

PRESS RELEASE

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Lion Foundation and Perry Foundation to merge

In a recent announcement, two of this country's top gaming machine trusts have announced a merger which they say may result in increased funding for New Zealand's community groups. The Lion Foundation and Perry Foundation will merge, leaving Lion as the key provider.

As of 1 January 2010, the two trusts will merge their operations, under The Lion Foundation name, operating 261 gaming venues across the country. The trusts believe the efficiency gains achieved by merging the two organisations will allow more funds to be returned to New Zealand communities and their causes.

In addition to the funding benefits, The Lion Foundation Chair Mike Smith says the merger could be the first step in achieving much needed consolidation in the charitable gaming sector.

"The gaming industry is entering a period of significant change. We anticipate that this new organisation will be a key industry player and we remain committed to regulatory transparency and alignment with the Department of Internal Affairs," says Mr Smith.

"We will maximise the synergies of both charitable trusts and continue to support worthy community causes across the spectrum, including arts, culture, sports, education and health. Combined efficiencies and reduced administration costs will ultimately mean increased funds to assist even more community groups."

Although administrative efficiencies may be the outcome, fundraising commentator Heather Newell is worried that significant funding decisions are in the hands of a very small number of people. "The trustees of gaming trusts are not elected, may not be representative of the community, and need have no particular knowledge of the community sector. If three or four trustees decide they don't like the purpose of your organisation, the organisation could be doomed. At the moment, at least there are always several possible avenues of gaming funding in each region. Now there may only be one trust represented in an area.

“Groups that have been able to secure funding from both Perry and Lion Foundations for different parts of their activities will probably suffer rather than benefit from the amalgamation,” said Heather. “These constant changes to the gaming sector cause great anxiety for fundraisers and make resourcing decisions difficult. Sometimes I think we forget that the purpose of allowing gaming was to provide a source of income for the community sector. You would think consequently that the funding recipients should have a greater say in the strategy and management of gaming, but actually there is no effective mechanism for consultation (except at the local government level) and very little opportunity for participation in decision making.”

Merger discussions have been underway for a number of weeks, well prior to the Department of Internal Affairs’ claims concerning grants made to certain trotting clubs.

Those claims are fully rejected by The Lion Foundation and Perry Foundation. Both societies have stated their commitment to regulatory transparency and alignment with the Department of Internal Affairs.

Originally a family owned and operated trust, the Perry Foundation has a strong history in the Waikato and Bay of Plenty region. Simon Perry, Chair of the Perry Foundation, says this link will be maintained with the merger.

“The resulting trust intends to support grant recipients which the Perry Foundation has traditionally supported, and it remains committed to providing first class service to venue customers across the country,” says Mr Perry. “Essentially it is business as usual on all fronts – for both community groups looking for funding and for our venue operators.

“This merger provides exciting prospects for the future – the combined expertise, systems and processes of the two organisations position us well to deliver much needed grants to even more worthy community causes.”

Following the merger, the Board of The Lion Foundation will be made up of a combination of existing trustees from The Lion Foundation and the Perry Foundation.

The Perry family trust will continue their local philanthropy through the Brian Perry Charitable Trust.

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