

## **CEO'S SPEECH NOTES**

**16<sup>th</sup> International Symposium on School Life and School History,  
Museums & Collections**

**Sovereign Hill  
Friday, 27 March, 2015**

**Good Morning Delegates,**

### **1. INTRODUCTION**

**Thank you for your introduction. In commencing my address this morning, I would like to acknowledge the traditional custodians of the land on which we are gathered, the Wadawarrung people, and pay my respects to elders past and present.**

**We are on a site that has historical resonance around the world. The greatest mining boom that the world has ever seen started its critical mass here in Ballarat with the discovery of gold in September, 1851 about 500m north-east of where are presently seated.**

**The resultant emigration from the Old World of Europe and Asia to Australia was unparalleled until perhaps the post-World War 2 period and underpinned the development of a free nation of immense wealth and political freedom. The goldrushes of the mid-19<sup>th</sup> century turned the world on its head and we are privileged today to live in a nation that has been established in such prosperity and with an economic expansion that no other “Western” nation has matched.**

**Your presence here at Sovereign Hill is indeed most welcome. We all share the same passion for unique educational experiences, based in a living history environment. Experience is the best teacher and we pride ourselves here at Sovereign Hill with the quality and uniqueness of our offering to the Australian school curriculum.**

## **2. SOVEREIGN HILL: A BACKGROUND**

**Sovereign Hill is an Australian outdoor museum, situated in Ballarat, Victoria. Opened in 1970, our purpose as a museum is to inspire an understanding of the significance of the central Victorian gold rushes in Australia's national story.**

### **(IMAGE 1 – Australian Map & Ballarat)**

**Ballarat was the centre of the fabulous 19<sup>th</sup> century gold rushes which saw an unprecedented economic boom, enjoyed from 1851 onwards, right around Australia.**

**Sovereign Hill's focus is the impact of these gold discoveries on the growth of Ballarat. First settled in 1838, it was a small pastoral settlement when gold was discovered in 1851.**

**By 1861, Ballarat had grown into a fine provincial city, built on the wealth derived from its gold, one of the most influential of Australian cities in political, social and economic terms.**

**Sovereign Hill is known internationally as a living museum with a strong emphasis on working machinery and exhibits, costumed interpreters and visitor participation.**

### **(IMAGE 2 – Activation)**

**The driving influence for outdoor museums is activation. Skilled interpreters and trained activators demonstrate processes and technologies using collection items, equipment and hand tools, engines and machinery, and livestock. Interaction with audiences is the fundamental key to the success of these museums.**

**Educational opportunities flow naturally from this base.**

**Sovereign Hill is run by The Sovereign Hill Museums Association – an independent, not-for-profit, community-based company, limited by guarantee and based on a membership model. Over 380 people are employed, supported by almost 300 volunteers.**

On two occasions, it has won the award at the National Tourism Awards as Australia's Major Tourist Attraction and in April, we are once again a candidate for this honour.

Sovereign Hill attracts over 730,000 ticketed visitors annually, with 25% coming from international markets.

**(IMAGE 3 – Attendances graph (Sovereign Hill/BOSC/Gold Museum))**

Today I would like to share with you some of my observations about fundraising to support our work as a museum and an educational resource for our wider community.

### **3. FUNDING: THE LIFEBLOOD OF ANY MUSEUM**

Sovereign Hill has been a most successful model of fundraising to establish itself, then to grow through the natural business cycles it has witnessed over the past 45 years of operation and finally to continually reinvent and refurbish itself.

**(IMAGE 4 – Pie Chart – 1/3, 1/3, 1/3)**

Its capital has come roughly one-third from accessing Government capital grants, one third from reinvesting profit made from successful trading each year and the remaining one-third from our fundraising activities.

We operate independently from Government for our operational funding; that is, we stand on our own two feet in commercial terms, raising funds each year to cover our operating costs. This has been an essential strength of our museum model.

The secret of the success of Sovereign Hill has been the fact that it is not a Government or Local Government entity and therefore, it does not have the strictures of reporting, or political interference or budgetary control that those Government structures impose.

Sovereign Hill has become very adept at both its fundraising from individuals and foundations and has enjoyed success with lobbying activities for gaining Government capital grants for its programs and exhibit developments.

I would now like to share with you some initiatives that we have taken to help with capital funding and operational support over the years.

#### **4. FUNDRAISING INITIATIVES**

##### **(IMAGE 5 – Sir Henry Bolte)**

##### **4.1 The Sir Henry Bolte Trust**

The Sir Henry Bolte Trust was established in 1990 by a generous bequest from our first Patron, Sir Henry who was Premier of Victoria from 1955 to 1972.

He left \$A 50,000 in his Will and this was more than matched at the time by “passing round the hat” at his funeral, as he so eloquently put it!

This fund is used to finance our collection acquisitions. It now has a corpus of about \$A1m and over the last 25 years has funded over \$A750,000 in acquisitions.

Donations to it run through Sovereign Hill’s income tax deductibility status, that is, donations over \$A2 are tax deductible for the donor.

##### **(IMAGE 6 – Gold Nugget)**

We hold an annual Bolte Lunch to which we attract a VIP speaker, such as a State Premier. The venue for these events alternates between Parliament House in Melbourne and Sovereign Hill.

##### **(IMAGE 7 – Bolte Lunch Parliament House)**

##### **4.2 The Sovereign Hill Foundation**

**The Sovereign Hill Foundation was established in 1996 with 100 generous donors each contributing \$A500. This \$50,000 corpus donation was matched by Sovereign Hill contributing from its own funds.**

**The objective of the Foundation is to provide a corpus invested in the long-term to underpin Sovereign Hill's financial viability.**

**A series of fundraising initiatives since 1996, including Auction Dinners and a Named Accounts Appeal, have seen its corpus grow to a market value today of over \$A3.6m.**

**The Named Accounts initiative is very clever. Donors are asked to contribute \$A25,000 payable in a tax-deductible lump sum or over a 5-year period. This is then aggregated into the corpus of the Foundation. A record is maintained for each donor of how the donation has grown each year in investment terms.**

**For example, if the Foundation earned a 10% return in Year 1, a \$25,000 Named Account would have grown by \$A2,500.**

**(IMAGE 8 – Annual Report Named Accounts Page)**

**Our Annual Report would record this notional “growth” in the donor's Named Account.**

**While the donor never can redeem his or her Named Account, they can add to it as they may generously deem fit and it maintains the value of the initial gift in compounding terms with each year's deemed “earnings.” In 50 years' time, for example, my own family's gift will be a relatively huge number, in dollars of the day of course!**

#### **4.3 Prospectors**

**We maintain several coteries, with one prominent one being our Sovereign Hill Prospectors. This is a core group of generous members whose annual subscription includes a donation (tax deductible) of \$A300.**

This is in turn donated to the Sir Henry Bolte Trust as a regular and predictable source of capital funds for collection acquisition. The Prospectors commenced in 1990 and have two very significant VIPs as Patrons. Members enjoy special privileges, such as new exhibition previews.

**(IMAGE 9 – Narmbool Image)**

#### **4.4 “Narmbool”**

Another major undertaking for Sovereign Hill has been the establishment of our environmental education campus at “Narmbool”. This is our 2000 hectare rural farming property, situated about 35km south of Sovereign Hill.

**(IMAGE 10 – Location Map & Homestead)**

In the early 1990s, a conversation opened up between the former owners of this beautiful property, Andrew and Robin Ferry, and Sovereign Hill. It was based on their private ambitions to rehabilitate the Narmbool property from its environmental degradation, establish it firmly as an environmentally-sustainable farming venture and then to gift it to a not-for-profit entity to use as an educational resource.

Sovereign Hill’s track record with its Schools Education Program underpinned their confidence in selecting us as a partner and recipient of this wonderful philanthropic gift.

This is the first point that I would emphasise in assessing this particular gift: you need to be fully apprised and understanding of the aspirations of such unique donors. What is it that they fundamentally wish to achieve in their philanthropy? How does your organisation fit the bill and how can you guarantee that you will deliver their desired outcomes should they actually commit to you?

This requires a constantly open and empathetic relationship, based on a shared vision. The smallest of detail needs to be respected on either side and a clear pathway of achievable deliverables has to be set out so that the donors in particular can see how their objectives are being met.

**(IMAGES – Narmbool Lodge, Garden, Education Program)**

As the donation of Narmbool was one of the most significant gifts to a cultural institution in Australian philanthropic history, it was therefore a relatively simple step to move into a major fundraising program to deliver the capital necessary to achieve the desired scale and quality of capital resources needed to implement the Narmbool vision.

We signed a Heads of Agreement document incorporating a Vision Statement **(IMAGE OF STATEMENT)** with the donors, outlining all of the aspirations of both parties in pursuing this project.

Sovereign Hill embarked then on one of the most significant fund-raising initiatives in its history.

We successfully devised a plan to raise capital donations and government capital grants for the various components of the project. The resultant investment summary is a very impressive statement:

**(IMAGE – Narmbool Capital X 1997-2012)**

To underpin usage of the environmental education facilities established at Narmbool, we then established a Scholarship Fund to attract donors in support of under-privileged schools' attendance in environmental education programs.

Generous donors who have a particular desire to support environmental education have been sought out and engaged to provide funds for school camps.

We have had groups such as the Freemasons' Society of Victoria which wants to particularly support under-privileged schools and Foundations which want to support small regional schools.

The "Narmbool" project has been a major accomplishment for Sovereign Hill in expanding its educational footprint beyond the story of the goldrushes to their impact on the environment of our Central Victorian region.

#### **4.5 Regional Development Growth Fund**

Our most recent success with lobbying for funds has come with the announcement by our State Government of an allocation of \$A8m towards a \$A12.81m suite of projects under the banner: "Sovereign Hill by Day and by Night: Driving Regional Tourism Dispersal."

**(IMAGE – Regional Growth Fund Summary Board 16/2/15 Item 7.2 App. 1)**

We carefully targeted this lobbying to meet the policies of the former State Government and the now-elected new Government. The Regional Development Fund guidelines clearly established what Government was looking for in terms of regional jobs and infrastructure development.

We commissioned an independent consultancy report to identify and quantify Sovereign Hill's economic contribution to the overall Victorian and regional economies. This showed we contributed \$A228.5m and 1,422 jobs to the State's economy for 2012/13.

**(IMAGE – Ernst & Young Report)**

We put our own project funds of \$A4.81m on the table to attract the \$A8.0m State allocation. This suite of projects will take three financial years to complete. Coincidentally, that will put us right at the threshold of the next State Government election cycle!

We therefore have the “Sovereign Hill: 2020 Vision” goal to pursue for the next opportunities that may arise for significant Government funding.

**(IMAGE – 2020 Vision List)**

## **5. LOBBYING FOR FUNDING THE ESSENTIAL RULES**

- **Know your own organisation’s strengths and weaknesses and play to the strengths (i.e. have the organisational capacity to deliver)**
  
- **De specific about identifying the project**
  - **Aims & objectives**
  - **Elements**
  - **Budget**
  - **Deliverables**
  - **Outcomes/Measurables**
  - **\*\*\*\*\*Recognition \*\*\*\*\***
  
- **Match the project with the potential funding source i.e. know the aspirations of:**
  - **Philanthropists**
  - **Foundations**
  - **Estates**
  - **Community Bodies/Service Clubs**
  - **Governments (Local, State, Federal)**
  
- **Be canny if seeking Government funds**
  - **Deal openly and honestly with both/all sides of politics**
  
- **Deliver on the Promise**
  - **Financially**
  - **Match KPI requirements of donor/funding source**

- **Make, foster and keep long-term relationship (especially with individual donors) and involve the funder if requested to, in the project's journey (i.e. provide continual feedback)**
  
- **Celebrate Outcomes**
  - **Media/publicity**
  - **Research papers, forum papers etc.**
  - **Official openings**

## **6. SUMMARY**

**Education is the lifeblood of museums. Outdoor museums lend themselves most admirably to creating an environment that stimulates inquisitiveness and learning.**

**Understandably, this takes scarce resources, particularly financial. They are the cornerstone of successful delivery of programs.**

**Convincing generous donors and governments to help in this task is a special skill that our organisations must find, develop and nurture in its administrators, managers and Board members.**

**We have had many wins and quite a few failures along our journey as a museum over the past 50 years or so since the bold initiative to establish an outdoor museum here at Sovereign Hill was taken.**

**I trust that my address today may stimulate your thinking as to how your organisation might tackle the challenges or fundraising to pursue the vision it has put before your community.**

**Good Luck in your endeavours!**

**Thank you.**