

FINANCE: WHERE DO YOU GET IT?

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The subject of this talk has been listed as "Finance, Where do you get it" and perhaps an additional comment could be added, that is "How do you spend it". At the start may I state that my experience in these matters only relates to my dealings with the S.P.E.R., so please bear with me if the topic seems one-sided.

Looking back over S.P.E.R. finances for the two year period 1st April 1986 to 31st March 1988, being the end of the Society's financial year, and coincidentally the timing of the opening of the Museum's new site, the period opened with accumulated funds of \$195,000, which had been gathered over the previous 28 years. At the end of the period two years later, the fund had increased to \$556,000, an increase of \$361,000, a significant growth in a two year period. Investments in fixed assets such as buildings, tramcars, road vehicles and plant had increased over the same period by \$507,000 to \$691,000. Consider the fact that this staggering increase was achieved by a community organisation of 260 members of which only 25% could be considered active.

The increase in funds over the financial period was \$360,965. Breaking down this amount, the money came from several sources. New membership fees accounted for \$74 and members who left and forfeited their shares amounted to \$64, hardly a significant amount. The surplus achieved by operations, that is tram fares, bookshop sales and publishing activities amounted to \$3,893. Members donations provided \$81,957, a significant amount being obtained during the second part of period. Capital grants provided \$274,673 and the museum fund bank account provided interest of \$334, not a significant amount as the money is usually spent as soon as it is received and hardly has a chance to accumulate interest.

Now the amount received in grants of \$274,673 was significant, and perhaps this side of the picture should be looked at in some depth.

The first grant the Museum received was for \$66,673 and was provided by the Community Employment Program. The Scheme called for us to spend a certain amount of our own money to obtain the grant, and using the formula, our contribution was \$19,000. This amount was raised by members donations and loans. The grant was used to lay track and the museum contribution was used mainly to buy new sleepers.

The next grant was valued at \$60,000 and was provided by our local Sutherland Shire Council under the Local Government Bicentennial Initiatives Scheme. Our long-term relationship with Sutherland Council has always been one of cooperation, and this goodwill allowed us to achieve the grant. The money came in two amounts, \$20,000 in 1987 and \$40,000 in 1988. The grant was used for site development and a concrete floor in the display hall area.

The final grant was achieved by application to the State Government Bicentennial Projects scheme, and realised \$150,000 to allow the construction of the restoration building.

So that is the story of where the grants came from. However, knowing "where" the money comes from is only the end result. The question of "how" to obtain the money is the hard part. Many facets are involved in the "how" story, and if success is to be achieved, many important factors will need to be examined closely.

The first factor to consider is to OBTAIN AN UNDERSTANDING of the types of grants and loans available to suit your purpose. This is not easy as there are many obscure programs that could help your cause

Finance: Where Do You Get It?

which require quite a deal of ferreting out. Remember, however, that once involved in seeking this information, doors start to open into new areas, and a fuller understanding of the various schemes emerges.

Next, **KEEP UP TO DATE** with any changes and announcements concerning grants that may give an opportunity for you to apply for a grant previously thought not suitable, or conditions that made a grant no longer suitable for your requirements.

It is important to **KEEP YOUR ACTIVITIES VISIBLE** to the right people. The people supplying grants will need to check that the applicants have a worthy project and an inspection will be made, often unannounced. Good public relations and presentation are essential. As an example, the Loftus museum is held in high esteem by the Department of Corrective Services due to its very successful participation in the Community Service Programme and, with this endorsement by an important government department, it can be used for inter-departmental references.

DEVELOP RELATIONS WITH LOCAL BODIES such as local service organisations (Lions Clubs, Rotary), local Council members, Members of Parliament and other bodies. The contacts will only be successful if developed over a long period and assurances of mutual trust are developed.

Keep an eye on possible **OPPORTUNITIES IN THE PRIVATE SECTOR** as many commercial and business organisations may have a need to be visible in one way or another. Seize such opportunities should they present themselves.

It is important to **DISPLAY CONFIDENCE AND COMPETENCE** and demonstrate that we are not a bunch of amateurs. Be able to display the achievements previously completed with grants and with our own resources. Be proud of what you have achieved and demonstrate an ability to fulfil your part of the arrangement.

KNOW THE RULES WHEN APPLYING for a grant or loan. Many schemes have fixed rules and requirements. Make sure you understand the rules and your responsibilities under it.

DEMONSTRATE ACHIEVEMENT by clearly showing that you can meet your obligations under the rules and have the infrastructure to fulfil your obligations.

BE PROFESSIONAL in your application. Good preparation and presentation are essential in getting you to the top of the application heap. Many apply for the limited funds available so a sound application is essential.

TAKE NOTHING FOR GRANTED as many apply and few are chosen. Just because you feel that your case is worthy will not get you the goods. Sound presentation and preparation are essential.

PRESENT SOUND REASONING in support of your case, again another way to get your application to the top of the pile.

PATIENCE, PERSISTENCE AND POLITENESS are essential attitudes for all dealings.

HAVE A FRIEND IN 'COURT' or cultivate one. Not everyone can have a friend in the right place. However, have empathy with the people you are dealing with and develop them. If successful, the wheel will turn more easily.

MAKE YOUR APPROACH TO THE RIGHT LEVEL. Try and find the person in an organisation with the right motivation and decision making ability.

LUCK OR A BICENTENARY! It is felt that the Bicentennial has opened doors to groups such as ourselves, and once opened, the feeling is that the doors will remain open.

Finance: Where Do You Get It?

As an example of the application of the above principles, perhaps the story of how San Francisco PCC car 1014 was obtained may serve as an illustration.

The origin of the project started as a light-hearted comment at a S.P.E.R. Board meeting, and after some discussion it was decided that it was worth a try to make some approaches to San Francisco to check the possibility.

Several "how" type questions were discussed. How to get the car from the San Francisco Municipal Railway; how to prepare the car for shipment; how to arrange the shipping to Australia and how to overcome any obstacles, such as Customs requirements.

The strategy used to obtain the car from the San Francisco authorities was to exploit the 'Sydney is the sister city of San Francisco' theme, the fact that Australia was celebrating its' Bicentenary, and a general awareness of Australia developing in America following the Paul Hogan promotional activities.

To increase the chances of success, it was felt that some official assistance would be required. After obtaining the necessary addresses, a short letter was sent to the Mayor of the City of San Francisco, explaining the basic essence of our request, and a longer letter with explanations in more depth to the General Manager of the San Francisco Municipal Railway. Several weeks passed and a reply was received from the Mayor indicating her agreement with the plan and offering her assistance to obtain the car. Shortly afterwards, a letter was received from the Muni along similar lines. These positive replies caused worry to everyone because little thought had been applied to the other "how" questions.

I was shortly to visit San Francisco on business. I took time to visit the San Francisco Municipal Railway and met their maintenance superintendent, visited the storage facility to inspect the cars available and selected, with his assistance, double ended car 1014.

An appeal was launched through *Trolley Wire* to obtain donations to bring the car to Australia, and the response was outstanding. In excess of \$10,000 was raised from all states in Australia. Meanwhile, shipping costs were being investigated, and the first seeds of worry started to develop. All indications seemed to indicate that the cost of sea transport would be in excess of \$40,000 and that did not include getting the car to and from the wharf or loading and unloading costs. The project appeared doomed.

Salvation came from details in the *Daily Commercial News*. Three companies operated the shipping service from the west coast of the U.S.A. to Australia. The question then arose; do you seek assistance from all three, or do you concentrate your efforts on one company. Checking further into these companies, it was found that one was generally thought to be unsympathetic, another had just had a takeover and was thought to be in disarray. However, the third company was new to the service, was a solid British-based company, and had been known to handle cargo that could be perceived as having "public relations" potential.

A letter was sent to the General Manager of the Australian office of the ACT shipping line, explaining the situation. Having had no reply after a few weeks, telephone contact was made to the General Manager who directed us to his department that handled matters of this nature. Positive indications were received. It transpired that a ship on the route would have some cargo space to spare at about the time required, and a sponsorship arrangement was reached. Later information has suggested that the shipping company performed quite a deal of intense negotiation to satisfy our requirements.

Moving the car by road from the storage facility to the San Francisco Muni workshop and later across the Bay Bridge to Oakland for loading on the ship presented some problems. Trucking costs were huge. However, after many phone calls, a family trucking company was engaged at a reasonable cost and the car was on its way to Sydney.

A last minute hitch occurred when the car was almost in Sydney; in fact it was at sea between Melbourne and Sydney. The Australian Customs Department took an interest and assessed the duty required to land the car at about \$10,000. This final blow had us visualising the car heading on its way back to America. The

Finance: Where Do You Get It?

initial contact with Customs proved to be of no assistance, and in an effort to find a way around the problem, a visit to Customs House connected us to a clerk in the area who proved helpful in the extreme, a case of having a friend in court. The customs man combed the regulations and upon consultation with his superiors discovered that if the car could be proved to be of historical significance, the duty could be waived. A suitable letter was sent explaining that the car fitted the technological gap between the standard cars of Sydney and the modern cars, such as the Z and A class cars operating in Melbourne, and was of a type not known in Australia. This swung the case and the car was landed. At the same time, intercession by our local Federal Member of Parliament took place with the Director of Customs in Canberra, who in turn contacted Sydney Customs to seek some information concerning the matter. He was informed by the friendly customs man that all had been resolved and was congratulated by the Director for his prompt handling of the matter.

Another example concerns a grant made each year by the Minister for the Arts. Application was made for funding to complete the display hall. In following up the application, a member of the Minister's staff visited the museum and was conducted on a tour of inspection. That person was most impressed by the work being done but warned that over 2000 applications had been received for the \$1 million grant funds. It was subsequently learned that an unofficial visit had been made to the museum on an operating day and the lesson to be learned is that it is essential to have the right people in positions where they are likely to encounter the public. The outcome was that we received a grant of \$20,000 which had to be matched dollar for dollar. It was not a massive grant, but pro-rata on the amount available, we did very well.

Our application was well presented and subsequently, we received a message from the Minister himself suggesting that we apply to another government department for a further grant, advising us of the way to apply and guaranteeing his personal support. This application was unsuccessful. However, it was interesting to know that our application attracted the attention of the Minister. The success was due to the impression of viability we presented in all dealing with the department concerned.

We applied on another occasion to the Heritage Council for a grant to restore the ex-Railway Square waiting shed and several other significant items. When examining the application guidelines, it was noted that grants were only available for suitable structures in their original locations. As this building was to be re-erected at the museum, a case was put to treat the building as suitable, because its original purpose as a tramway shed no longer existed. Although our application did not strictly meet the guidelines, we felt we had a case for applying, and that our application was being looked upon as an experiment. An important factor which assisted our case was that we were able to prove our interest in the heritage value of the Railway Square waiting shed many years previously by our action of saving the structure in 1972 when it was to be demolished, and transporting it to Loftus for future re-erection. This may have been the reason for the alteration of the guidelines. To support the application we also had to demonstrate what items of a heritage nature we had restored in the past, present a sound bibliography on the items under discussion, and demonstrate our ability to meet our part of the financial arrangement as the grant was to be on a dollar for dollar basis. Our application, we felt, broke new ground in heritage project finances and we ended up receiving \$20,000 which was the amount asked for. Another important agreed condition was to allow us to use the grant to cover work performed in the restoration from the inception of the project rather than work commenced after a certain date. This allowed us to cover all costs incurred to date on the restoration and include them in the total package.

Another important requirement for a heritage grant application concerns the question of disposal of the restored item should the Society wind-up its' affairs. Fortunately our articles of association cover such an eventuality, and these state that our assets will be kept intact and passed to another organisation with similar aims to ourselves. This may serve as a note of caution to other organisations, that they should check their articles or constitution and make sure that this item is covered as it may be an obstacle to further negotiations.

Now, just to show that we do not win every time, I propose to conclude with a few "you can't win them all" stories. We have been fortunate with many applications for assistance, but for every success story, one can expect a number of failures. To keep things in perspective, it is appropriate to mention some matters that have not met with success.

Finance: Where Do You Get It?

Following up a matter of compensation due to our move from the old to the new site, suggested by the Minister for the Arts, achieved no result despite the support of the Minister.

In an appeal for donations towards the PCC project, letters were sent to 54 private companies with American parentage or affiliations. Not one cent was raised, and the letters from the 15 or so that took the trouble to reply could have been all written by the same author.

An appeal was made to a large charitable organisation to assist with a heritage project. This organisation had previously made a grant to the Maritime Museum. However, no assistance was forthcoming.

An application was made to the state Minister for the Arts for further assistance with the display hall costs. This was refused, and there appears to be co-ordination between various bodies. It was pointed out to us that we had also applied for a grant with another government body for the same purpose.

An appeal was made to the N.S.W. Bicentennial Council to have their grant for the restoration building indexed. It was found that the \$150,000 grant in 1984 was not sufficient to erect the same building in 1988. This was refused.

The refusal to have the restoration building grant indexed was a great disappointment, as the building was partially completed and still required about \$65,000 to bring it to the lock-up stage. In the end analysis, all community organisations such as ourselves must still rely on the commitment and goodwill of our own membership for their ongoing existence and welfare. The \$65,000 shortfall was eventually obtained by using members loans which had been allocated for the display hall. To make up the shortage to the display hall fund, bank loans were arranged for a total of \$70,000. The bank loans were obtained on the strength of board member guarantees. The directors of our organisation have stuck their necks out for the sum of \$10,000 each. This amount still allowed us only to build the framework and footings. Fortunately we received a loan of \$30,000 from a member to allow the roof to be completed.

It will be left to the forum of this meeting to discuss the way to raise money for the completion of the building. The additional cost is \$100,000 and the "how" challenge remains with us. I will leave that for you to ponder upon.

Thank you.

Dr. John Radcliffe (AETM) made some additional comments:

Being involved in an organisation that actually makes grants, I would like to add some comments to Howard's excellent presentation. He did highlight all the issues that are important, and what is more, he has shown that you can achieve, and I offer my congratulations to Howard and the S.P.E.R. Board for their success.

Howard referred to making political and community contacts, and while this is an excellent practice, remember that the political contacts should be political with a small 'p'. Politicians are frequently highly involved with their work that covers many facets, so be warned, don't hitch your star to a particular politician or political party. Also don't try and play-off a politician against the Public Service. Care must be taken to play the game carefully, and you must be quite straight in your dealings with both parties. Both sides will become unfriendly if either feels they have not been dealt with correctly.

The Public Service will be very concerned to see that its money goes to an organisation that is financially successful and sets out to achieve its original objective. Performance in doing the job and administration of grants is most important. Many "points" can be gained by successful use of the resources provided.

Finance: Where Do You Get It?

Beware of "over-kill" in your submissions. Many submissions are received that have excellent presentation. However they contain so much information and detail that it is difficult to ascertain what the submission is actually asking for. When a grant is announced, many submissions are received, and it is usually the job of an office clerk to summarise each submission and present the selection committee with a resumé of each offering, advising the name of the organisation applying, their aims under the circumstances, and a short statement concerning the viability of the project. It is from this list that the committee forms its short-list.

Working on these committees, one finds a high proportion of poorly presented and prepared submissions, so the ones that are competent get a lot of attention. What you start with is fairly important.

Be aware also that the people making recommendations to the Minister will have ways of checking the applicants out, either by personal knowledge, consulting people who have experienced the organisation applying or by a personal visit. It is important to always put on your best face in public, because you don't know who is looking you over.

Remember also that many of the departments making grants have a close cooperation with each other and frequently consult when applications are received. A good performance with one department can frequently serve as a recommendation with another department. Public servants do have sympathy with the aims of competent organisations, and can give a great deal of guidance and encouragement.

Thank you.

The Chairman asked for questions. There being none, the session was closed and delegates adjourned for lunch in the hotel's restaurant.