees also identified a highly targeted capacity development opportunity focused around financial/investment capabilities; with a particular emphasis on leveraging funders’ skill-sets around investment, with a key focus being to support iwi investments post-Treaty settlement.

## 2. Funding across ecosystems

Interviewees highlighted the opportunity to work and invest more effectively across a community that is isolated and lacks infrastructure, by funding across ‘ecosystems’.

This was seen as a way to ensure that:

- organisations are not competing for funds;
- capacity can be shared and developed across the community;
- issues are addressed in more inter-connected ways – i.e. through a whole-of-system approach; and that,
- whole communities are supported to thrive through a wider ripple-effect.

To deliver on this, funders would need to consider:

- who and what is achieving success in Northland, and wrap support (including funding where appropriate) around the other groups and organisations in their network or ecosystem,
- where there are key issues that intersect and could be best addressed through a holistic or systems-approach to funding.

*“Choose what is already ‘winning’; discover the other not-for-profits who are supporting that organisation, and grow from within that ecosystem. There are good quality organisations [there] making a difference.”*

*“The not-for-profit group in the middle may be OK, but their systems aren’t thriving.”*

*“funders have a role not only in partnering with communities, but taking a ‘whole of systems’ approach to making a difference.”*

*“funders should take a whole of systems approach to funding – not just youth, not just education, but a whole systems approach that focuses on the social, cultural and economic drivers for communities.”*

### 3. Broadening the scope of investment approaches

*“An ongoing challenge – which is perhaps not new – is that of diversifying grants/funds to meet multiple needs across Northland such as housing, employment and people-capability.”*

The majority of interviewees described the need for a wider range of funding opportunities to be made available in Northland, in order to more effectively meet the overall level of need, the intersection of need with wider economic drivers, and the challenges/barriers within the community sector, such as the lack of infrastructure and capacity. A range of investment approaches was identified:

#### Keep funding what works

**Interviewees identified the need to continue funding initiatives that are demonstrating impact; as well as using these initiatives as a leverage point or foundation to build on further.**

*“Build on existing gains made from the work that is already happening.”*

As described above, funding within the networks/ecosystems of these effective organisations was also identified as a priority approach.

#### Longer-term investment

**Interviewees identified that longer-term commitments are required to achieve impact in Northland. This may involve funding over multiple years; but may also involve longer-term commitments to work with communities pre-investment, so that they have the space and capacity to develop fit-for-purpose plans and approaches.**

*“People get one-year funding. It’s start, stop. Long term is the aim!”*

*“Longer-term [commitments] – three years or more – allows the community to strategise for the future.”*

#### Agile funding

**There was a clear call from interviewees for funders in Northland to work and invest in ways that are more agile and responsive; matching up their approaches with community organisations that are increasingly ‘nimble’ in the way that they respond to communities. More agile funding approaches may involve:**

- adaptable funding policy – with fewer deadlines, faster decision-making, and greater flexibility around what funds can be used for (i.e. less ‘tagged’ funding);
- using small grants to respond to emergent needs and opportunities;
- place-based or issue-based prototypes with untagged funding;
- devolved/participatory forms of decision-making (see below).

*“Continue and maintain the ability to be responsive to small grants and community issues.”*

*“[Sometimes] the process can be too slow for nimble not-for-profits.”*

*“[We need] greater flexibility on what the grants can be used for.”*

## Innovation

Growing and investing in innovation was a key priority highlighted through key informant interviews. There were strong calls for funders to be ‘bold and brave’; to take risks on new ideas and approaches in order to pursue increased impact. Innovation approaches that were described by interviewees included:

- kick-starter or seed funding for development ideas/initiatives;
- investing in social entrepreneurs, and the sharing of “cultural and business intelligence”;
- supporting ‘disruptive’ leadership activities;
- pursuing models of impact investment (see below).

*“Not all development initiatives that are worthwhile will come to fruition; but taking the calculated risk where the need warrants it, will get better widespread outcomes in the long-run.”*

*“Many small Māori communities would benefit from seed funding to test innovation, and greater flexibility in this area.”*

*“Funding bold leadership – leadership that is innovative and disruptive.”*

## Impact investment

Within Northland, there is a growing appetite for philanthropy to move away from a ‘charitable’ focus, with greater emphasis on investing for social outcomes via impact investment models.

Impact investment is viewed as a tool which could assist communities in addressing the underlying structural economic development and infrastructure issues in the region, in order to have greater systemic impact on other social issues.

*“Funders have a real opportunity to make a difference in communities by working with the government to address some of the underlying economic drivers [to need in Northland].”*

*“Funders should build on the efforts that have been made to improve the overall economy of Tai Tokerau... there are lessons to be learnt from business; the challenge is how we can use these to support and build economically sustainable communities.”*

**Example opportunities to support community economic development through an impact investment approach included:**

- **Loan underwriting** for social businesses, to manage cash flow during peaks and troughs for industries affected by seasonality (e.g. tourism and land-based enterprises).
- **Micro-finance** for whānau to access community housing opportunities.
- **Interest-free loans** to support community-owned asset development.
- **Protecting biodiversity on community-owned land assets, including Māori land**, to support sustainable land use for community benefit and grow the Māori economy. This may also involve investment in research to understand the best use of land to improve economic viability and support community economic development.

*“Underwriting bank loans for the community trust – this is an opportunity for the trust to grow and be self-sustaining, rather than always coming back to seek funds from funders.”*

## 4. Participatory grantmaking

Across the key informant interviews, key themes emerged that align with characteristics of participatory grantmaking - including community budget control and decision-making. Participatory forms of grantmaking are seen as providing opportunities to:

- share resources across communities, addressing 'competition culture';
- empower community aspirations and knowledge,
- share and develop capacity.

Participatory forms of grantmaking could be explored in partnership with key community intermediaries..

*“Shift power to community.”*

*“Give money directly to a community – that community knows what it needs, how to spend it and what they want to spend it on.”*

*“Investigate examples of handing over a percentage of grants directly to communities to make funding decisions.”*

*“Respond to communities, at a community level – decisions being made closer and with community.”*

### 4.3 Strategic roles

Interviews with key informants identified opportunities for other (largely non-financial) strategic roles that funders could play to deliver on their prioritisation of Northland and strengthen impact. Priority roles include:

1. Advocacy and brokering.
2. Developing multi-lateral regional partnerships.

These opportunities are further summarised below.

#### 1. Advocacy and brokering

Conversations with interview participants highlighted the potential for philanthropic organisations to take leadership, advocacy and brokering roles in order to leverage increased impact from their overall grantmaking. Potential advocacy roles that funders could play include:

- supporting communities to advocate on needs and solutions
  - to amplify community voice;
- using networks and relationships to facilitate conversations and partnerships – bridging government, business and other funders into opportunities within the Northland communities;
- sharing evidence of what works and championing approaches/organisations that are demonstrating impact.

*“Broker relationships for communities – not only with funders but also with people of position and power within government agencies. Community leaders generally find it easy to have a relationship with MPs; but it is the government agencies and officials that funders could support, by being a conduit.”*

*“Strengthen community advocacy, and be an advocate for communities.”*

*“Funders shouldn’t be afraid of being involved in collective lobbying for change on behalf of its partners – i.e. the communities that it funds.”*

*“Funders have a real opportunity as an influencer to ensure that the voices of Northland communities and their realities are not only heard, but also supported.”*

## 2. Developing multi-lateral regional partnerships

Leading on from brokering and advocacy roles, Foundation North is encouraged by interviewees to play a role in building effective, multi-lateral regional partnerships in Northland, with potential to:

- increase opportunities for joined-up planning and regional strategy-setting for key issues, such as housing or community economic development;
- leverage expertise and resources across multiple partners to deepen and sustain opportunities for impact;
- activate co-investment opportunities with iwi, government, other funders and business.

*“Funders also have a role in developing a long-term funding plan for Northland, alongside other funders for Northland, and primarily alongside whānau, hapū, iwi and communities.”*

*“Funders are part of a wider ecosystem and should fund based on other parts of the system – build on the strengths of agencies, business, iwi, philanthropy and communities... each part of the ecosystem has a part to play in the design, funding and implementation of initiatives to strengthen communities.”*



---

# References

1. Auckland Council (2016). Demographics report cards. Retrieved from: <https://www.aucklandcouncil.govt.nz/environment/state-of-auckland-research-report-cards/Pages/default.aspx>
2. Education Counts (n.d.). Data tables – students with NCEA level 1 or above. Retrieved from: <http://www.educationcounts.govt.nz/statistics/indicators/data/education-and-learning-outcomes/28812#4>
3. Education Counts (2017). Data tables – prior participation in ECE. Retrieved from: <https://www.educationcounts.govt.nz/statistics/early-childhood-education/participation>
4. Ministry of Business, Innovation and Employment (2017b). Housing Affordability in New Zealand: Results. Retrieved from: <http://www.mbie.govt.nz/info-services/housing-property/sector-information-and-statistics/housing-affordability-measure/latest-results>
5. New Zealand Herald Insights (2014). People deprivation index. Interactive map image retrieved from: <http://insights.nzherald.co.nz/article/deprivation-index/>
6. Statistics New Zealand (2013). Census 2013. Data retrieved from: <http://m.stats.govt.nz/Census/2013-census.aspx>
7. Statistics New Zealand (2017). Population estimates and projections. Data retrieved from: [http://www.stats.govt.nz/browse\\_for\\_stats/population/estimates\\_and\\_projections.aspx](http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections.aspx)
8. The Treasury (2015). Children and youth at risk. Retrieved from: <https://insights.apps.treasury.govt.nz/#>
9. The University of Otago (n.d.). Socioeconomic deprivation indexes: NZDep and NZiDep, Department of Public Health. Retrieved from the New Zealand Herald interactive map: <http://insights.nzherald.co.nz/article/deprivation-index/>

---

# Appendix

## Interviewees

Thirteen interviews were completed with 14 individuals. Some of the people interviewed were connected with multiple organisations and communities in Northland, as either staff, volunteer, kaumātua or trustee. Listed below, where applicable, are the primary organisations associated with the interviewees.

1. Carol Peters - One Double Five Community House
2. Deborah Harding - Te Uri o Hau Settlement Trust, Reconnecting Northland, Integrated Kaipara Harbour Management Group
3. Hone Harawira – former Māori Party and Mana Party MP for Te Tai Tokerau
4. Jane Hindle - Te Au Mārie Trust
5. Jonny Gritt - Whangārei District Council
6. Kevin Prime ONZM - Community, Business & Environment Centre
7. Moe Milne ONZM - Te Reo o Ngāti Hine
8. Rangimarie Price – Te Tai Tokerau Iwi Chief Executives Consortium
9. Ricky Houghton – He Korowai Trust
10. Shane Lloyd – Copthorne Omapere, Te Hua o te Kawariki Trust
11. Suz Te Tai and Deb Davis - He Iwi Kotahi Tatou Trust
12. Tim Howard - Northland Urban Rural Mission
13. John Carter QSO - Far North District Council