

**APPENDIX 7: FUNDRAISING REPORT TO
THE CATHEDRAL
WORKING GROUP**

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HEART & SOUL

Christ Church Cathedral

Fund Raising Report to the Cathedral Working Group

AskRIGHT
raise more money

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Philanthropy
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Tōpūtanga Tuku Aroha o Aotearoa



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TABLE OF CONTENTS

1. Executive Summary	2
2. Background to the Report	3
3. Sources of Funds	4
4. Fund Raising Strategy	11
5. Fund Raising Entity	17
6. Certainty of Funds Pledged	21
7. Comparative Fund Raising Campaigns	24
8. Conclusion	26
Appendix A.AskRIGHT	27
Appendix B.Interviewees	28
Appendix C.Draft Case for Support	30
Appendix D.Prospects	32

1. EXECUTIVE SUMMARY

The tasks of reinstating the cathedral and raising the funds are equally daunting. While some will be tempted to look at the cheapest ways of doing both, New Zealand needs to build the cathedral it wants to visit, not the one it wants to pay for; and fund raising needs to incorporate both highly-efficient activities, securing large gifts and grants, and less-efficient fund raising activities to enlist a broad base of support.

A campaign for \$55million to reinstate Christ Church Cathedral as the heart and soul of Canterbury and as a significant tourist site can be achieved in three to five years.

A resolution of the Cathedral Working Group to build a safe, historic building would help unite the community behind a single vision and mitigate the risk of ongoing disputation, which would pose significant risk to fund raising success.

It is expected that the Anglican Church – locally through insurance proceeds and more broadly through philanthropy – and Government (national and local) have roles to play in providing \$50million towards the \$105million for the building, plus fund raising and other costs. The philanthropy of Cantabrians may provide two-thirds of the remaining \$55million, with the balance sought from New Zealanders abroad and international sources with an interest in New Zealand, gothic revival heritage, Christchurch or cathedral arts.

The next steps for fund raising are important — better to get fund raising right through careful preparation than to fix it when it falls short. A compelling case for support will be required, and a first-rate campaign chair and committee are essential. When the campaign committee is in place, three years will be sufficient time to raise most of the funds, leaving a small proportion for high-involvement community fund raising to complete the task and enlist a broad base of cathedral-builders.

The right choice of campaign patron could help unify the community in support of the campaign and assist with the enlistment of the campaign committee.

Our report contains a number of recommendations, guidance as to strategy and investment, and pointers as to risk. These are all based on sound fund raising practice and the feedback of people interested in Christ Church Cathedral. A target of \$55,000,000 is formidable but if the guidance is followed the entity responsible for raising the funds can proceed with a high degree of confidence of success.

The cathedral often described as the “heart and soul” of Christchurch can be so again.

2. BACKGROUND TO THE REPORT

Following the December 2015 report by Miriam Dean QC, the Crown and Church Property Trustees jointly established a Working Group to investigate options for the reinstatement of Christ Church¹ Cathedral.

The Cathedral Working Group was charged with developing options to enable the repair and restoration of the cathedral, and at the same time develop a view on how any project could be funded, including the scope and likely success of a public fund raising campaign.

The Working Group contracted AskRIGHT to provide a fund raising strategy that:

- ✓ Documents in detail the possible sources of funds for the reinstatement project and the role of public fund raising in the total funding picture. Consideration should include local, national and international sources, including philanthropic, heritage and Christian funding bodies.
- ✓ Describes a strategic approach for fund raising, including approaches to key individuals, corporates and funding bodies within New Zealand and internationally, and electronic and social media approaches.
- ✓ Advises on the quantum of funds that are likely to be able to be raised in a public funding campaign for reinstatement of the Christ Church Cathedral, and over what time period.
- ✓ Advises on the type of fund raising body that would best suit the circumstances of the cathedral reinstatement project (e.g. a specific charitable trust)
- ✓ Advises on the degree of certainty regarding funds that may have already been pledged through the work of other groups.
- ✓ Provides information on other New Zealand fund raising projects that have raised \$25m to \$50m in the last 10 years.

This report is structured to address these requirements, and provides additional information as appendices. All quotations in this report come from those interviewed. All quotations reflect a position held by several interviewees unless otherwise indicated. Details of interviewees are provided in an Appendix.

Details about AskRIGHT² and the consultants to this project appear in an Appendix.

¹ The name of the cathedral is presented in documents and media in several permutations. It will be useful for fund raising and other purposes to establish a consistent presentation. As the cathedral was named in acknowledgement of Christ Church Oxford, we recommend that the name be standardised as Christ Church Cathedral. This representation of the name will be consistent with its expression in the cathedrals in Ballarat, Darwin, Grafton, Newcastle (Australia); Dublin, Wexford (Eire); Cincinnati, Houston, Nashville, St Louis (USA), Ottawa, Montreal Victoria (Canada) and Zanzibar (Tanzania). This will also reduce confusion with the Cathedral of the Blessed Sacrament which is also a Christchurch Cathedral.

² This report is provided without expectation of any further work for AskRIGHT. Within this report, references are made to the contribution that fund raising consultants might make to the proposed campaign. AskRIGHT is not available to provide direct solicitation for this project without prior agreement of other clients in Christchurch. If required, we can help with strategy, recruitment, training and selecting other appropriate counsel.

3. SOURCES OF FUNDS

FUNDING CATHEDRAL DEVELOPMENT

Apart from post-war recovery, constructing new cathedrals or completely rebuilding damaged cathedrals is a rare event. However, extending, completing or restoring cathedrals is pretty constant. This table shows some of the cathedral campaigns that have been conducted since the 1990s and indicates the sources of funds: church, government, major trusts, individuals' pledges, bequests, and business support (usually cash, but is sometimes in-kind).

These sources of funds have usually been supported by other fund raising activities such as bake-sales, sale of construction off-cuts, crowdfunding, and mail/email appeals.

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TABLE ONE: SOURCES OF FUNDS FOR CATHEDRAL CAMPAIGNS

	Church	Government	Major Trusts	Individuals' Pledges	Bequests	Businesses
St John's Cathedral, Brisbane (Anglican)	YES	YES (city, state, national)	YES	YES	YES	YES
St Mary of the Angels, Wellington (Catholic)		YES (city)	YES (including Lottery)	YES		YES
Holy Trinity, Auckland (Anglican)		YES (city)	YES (incl Lottery and Heritage)	YES	YES	YES (in-kind)
St Mary's Cathedral, Sydney (Catholic)	YES	Yes (state for spires)	NO	YES	YES	
St Patrick's Cathedral, Bunbury (Catholic)	YES	YES		YES		
St Francis Xavier, Geraldton (Catholic)		YES	YES	YES	NO	YES
Christ Cathedral, Orange, CA, USA (Catholic) purchase of Crystal Cathedral	YES	NO	YES	YES	YES	YES
St Peter's Cathedral, Adelaide (Anglican)	YES	YES	YES	YES	NO	YES
Winchester Cathedral, UK (Anglican)	YES	NO	YES	YES	YES	YES
Norwich Cathedral, UK (Anglican)	YES	NO	YES (incl Lottery)	YES	NO	YES
Derby Cathedral, UK (Anglican)	YES	NO	YES	YES	NO	YES
Guildford Cathedral, UK (Anglican)	YES	NO	YES	YES	NO	YES small

GOVERNMENT

Most people interviewed expected that Government would make a contribution towards the cost of reinstating the cathedral.

Government stepping in to help is a good thing.

A minimum of \$20,000,000 for each cathedral (Anglican and Catholic) after all they gave \$20,000,000 to the America's cup campaign.

Views on appropriate government support ranged from \$10million to \$30million. One interviewee put a figure on the tipping point for political risk

If the government gives more than \$10,000,000 it will lose votes.

There were many recollections of the previous support of the Christchurch City Council for the cathedral and none of these were negative. One was very clear about the impact of that support:

The council's one million dollar contribution to the earthquake strengthening saved lives.

CHURCH

The Anglican Diocese of Christchurch through Church Property Trustees will contribute most or all of the insurance payout to the project—some funds may be held in reserve for maintenance of the cathedral when completed.

If the diocese is willing, it will be possible to raise from within the diocese, and from other dioceses within New Zealand and Australia.³ It is our view that a target of \$40million be set for the church contribution. Contributions from other dioceses may enable the church to meet this target and still establish a fund for ongoing maintenance.

While we recommend that the church not be the primary fund raising vehicle, involvement of the church is absolutely necessary for the project and its fund raising. It is our view that the church might reasonably retain some funds to pay for additional staff enable the Dean and administrative support to assist with fund raising and to contribute to planning of the activities in the new cathedral building, and that such costs be counted as a contribution to the reinstatement of the cathedral.

The church (or Church Property Trustees) as the ongoing entity is best placed to receive bequests for the cathedral reinstatement and maintenance because bequests may not be realised for many years after other fund raising vehicles have closed. It is our view that bequest donors be acknowledged as donors to the project, but that amounts bequeathed NOT be counted towards the total unless realised during the

³ Our view is that Australian support will be limited to support from some Anglican diocese, and from some New Zealanders living in Australia, particularly if they also have New Zealand sources of income. There is no general tax-deductibility for contributions to an entity or funds within Australia for this campaign. However, donations related to the bells – perhaps even the whole tower that houses the bells, may be deductible if donations are made to The Australian & New Zealand Association of Bell-Ringers Inc ABN 94 939 034 781

lifespan of the campaign. Bequest intentions can be noted as a separate item in fund raising reports.

No interviewees suggested that the owner of the cathedral should be other than the church, and in our view, a change in ownership would spark another series of acrimonious debates and would greatly reduce the level of funds that would be achieved through philanthropy.

PHILANTHROPY

The estimated combined contribution from government and church sources is \$50,000,000, or nearly half the current estimated cost of the project. This leaves a fund raising target of \$55,000,000 from philanthropy and other sources.

The time that has elapsed between the earthquakes and the commencement of the fund raising campaign will make the task more difficult.

As one interviewee with experience in heritage fund raising explained:

Funders are moving on from bricks and mortar to programming. The need to demonstrate public benefit is required more now than two years ago. Rebuild funds are being wound up and people are moving to programming.

However, it is our view that fund raising for this project can be successful if there is a unified message and a well-organised fund raising program. Philanthropy can take many forms, from highly efficient major contributions and trust grants, to less efficient crowdfunding and mass participation activities.

Businesses and business people recognise the importance of the cathedral as a tourist destination and some will support it for this reason, and more broadly as a contribution to the civic and cultural life of the region in which they operate.

35 to 40 per cent of people coming to Christchurch say they intended to come to the cathedral.

THE TARGET

Based on the information available, it seems that the overall cost of the project is likely to be \$100,000,000 and the total contributions from government and church \$50,000,000. This leaves a gap of \$55,000,000 to be met from other sources, i.e. from a campaign.

Whether \$55,000,000 or another number is set as the campaign target, it is important that it is an all-inclusive number. It must not creep up with time. Fund raising for cost over-runs and increasing costs of labour and materials towards the end of a campaign is difficult.

Before examining further how the fund raising goal of \$55,000,000 might be achieved, it may be helpful to look at non-financial goals and some of the structures that need to be in place to achieve such a goal.

NON-FINANCIAL GOALS

To maximise the full benefits of the campaign process, it is important to identify any non-financial benefits that are sought from the campaign. Identifying these early -- before the project budget and fund raising target are set -- is important because some might have cost and fund raising implications. For example, if a non-financial goal is to increase training in the heritage arts (masonry, stained glass etc) then this might have both additional costs and additional funding sources (such as Government and the Prince's Trust).

The Cathedral Working Group may wish to add other non-financial goals, but we recommend that the following be included:

- ✓ Explore and develop an awareness of the history of Christ Church Cathedral, its name, architecture, contribution to the life of Canterbury, etc.
- ✓ Develop awareness of the traditional and modern roles of a cathedral in the life of a cathedral city
- ✓ Develop, in conjunction with other Christchurch institutions, awareness of the distinctive elements of gothic revival style and the particular contribution Christchurch makes to gothic revival architecture
- ✓ Plan for civic engagement using the cathedral for appropriate music, ceremony, and discussion
- ✓ Contribute to ongoing financial wellbeing of the cathedral by maximising potential for income generation through visitor tours, merchandise sales and other sources.
- ✓ Collaborate with the (Catholic) Cathedral of the Blessed Sacrament in referring visitors to both sites
- ✓ Create local and international awareness in the reinstatement of the cathedral in the specialised, but worldwide networks of bell-ringers, choristers, cathedral deans, organists, stonemasons, glass-workers and other interest groups.
- ✓ Maximise future participation in the life of the cathedral by creating opportunities for as many people as possible to contribute to its reinstatement in some way.
- ✓ Growing the membership of the Friends of the Cathedral⁴

Everyone will want to come to the cathedral and tell their friends, "I helped rebuild this."

⁴ There are several reports into the value of a Cathedral Friends organisation covering benefits, costs, income, and philanthropy. These reports are surveyed in Judith A Muskett "Cathedral Making Friends: Building Associations" in Leslie J. Francis ed. *Anglican Cathedrals in Modern Life*, 2015.



Stonemason's daughter Pearl Richardson won the draw to place the 300,000th and final Lego® brick in the model of Durham Cathedral.

Community fund raising activities such as the Lego® Durham Cathedral pictured above might not raise a lot of money – 300,000 bricks at £1 each – but they create a lot of public interest and mass involvement, which are helpful to fund raising and which are very important to the future of the cathedral.

POLICIES REQUIRED

The risks associated with fund raising campaigns can be mitigated by effective strategy and appropriate policies. In particular, policies are required for gift acceptance, counting, naming and over-subscription.

A gift acceptance policy agreed at a very early stage will reduce the risk of dispute or bad press over sources of funds. It will indicate how decisions are made and what funds can be sought and accepted. This is best done on the basis of agreed principles rather than listing particular occupations, businesses or sources of wealth.

Would we accept money from the casino?

The fund raising campaign will need to set up an agreed, transparent counting policy so that figures counted as campaign results can be substantiated. In this regard it is recommended that gifts in kind and contributions that are made for items not on the cost estimate be publicly reported in addition to the amount received for the campaign.

Early development of a policy for naming and recognition of gifts will be important for closing gift discussions and preventing future disputes. This is very important in preventing people involved in fund raising making commitments the cathedral cannot keep.

People expect naming opportunities to be offered, and they equally expect them to be accomplished with decorum.

With regard to naming, the rose window could be sponsored but we mustn't become the McDonalds of Christchurch with naming

Early planning also needs to consider the possibility that the campaign may be over-subscribed and to determine the use of funds should this occur. This would normally mean placing the funds in a maintenance fund or endowment for capital works at the cathedral.

CASE FOR SUPPORT

To be effective, the campaign will need a positive case for support, not only for the purpose and use of the building, but also choices made for the construction. The draft case which appears in Appendix C received a positive response from interviewees and is a useful starting point.

The importance of the exact wording of the case cannot be overstated because this document, and proposals and grant applications that draw from its content, are the basis upon which people make giving decisions. The text of the case should be a considered a binding commitment.

The years of bickering have left some people with doubts about the safety of the building and the wisdom of certain design choices.

Putting heavy stone six storeys high is not a good idea. As a chorister I used to think "How will I get out of here if there is an earthquake."

I think it would be completely ludicrous to restore a stone copy of an English cathedral in New Zealand in an earthquake zone.

A comprehensive Question and Answer sheet for campaign volunteers should address safety and other issues.

4. FUND RAISING STRATEGY

THE CAPITAL CAMPAIGN

While many early cathedrals were built on royal patronage or compulsory tithes, the most effective method of raising large sums for such work since the 1890s has been the capital campaign augmented by government and business funds.

While some campaign communications media have changed, campaigns continue to be a highly-organised cascade-style (starting with the largest gifts first) program seeking pledges to give over time. Whereas pledges for up to five years were once standard, some campaigns now accept pledges for seven and even ten years.

It is recommended that all pledges be payable within three years of the expected date of cathedral completion – thus longer pledges might be offered early in the campaign.

Some capital campaigns, including cathedral campaigns, seek and accept bequests within the campaign. Some of the other issues that affect the design of the campaign are considered here.

FORM OF THE BUILDING

Much of the cathedral debate has been about the form of the reinstatement – gothic revival style as it was, modern, or something in-between. We considered whether a particular style would raise more money than other styles. We found potential multi-million dollar potential supporters at both ends of the historic-modern debate on cathedral design but conclude there will be more funds offered for a gothic revival style. As one interviewee put it:

Heritage people in Christchurch have built a huge support base. There is a group of people who want something new but are greatly outnumbered by heritage people.

During our interviews we heard that traditionalists were less rigid in regard to the tower/spire. This might be very important. The tower has the capacity to provide a focus for modernists, and it might be attractive to business support as the ability to ascend the tower is a key element of tourist interest.

Another idea -- that a timber-framed tower could be raised with the participation of hundreds of people -- received mixed responses from interviewees, but has some strong enthusiasts and potential sources of international funds that would not be available for alternative forms of construction. If it were to proceed, raising the funds for such a tower should happen only in later years of the campaign or it might distract focus from the high-value fund raising which is necessary to achieve the 60% tipping point for campaign success.

The optimal timing would be to announce the tower-raising when the campaign is launched, which should be launched when 60% of the campaign target is achieved.⁵

⁵ Premature launching is a constant risk to large fund raising campaigns. Launching early reduces rather than increases campaign results. There is a significant body of literature on successful campaign management. Launching at 60% of target is ideal.

VOLUNTEERS AND COMMITTEE STRUCTURES

Whether campaigns are organised by staff fundraisers, external consultants, or a combination of both, campaigns rely heavily on volunteers who contribute substantially of their funds, time, contacts and reputation to achieve success in the campaign. At the apex of the volunteer organisation is a Campaign Chair – or increasingly, co-chairs – who assemble the volunteer committees and provide leadership to the campaign.

Several eminent Christchurch identities were consistently identified as potential chairs of the campaign and a broader group suggested as suitable members of campaign committees.

Potential campaign chairs and committee members will need confidence that there will be public support for their role and that they will not be vilified for this public service.

Good potential ambassadors were identified in the United Kingdom (London specifically), and with the support of the High Commission and senior church figures, a very effective group could be established there.

No campaign champions for the campaign were identified in the United States of America, but this can probably be overcome through further prospect research and in conversation with New Zealand's diplomats in the USA.

Campaign volunteers are usually organised into teams for the purpose of providing information, allocating prospects, and providing reports. The volunteer structure recommended for this campaign appears below.

Some campaigns appoint a patron -- a person who lends their name, reputation, and endorsement to the campaign. Mostly, such appointments add little value, but for this project the right patron could unify and inspire people to an extraordinary effort.

Because a cathedral story is complex, its prospects varied, and because the fund raising effort needs to be sustained over several years, strict management of information and communication is vital. Every potential donor is asked to make a decision on the facts, and great care must be taken to ensure that the request and the commitment is well understood. Donors would be asked in an orchestrated way by volunteers who are donors to the campaign, and who have all the information necessary to speak accurately about the cathedral and the campaign.

COUNSEL AND STAFF

In preparation of a detailed fund raising strategy, consideration needs to be given to what combination of in-house and external fund raising expertise and activity is used. In theory, there are many combinations that could be considered, but expertise and experience amongst consultants and professional fundraisers for a project of this magnitude are rare.

We suggest that consideration be given to this model, which should be effective and cost-efficient.

- ✓ Fund raising Counsel for overall strategy, monitoring of progress, provision of campaign software, prospect research and training.
- ✓ Full-time experienced fundraiser appointed to the campaign, with the anticipation that the position would become a cathedral appointment at the end of the campaign as there will be an ongoing need to receive pledge payments, to raise funds for the ongoing work of the cathedral and to maintain relationships and provide stewardship of donors to the campaign, as well as raising funds for the ongoing work of the cathedral.
- ✓ A second full time fundraiser to assist with lower-level gift requests, events, communications, and grant-writing.
- ✓ A campaign assistant who will provide database entry and reporting, prepare proposals, support the committees, provide document management, acquittal reports to funding agencies, and event organisation to the campaign. This position will also record gifts and pledges, monitor payments, and ensure that commitments for donor recognition are fulfilled.
- ✓ The Dean of the cathedral who will be required as the subject expert on cathedral details and intended programming. It is recommended that providing an assistant to the Dean throughout the fund raising campaign be considered a cost of fund raising as it will free up the Dean to be available to speak to potential donors and to plan activities for the cathedral when it opens.

There is a history of very powerful Deans in Christchurch. The Dean is in complete control of his cathedral. The first three Christchurch bishops were English and were familiar with the tradition of powerful deans.

It is perhaps time to reclaim this traditional role of the cathedral dean.

- ✓ Consultant support and/or part-time fund raising appointment in the UK (England specifically) to maximise the funds raised there and to limit the impact on local fund raising of people spending the time that will be required in the UK.

DONOR RECOGNITION

An important part of the fund raising strategy will be development of an appropriate donor recognition plan. In part, this needs to acknowledge that donors to the cathedral have not always been stewarded well. Recognition of prior benefactors through a commemorative book or in other ways will be a great asset to this fund raising campaign. It is our view that the first step in this successful fund raising campaign will be humble, gracious acknowledgement of the past benefactors to Christ Church Cathedral.

The original funders are the grandparents of the people who are still there today.



This photograph shows the bells of Christ Church Cathedral being repaired in England. The bells are an outstanding example of generous benefaction.

There are imaginative ways such as these to acknowledge donors and inspire visitors as this illustration shows.



The Benefactor's Gallery at the Cathedral of St John the Evangelist in Brisbane is popular with visitors. Volunteer guides revel in the stories of donors, including the shy donor Ailsa Nicholl depicted here looking out from a stone-mason's cutting tool.

CAMPAIGN FINANCES

The best campaign will be one that raises the funds required while at the same time building feelings of pride, participation, accomplishment and responsibility in as many people as possible. The lowest-cost fund raising is not necessarily the most effective, just as the lowest-cost construction might not produce the best building.

The Fundraising Institute of New Zealand points to the following costs of fund raising:⁶

- ✓ Capital Campaigns: 5 to 10 cents per dollar raised
- ✓ Trusts and Foundations (grant-writing): 20 cents per dollar raised
- ✓ Bequests: 25 cents per dollar raised
- ✓ Special Events: 50% of the gross proceeds.

There are many decisions that will affect the cost of the campaign. Based on the above, the following can be taken as a guide to campaign costs:

TABLE TWO: FUND RAISING ACTIVITIES AND COSTS

Activity	Raise	Cost	Net Raise
Preparation of campaign plan, case for support, prospect research and enlistment of campaign committee (whose pledges count below at *)		50,000	-50,000
Administration: receipting, printing, video, donor recognition, website, audit, meeting expenses 2% of \$55m		1,100,000	-1,100,000
*Securing pledges and payments from Initial offers. 0.5 % cost	12,500,000 ⁷	62,500	12,437,000
*Securing pledges \$500,000+ 3% cost less 60% of preparation cost	11,000,000	300,000	10,700,000
*Securing pledges \$50,000+, 4% cost less 40% of the preparation costs	8,000,000	300,000	7,700,000
Securing pledges \$5,000 - \$49,000 5% cost	5,500,000	275,000	5,225,000
Trusts & Fnds including overseas 4% cost	10,500,000	420,000	10,080,000
Business Community 8% cost	5,000,000	400,000	4,600,000
Community Fund raising & Events 50% cost (less admin)	2,000,000	980,000	1,020,000
Crowdfunding & other social media 30% cost (less admin)	\$500,000	\$140,000	360,000
Bequests (not counted) cost 1% of \$5m		50,000	-50,000
TOTALS	\$55,000,000	\$4,077,500	\$50,922,500

The cost of fund raising shown above is slightly higher than 7.5% of funds raised because the expenditure on bequests is counted, but the income from bequests is not.

⁶ Based on the research of James Greenfield which is not specifically based on New Zealand data nor on cathedral fund raising.

⁷ Allowing for some deterioration from the GCBT list of Leadership Donors which totalled \$13.7m.

Without the \$50,000 allocation to bequest promotion the fund raising budget would be 7.5% of target.

It is recommended that all fund raising costs be met from the contributions of church or government so that all donated funds are applied directly to the building project. One interviewee, leading an institution raising funds in Christchurch referred to the importance of the "*chain of custody*" of donated funds. This is a helpful concept.

PAYMENTS RECEIVED

There are many variables in actual pledge payment schedules, but, based on the assumptions indicated, the following is a reasonable expectation of receipts of campaign income.

TABLE THREE: CAMPAIGN INCOME⁸

Source	Yr 1 \$'000	2 \$'000	3 \$'000	4 \$'000	5 \$'000	6 \$'000	7 \$'000	TOTAL \$'000
Initial	2,500	2,500	2,500	2,500	2,500			12,500
Principal	1,100	2,200	2,200	2,200	2,200	1,100		11,000
Leading		800	1,600	1,600	1,600	1,600	800	8,000
Major		550	1,100	1,100	1,100	1,100	550	5,500
Trusts			3,500	3,500	3,500			10,500
Business		1,000	1,000	1,000	1,000	1,000		5,100
Community				1,000	1,000			2,000
Crowd					500			500
Bequests								0
TOTAL	3,600	7,050	11,900	12,900	13,400	4,800	1,350	55,000

CONFIDENCE IN ACHIEVING THE TARGET

Taking into account the assumptions, risks and timelines indicated elsewhere in this report, we are confident that commitments for \$55,000,000 can be achieved. In the event the target is not met within the timeframe, then more time should be taken.

Similarly, if a higher target is set for the campaign, then more time will probably be required to achieve.

⁸ Assumptions: Counting begins when the committee recruitment is completed; pledges are made for five years paid annually; trusts commit in year two and pay in years 3,4,5; businesses commit in year 2 and pay in 5 instalments; community fund raising received in even amounts over two years commencing three years after committee recruitment is complete.

5. FUND RAISING ENTITY

The choice of fund raising entity is important for campaign success. A significant number of the interviewees indicated that the campaign would be more successful if it were conducted by an entity that was not the Church. The events that have brought people to this conclusion could be debated as there have been unhelpful comments from several sides, and misrepresentation of the views of others.

The central question is: does the public have confidence in the organisation?

Who is running this show? There are so many negative vibes associated with the cathedral now.

There is a general view that the campaign must not be run by the church, but also a hope of a rapprochement between the parties.

With the right spirit the cathedral can be resurrected.

It is our view that the best result will be achieved if the three essential functions are separated. These functions are:

1. Construction
2. Trusteeship
3. Fund raising

CONSTRUCTION

A joint-venture company or similar arrangement between the Crown and the Church could take the construction project forward. The exact form of this body might take into account the relative effectiveness of different structures in achieving the necessary approvals for construction.

This group will need to consider if it will accept in-kind support, and if so, manage contracts and quality of supply to facilitate this, and to liaise with the fund raising group to ensure proper recognition of the donor/supplier. One interviewee with recent experience of this process warned of the difficulties of managing the quality of donated materials.

The devil is in the detail and there is a lot of effort required to make these offers materialise and to create value. It is hard to create a contract that allows for these offers to be taken up. I recommend caution. There is a need to ensure that the donor of materials is made to be responsible for the quality of donated materials.

TRUSTEESHIP

With many interviewees indicating the need for the campaign to have separateness from the church we recommend that a new trust be established to receive, invest and manage the donated funds. The new charitable entity will provide tax credits to New Zealand taxpayers.⁹

We recommend that the new trust run for the time estimated for the last campaign pledge payment to be received – which we recommend is three years after the date estimated date for completion of construction.

International vehicles for receiving funds and providing tax benefits should also be considered. The campaign will need a charitable entity in England. It is recommended that a tax-effective charitable entity be established within the United Kingdom.¹⁰

Businesses and charitable foundations in the United States of America do not normally need a local US entity through which to pay their contributions, but some might, and individual US taxpayers do need an IRS 501(c) iii entity to give to. If such an entity is required, it is recommended that a fund be established within CAF America, rather than a stand-alone entity.

Specialist organisations abroad can provide tax-effective vehicles for gifts for particular purposes.¹¹

⁹ An alternate approach would be to use an existing vehicle such as the Christchurch Earthquake Appeal Trust (Charity number CC46329)⁹ or a committee established by it to exercise this function. This Trust can offer tax credits, a website to provide information to the public, and has an established regime to meet reporting obligations. Already, several earthquake-related fund raising campaigns have been completed under the auspices of the Christchurch Earthquake Appeal Trust.

¹⁰ An alternative is the existing UK charity, number 1141365 - THE CHRISTCHURCH EARTHQUAKE APPEAL (UK). This trust has not been active for the last two years but technically remains open to receiving donations from UK taxpayers, providing tax-deductibility and recovering Gift Aid.

¹¹ For example, the Central Council of Church Bell Ringers Charity number 270036 in the UK has already raised and released £10,000 for the Christ Church Cathedral bells.

FUND RAISING

Like the trustee function, the fund raising function needs to have some distance from the church. We recommend that the campaign occur as an activity of the new trust with the trust employing staff, engaging consultant/s and recruiting the initial campaign committee members.

The chair of the campaign could be a trustee, even the chair of trustees.

The selection of the campaign chair is critical and interviewees identified several suitable candidates. Some of those interviewed were people who could be considered for the role, or could take positions on a campaign cabinet committee.

We recommend that an experienced fund raising strategy consultant be appointed very early in the campaign and guide the crucial volunteer appointments.

It is recommended that the campaign be co-ordinated through a campaign cabinet comprising the chairs of committees. While the strategy consultant can advise further on this matter, the committee structure might match the income sources described above:

Principal Gifts \$500,000+

Leading Gifts \$50,000+

Major Gifts \$5,000+

Events and Social Media

Trusts & Foundations

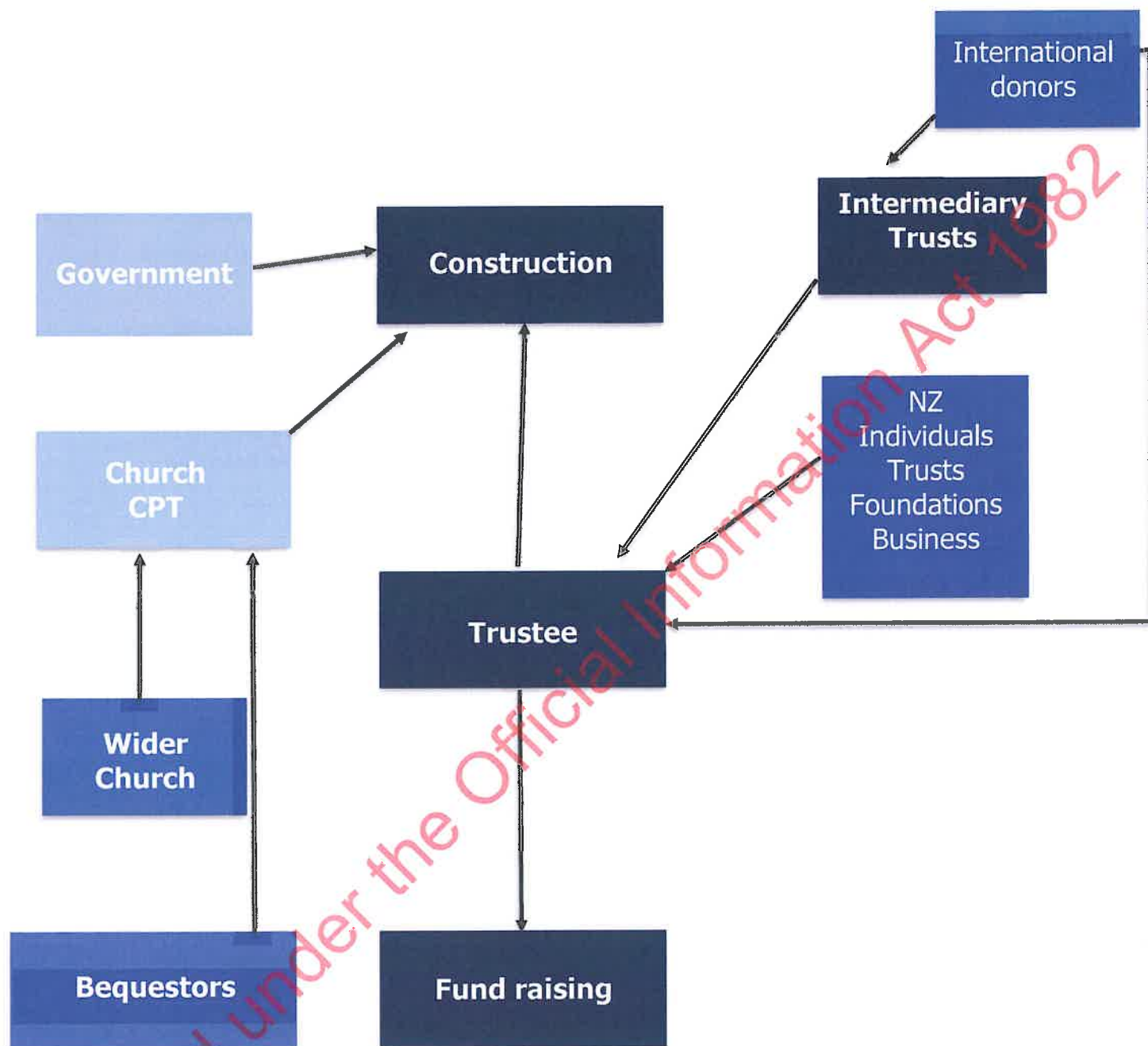
Business

London

THE MONEY TRAIL

It is helpful to understand how funds might be received throughout the campaign. The diagram below illustrates the flow of money between donors, trustee and the construction authority. Just as important is the flow of information about the proposals, donations, gift acknowledgement, receipts, grant acquittals, and reporting.

ILLUSTRATION ONE: PAYMENT FLOWS



6. CERTAINTY OF FUNDS PLEDGED

Some interviewees indicated their likely level of support for a fund raising campaign¹² as described in the draft case for support. Some indicated the support that others had already expressed or might give. Many indicated that significant factors affecting their decision were not yet clear.

Great Christchurch Buildings Trust¹³ (GCBT) has indicated that it has “confirmed and identified” the following contributions which total \$13,700,000 in value. We have no information about the terms of these pledges or any conditions upon which they have been offered.

TABLE FOUR: “LEADERSHIP DONORS” IDENTIFIED BY GREAT CHRISTCHURCH BUILDINGS TRUST

International donor A	\$4m
International donor B	\$5m
National donor A	\$1m
Local donor A	\$1m
Local donor B	\$1m
Local donor C	\$500k
Local donor D	\$500k
Local donor E	\$500k
Local donor F	\$200k
Total	\$13.7m

GCBT also provided a further list of unidentified donors who “will provide continued support once the restoration project is clarified.”

¹² Our report will not identify the expected financial response of any individual because such information would likely end up in the media and this would have adverse consequences for fund raising.

¹³ This entity is well known in the cathedral debate favouring a rebuild of the historic cathedral. No entity of this name is entered on the New Zealand Companies Office Register nor the register of charities in New Zealand. It is not an entity that can provide tax credits for donations in New Zealand. It has sought expressions of support rather than actual contributions. GCBT has provided to the consultants a summary of these expressions of support as shown here. The level of detail provided was less than that requested.

TABLE FIVE: "KEY DONORS" IDENTIFIED BY GREAT CHRISTCHURCH BUILDINGS TRUST

National Donor A	\$500k
Local donor A	\$500k
Local donor B	\$500k
Local donor C	\$500k
Local donor D	\$250k
Local donor E	\$250k
Local donor F	\$250k
Local donor G	\$250k
Local donor H	\$250k
Local donor I	\$250k
Small business donors A	\$1.25m (\$50k p.a. over 5 years – 5 x donors)
Small business donors B	\$500k (\$20k p.a. over 5 years – 5 x donors)
Small business donors C	\$500k (\$10k p.a. over 5 years – 10 x donors)
Community Trust A	\$2.5m (\$500k p.a. over 5 years)
National Trusts/Local Trusts	\$2.5m (\$250k p.a. over 5 years)
Community Trust B	\$1.0m (\$250k p.a. over 5 years)
Crowd Funding	\$2.0m
Total	\$13.75m

Our assessment is that the List of "Leadership Donors" totalling \$13,700,000 is probably reliable subject to cautions indicated below; while the list of "Key Donors" totalling \$13,750,000 is neatly mathematical and might not be based on actual pledges (for example, the figure provided for crowdfunding must be speculative as it is impossible to get pledge indications in advance from a crowd).

It will be very useful to the campaign that there are passionate supporters of the reinstatement of the cathedral. However, there has been much discussion, and sometimes bitter division, about the details of the building. As long as goodwill and tolerance prevail, most previous expressions of support can probably be realised, with this important caveat.

Benefaction should never be taken for granted and all previous pledgers should be provided with full information about the project (including the details of the building and the entities undertaking the work) as soon as possible, and should be asked to make a formal pledge or cash contribution to the campaign.

Time has passed since some expressions of support were made. Their interest might have waned or moved on to other causes. It is also possible that some donors might not like the details of the project or the receiving entity. Previous pledges have usually not been made in writing or to a specific charitable entity. People who have provided these indications of support have the right NOT to contribute to this campaign and have the right to confidentiality of this decision.

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7. COMPARATIVE FUND RAISING CAMPAIGNS

There is no routine reporting regime for fund raising campaigns, nor any agreed method for tallying results. Sometimes campaign results are inflated by counting several years' previous philanthropic income, and by counting all philanthropic funding whether for campaign projects or other purposes. Such variety in practice ensures that looking at raw numbers only is of limited value.

This table shows some of the larger campaigns undertaken or underway in New Zealand. All campaigns are different and it is hard to make comparisons that are valid¹⁴. Perhaps the key value in such a list is how few campaigns of this magnitude have been undertaken, and recognition that success must not be taken for granted.

The table of campaign results includes the largest campaigns in New Zealand, other notable church campaigns, and other campaigns in Canterbury.

TABLE SIX: CAMPAIGN RESULTS

Organisation	Raised to date \$m	Target \$m
University of Auckland (completed)	203	100
University of Auckland (launched in Sept 2016)	152	300
Auckland Art Gallery	33.4	not known
Auckland War Memorial Museum	64.6	not known
Christchurch Art Gallery	14	not known
Holy Trinity Cathedral, Auckland (Anglican)	12	14
St Mary of the Angels Cathedral Wellington (Catholic)	6	9.5
Victoria University of Wellington	50	80
Starship Children's Hospital	new	25
The Arts Centre (Christchurch)	15	25
Maia Health Foundation	2.5	5.2
Nga Puna Wai Sports Hub	2.5	5
St Andrew's College (for chapel)	3	6

There is also a substantial fund raising campaign underway at Christ's College, Canterbury. The campaign has begun but no target has yet been announced. The campaign is not earthquake-related, but as College is a leading Anglican school, it will have some prospective donors that might also be considered prospective for the cathedral campaign.

Regarding the Cathedral of the Blessed Sacrament through Fr Rick Loughnan, Diocesan Administrator provided a statement to the media on 21 October 2016 to the effect that the Cathedral of the Blessed Sacrament might cost as much as \$100,000,000 to rebuild, and that the church has \$30,000,000 of insurance funds towards this endeavour and would need to raise the rest. Any decision to proceed or otherwise will

¹⁴ For example, a comparison with the University of Auckland would need to recognise that the university has been building up its advancement capacity for more than a decade and now has a staff of 23.

be a matter for the next Catholic Bishop of Christchurch when appointed. The Catholic diocese is also raising money for at least ten parish building projects, mostly church rebuilds following the earthquakes.

The Arts Centre (Christchurch) seeks to raise another \$10,000,000 through fund raising.

A few interviewees commented on the donor fatigue that might affect campaign results.

The fund raising environment in Christchurch is unique because of the earthquakes. There is fatigue in every form. Donors have been asked to give to many, many buildings. There is great competition for the philanthropic dollar. There is 10 times the competition that there was. Priorities have changed because of the earthquakes as people helped family members.

There have been few fund raising campaigns in New Zealand for more than \$25,000,000. A campaign for the cathedral beginning in 2017 would run simultaneously with last period of the Arts Centre campaign, the Christ's College campaign, the campaign for the Catholic cathedral and a number of smaller campaigns for local restoration projects in Christchurch.

8. CONCLUSION

It is our view that if the right steps are taken to unify the community and if proven fund raising campaign principles are followed \$55,000,000 can be raised to reinstate Christ Church Cathedral as the heart and soul of Canterbury.

A resolution of the Cathedral Working Group for a safe, historic building would help unite the community behind a single resolution and mitigate the risk of ongoing disputation which would pose a high degree of risk to fund raising success.

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APPENDIX A. ASKRIGHT

CONSULTANTS

The Consultants to this project were:

Dr Daniel McDiarmid CFRE, MFINZ	Principal Consultant, AskRIGHT
Mr Wayne McKenzie CFRE, FFINZ	Senior Consultant, AskRIGHT
Mr John Taylor MNZM	Senior Advancement Consultant to the University of Auckland, special counsel to AskRIGHT
Ms Jacqueline Cameron	Research Manager & Consultant, AskRIGHT
Mr Stefan Lipa, MFINZ	Principal, Stefan Lipa Consultancy Limited, UK

ABOUT ASKRIGHT

AskRIGHT was established in January 2002 in New Zealand as Saints Information, a prospect research company. Since then the company has developed into a strategic fund raising consultancy, maintaining its prospect research capacity, providing fund raising advice, and preparing and delivering substantial fund raising campaigns within New Zealand.

AskRIGHT helps non-profit organisations raise more money by providing optimal fund raising strategies, identification of donors and training, research, recruitment and campaign implementation.

AskRIGHT consultants and researchers build the capacity of organisations to raise more money for themselves.

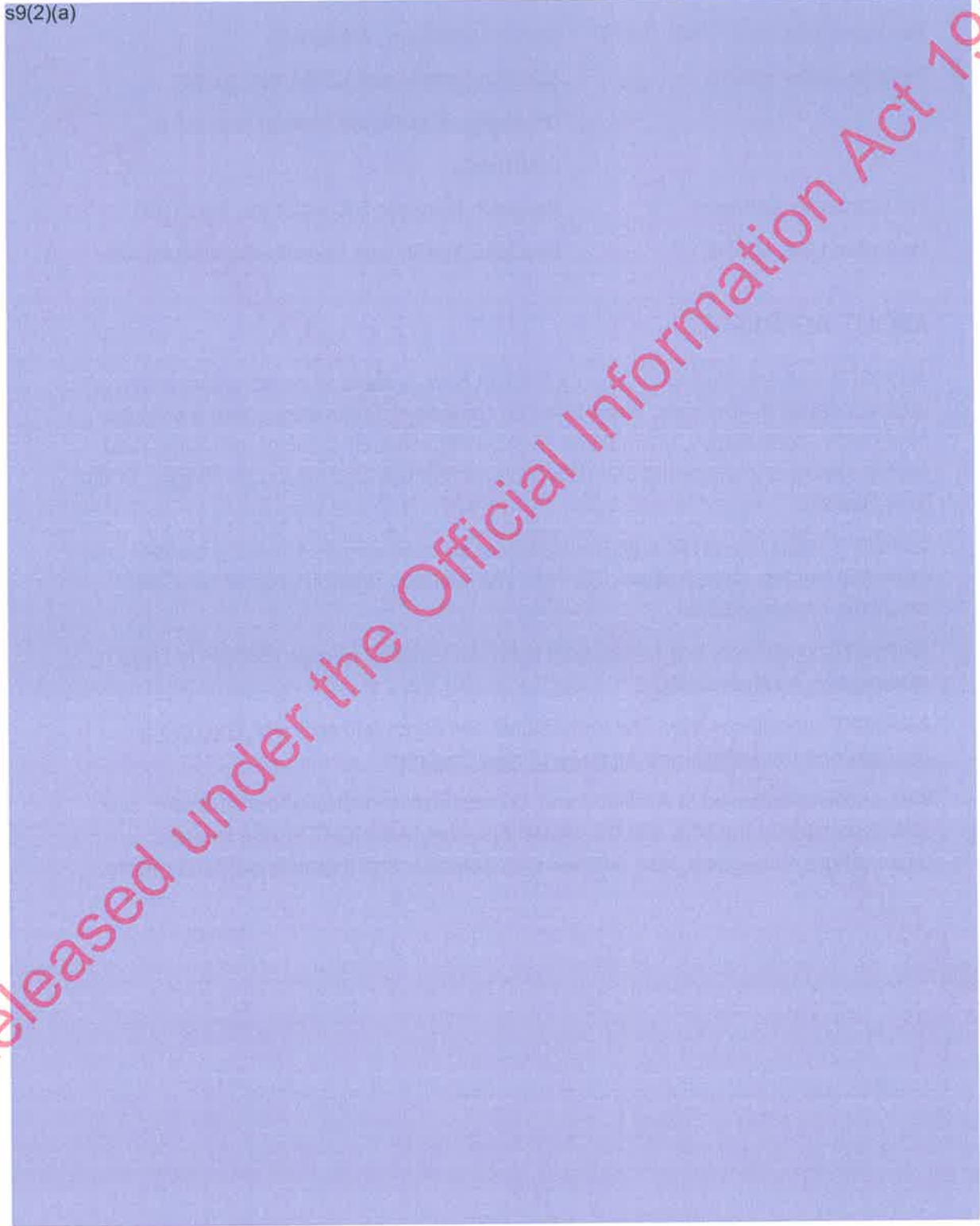
AskRIGHT consultants meet the professional standards and ethics of [The Giving Institute](#) and the [Fundraising Institute of New Zealand](#).

With consultants based in Auckland and Christchurch and throughout Australia, and with associates in the USA and the United Kingdom, AskRIGHT is able to assist organisations throughout New Zealand with domestic and international fund raising.

APPENDIX B. INTERVIEWEES

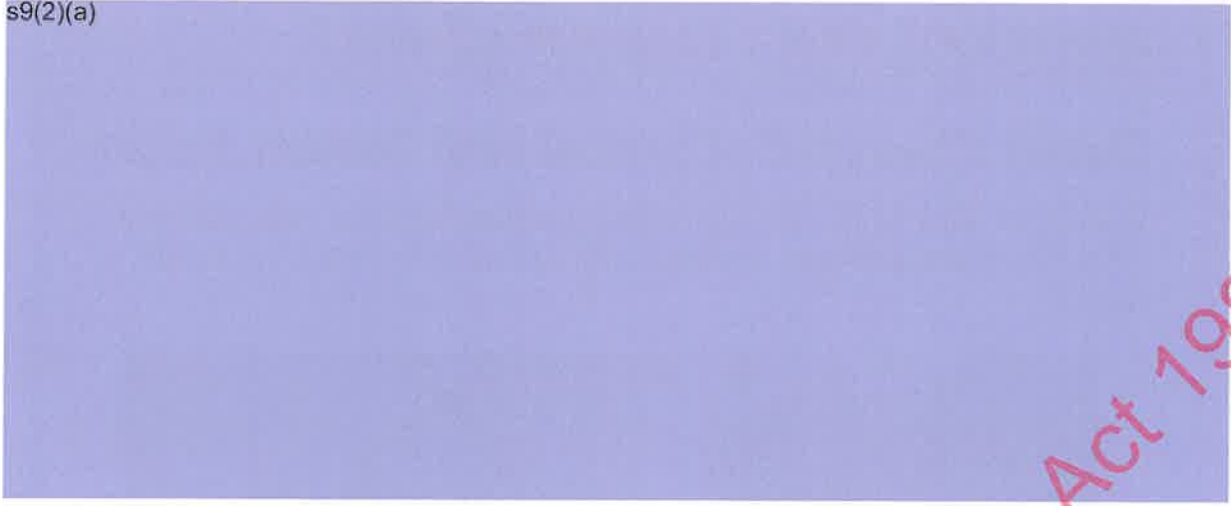
These people generously gave their time to the consultants, mostly in face-to-face interviews. Some interviews were conducted by phone, and some people provided comments by email. Designations for people outside New Zealand are provided.

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s9(2)(a)



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APPENDIX C. DRAFT CASE FOR SUPPORT

Christ Church Cathedral will Bloom Again¹⁵

Nearly seven years on from the devastating earthquakes and after much discussion, passion, frustration and hope, the future of Christchurch's icon will soon be made clear.



The Cathedral Working Group in discussion with the Church, the Government and many other interested groups is tasked with finding a viable way forward. They will complete their report by early December and we expect an announcement shortly thereafter. We understand that their vision for the reinstated Cathedral is based on the following:

- A programme to repair, rebuild and restore the original building to the maximum extent possible
- Retention of the original gothic design features while meeting required safety standards
- Better interior functionality through improved heating, audibility, accessibility, and improved visibility within the building
- A new tower that replicates the original tower in some way and in sympathy with the original design

¹⁵ This case for support, which was edited and approved by the Chair, Cathedral Working Group, was shown or read to some interviewees to provide a basis for questions about likely responses to a fund raising campaign for the reinstatement of Christ Church Cathedral.

- A new western façade that replicates the original and includes a reinstated rose window.

If this path forward is adopted, the project will cost \$90m to \$100million to be funded by the Church, a likely contribution from the Government, and through the generosity of philanthropists and citizens. The balance of contributions is yet to be finalised, but it is known the church will contribute its insurance proceeds of at least \$30million to the rebuilding as well as around \$10million into a maintenance fund. The balance required for the rebuilding from Government and fund raising will be up to \$70million.

The work will take up to seven years to complete and could begin within six months of the decision to proceed – subject to funding.

To be successful, the fund raising campaign for the spiritual heart of Christchurch will need to enlist a stellar fund raising committee of people who give generously and who can unite others with their vision for a new cathedral. This will be a local, national and international effort.

A new independent entity – a restoration fund raising trust – is likely to be established (possibly by statute) to oversee the fund raising and management of funds.

In this final stage of planning, before making final decisions or public announcements, the Cathedral Working Group, through consultants AskHGM, is seeking confidential indications of likely support for this plan to rebuild the Christ Church Cathedral.

APPENDIX D. PROSPECTS

INCOME SOURCES


Most of the funds raised in a successful capital campaign for Christ Church Cathedral will come from individuals and families. Some will have been previous benefactors to the cathedral, some are interested in heritage buildings. Others will be motivated by the desire to make a positive impact on the community.

Interviewees were able to identify a significant number of high and mid-level prospects for the campaign.

Charitable trusts and public sources of grants can also play a significant role. Some of these are listed below. In time, some of these will respond positively to contact and a compelling case for support, others will decline due to changing interests, or pre-commitment of funds to other causes.

CHARITABLE TRUSTS AND PUBLIC FUNDERS IN NEW ZEALAND

s9(2)(g)(i)



TRUSTS IN THE UNITED KINGDOM

s9(2)(g)(i)




s9(2)(g)(i)




FOUNDATIONS IN THE UNITED STATES OF AMERICA

s9(2)(g)(i)



FUNDING SOURCES WITHIN THE ANGLICAN COMMUNION

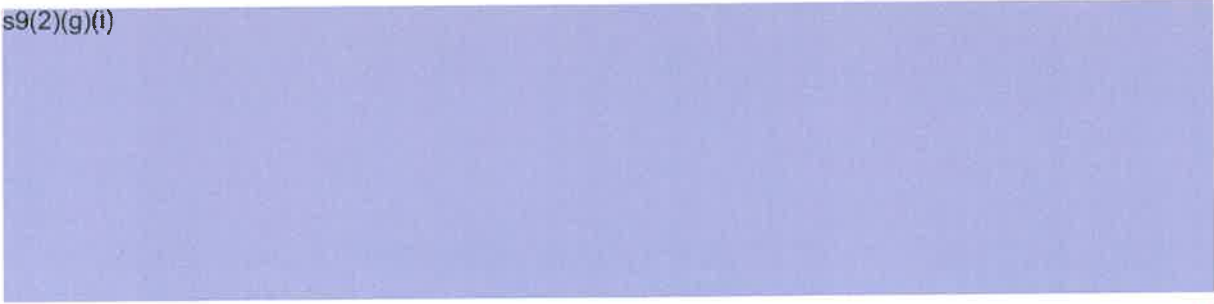
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¹⁶ The Church of England is more likely to fund church needs in Africa than Oceania.

¹⁷ Parish of Walton-on-Thames. This parish has strong links with New Zealand. During World War I the New Zealand Field Hospital No 2 was situated in the parish and 20 New Zealanders are buried in the cemetery. An Anzac Day Service is held annually.

s9(2)(g)(i)



NEW ZEALAND GOVERNMENT ASSISTANCE TO OFF-SHORE FUND RAISING

It is not expected that the New Zealand High Commission to the United Kingdom or the Embassy in the USA would provide names of potential funders but these representatives of Government can play a vital role in hosting events, and issuing invitations to expatriates and interested locals.

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