



Emmanuel College

# Papers

**PHILANTHROPY IN EDUCATION**

by

Mr John B Reid AO

Number 14 – August 2011



**Emmanuel College**  
**The University of Queensland**  
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Emmanuel College is Australia's ninth, and with St John's College, The University of Queensland's first residential college to gain affiliation. It was founded by the Presbyterian Church of Queensland in 1911 with the first students taking up residence in Wickham Terrace in 1912. As the Presbyterian Church moved towards partnership with other religious denominations during the 1970s, Emmanuel College also came under the auspices of the Uniting Church. Upon its inauguration, Emmanuel College was an all male residence but this changed in 1975 when women were admitted as collegians. Now, the College numbers around 340 students with half our population being female.

Further change was experienced by the College when it moved in 1955 from its original site in Wickham Terrace to its present location on the main university campus in St Lucia.

Since 1911, Emmanuel has stood for excellence in all round education and has had seven Rhodes Scholars during its history. Its graduates have gone on to make a major contribution to Australia in many areas, including as doctors, scientists, teachers, engineers, lawyers and judges, politicians, ambassadors and diplomats, and church leaders.

## THE AUTHOR

### Mr John B Reid AO

Mr John Reid AO, LLB, Hon DBus (CSU), Hon PhD (Qld), DUniv (QUT), Hon Fell (Syd), FIEAust, CPEng, FAIM, FAICD is a respected philanthropist and businessman.

He has an extensive history as a company chairman and director and has played a key role as a member and trustee of John T Reid Charitable Trusts and a long serving chairman of the Thyne Reid Foundation (now retired from both).

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This lecture was delivered at the inaugural *Philanthropy in Education* lecture series at Emmanuel College on Wednesday 10 August 2011.

## PHILANTHROPY IN EDUCATION

I am very honoured to have been asked to speak to this gathering about philanthropy and the enhancement of its support by organisers and the wider community.

I think it appropriate that I should first attempt to establish my credibility with those of you who do not know me and to restore it with those who do.

Let me commend Who's Who in Australia as a source of knowledge. I find it a very useful book to have near me to check on what individuals do and have done including past activities. I do not propose to go into too much detail but touch on issues which relate to a diverse range of things I have done.

Apart from a large and diverse business life with BHP, Qantas, Swiss Bank, James Hardie, I have been involved in the Salvation Army, Boy Scouts, Girl Guides, Australian Graduate School of Management, UNSW, Australian Indonesian Institute, Reviews of Government Administration, Great Barrier Reef Foundation, Museum of Contemporary Art, as well as Chairman of Pymble Ladies College in Sydney and other organisations (see page 1790 in Who's Who).

As well I have been involved with two family charitable trusts in Sydney and Melbourne for decades.

From this you will see I have spent a lot of time helping to raise money for charity as well as helping to give money to charity.

Apart from all this, you may gain some help if I tell you two quick stories.

The first. My cousin Sandy, who lived south of Yass in NSW, rang me one day to say a friend and neighbour of his needed help for her daughter. Mrs Shand Kydd was the mother of Diana, who was being speculated about to marry Prince Charles.

I telephoned Keith Hamilton (Managing Director of Qantas) and asked if we could send her on a flight to London anonymously. He said yes. I thought if the press heard anything about Ms Diana Reid, as she was listed, it would be because she was a relative of the Vice Chairman and so was being treated specially.

She got away successfully as Diana Reid. The only snag was the British High Commission in Singapore thought she should go to London on British Airways! Diana declined and was in London for two days before the media found where she was. A very satisfactory outcome.

Soon after, Cousin Sandy and I and our wives received an invitation to Prince Charles and Lady Diana's wedding at Westminster Abbey which we attended with great pleasure, and were thanked by the bride and groom for getting her home safely to London.

The other diversion from a fairly straight forward business and community life was when Malcolm Fraser as Prime Minister appointed me Chairman of the Australian Bicentennial Authority in 1979. Neither he nor I had any idea about what a Bicentenary celebration should include.

We found he had made a commitment to the World Organisation in Paris which managed Expos. So I went to see Neville Wran, Premier of NSW, who didn't want Expo 88 for Sydney. I went to Melbourne to see John Cain, Victorian Premier, with whom I attended school in Melbourne. I proposed a new platform building over Flinders Street railway station which would promote a site for great things afterwards. John Cain said no also. I went to see Malcolm Fraser again. He said, "Who got us into this?" I said, "You did Prime Minister". I then said I thought I should go and see Sir Joe Bjelke Petersen in Queensland. Malcolm Fraser said OK and left me to it.

When I arrived in Brisbane to see Sir Joe, Parliament was in uproar. People rushing in and out of each other's offices shouting.

I said, "Mr Premier, would you like me to come back another time?" he said, "Don't you worry about that" and we sat down to a meeting.

I told him that we would get 12 million people through Expo in Brisbane (I had no research: no one knew and we got about 20 million through in actual fact!)

He told me he thought that it was a good idea and took it off to his very bright senior public servants who said yes.

We all know the results – the massive support of other nations, the millions of visitors and the legacy of buildings on the South Bank for the Arts and education. One of the best things which ever happened to Brisbane and Queensland.

I have of course been involved in other non business activities, which raised money, supported causes and took one in a diversity of directions.

Giving money to good causes calls for a mixture of hard nosed assessment and warm humanity for needs in our community.

1. I believe you need to be sure that the charitable organisation seeking your support has:
  - a true commitment to meeting genuine needs, and
  - the ability to assess the potential and present performance of the organisation to deliver on its commitments and promises.
  - a sufficiently experienced board of governance to make assessments with realism and to carry out the plan it has put forward. They also need to be enthusiastic.
2. Is this organisation the only or best one doing this work or are there others possibly more able?
3. Does the organisation have a real balance between policy and philosophy on the one hand and practical real experience on the other?

These hard nosed issues are very necessary considerations not just for potential donors but for the board and management of the charitable body. We must do our homework seriously and get genuine answers so far as we can. But at the end of the day, there is no assurance for potential donors or the board of management of the charitable body, nor are there any certain answers, for either group.

What are some of the principal issues facing philanthropy today?

- In Australia we have 600,000 Not for Profit organisations.
- But 2/3 are small unincorporated entities.
- 23 per cent are incorporated associations (136,000).
- 4.5 per cent incorporated including Aboriginal and other organisations.

Importantly less than 10% of the 600,000 are deemed important by the Australian Bureau of Statistics – ie, employed paid staff and/or have an active tax base.

While everyone is anxious to help good causes, should we not look carefully at the real value of what they contribute to our community and our people, especially those in need. (The answer to that question will help us distinguish those we should support and those of questionable real value.)

That is not an unkind judgement. We have regularly to appraise the value of almost everything we do, including the skills and values of those we engage with.

As it is a starting point for giving, it is a checking out process to which we need to subject ourselves regularly not just others.

In about 60 years I have spent on both sides of the philanthropy business ie, asking for and giving to, I have always been interested in the public writings about generosity in philanthropy.

We were told, because their culture spends a lot more time on publicity than ours does, that Americans were the most generous donors in the world. Whatever the extent of the knowledge we really have most of us would support a view that Americans are the most generous people in the world.

The other point I would make is that they talk a lot more publicly than we do about personal involvement in philanthropy (although as always, one description does not fit all).

I do not want to spend too much time on this, except to make a few important points which are fundamental to our understanding about giving in Australia.

First, from a survey given to me by Professor Myles McGregor-Lowndes, Head of the Centre of Philanthropy and Non Profit Studies at QUT, 2010 shows that the most generous donors, published by Blackhaud, shows Australia and New Zealand and Canada, with Australia at the top of the list world wide.

The others are close to it, depending also on categories of activity, but I suspect that like me, most people would not have put Australia at the top of the list. There are other issues which cause division through Australia.

Originally, the Jewish community in Melbourne pioneered charitable giving but also are much more public in their views about giving to charity.

Sydney donors, who in many cases, are no less prosperous than their Melbourne counterparts, are much quieter about giving money away.

This is not a critical difference. It is a cultural one and one which we don't need to spend a lot of time on. It will come as no surprise to you to know there are major cultural (not just political) divergence of views and styles between the capital cities and states around Australia.

I maintain it because it is true.

Having lived and worked in four states I have learned a lot about the differing cultural interests in Australian states but have learned not to spend too much time on these differences (other than being aware that they exist) and rather get on with the task of getting money in to give to good causes.

Out of the 600,000 not for profit organisations in Australia:

- (a) They will be hard to sort out quickly as to which are doing what and what donors want to support.
- (b) A conversation should quickly reveal the personality, scope of objectives – are they doing something we are interested in, but
- (c) Because they are small are they vulnerable in size and organisation and do they have the necessary leadership?
- (d) Is their target objective what we feel is important for us.

On the other hand 23% or 136,000 charitable organisations are incorporated, so they have a disciplined structure.

Importantly, the Bureau of Statistics say only 10% of the 600,000 are deemed important ie, they employ staff and/or have an active tax base.

All of these issues call for donors to spend time defining carefully the activities they want to support, and then spend time reading the reports (if any) and meeting the trustees or managers of these charitable bodies to determine whether they are the people we wish to support.

This involves, as well, asking enough questions to ensure that they are making a worthwhile contribution to the community's needs.

What I am describing is not a high and mighty or patronising attitude. It is a prerequisite obligation for the donors from our trust to ensure that we are putting the money into the right causes.

The other point I would make about this examining and measuring process is that it is necessary for the trustees of our organisation to ensure that we are properly discharging our duties to the community and to the requirements of regulation.

The way they go about asking for money will give you some guidance on this.

There are, sadly, people who think that warmth and cuddliness are the principal components, and will end up presiding over failure in the organisation, whether it is the charitable body or the donor organisation.

Giving money away to charities is one of the hardest jobs I have had on occasions.

If you are on the receiving end ie, working for a charity, if you apply firm standards to the way you do things, that will be good practice for when proposed donors begin to ask questions.

There are a few things I think we could spend more time on in our management of donations.

They stem from fundamental attitudes in Australians.

Before we necessarily accept what other people say to us about good causes or anything else, we must be convinced that they are genuine, knowledgeable and without personal gain as part of it.

In other words are they “fair dinkum” (If you need explanation or interpretation of that then go and do your own homework). That national characteristic flows into many assessments of attitudes, behaviour and sense of commitment.

For instance, I believe that a lot of people who are asking for money do not show enough courtesy to those who are asked –

- What do we want this money for?
- What is it going to achieve in positive results?
- How do you know that we have the skills, experience and judgement to achieve the positive outcome?
- How do you know we have calculated accurately what is needed to achieve the results?
- And so on – there are others.

The follow on from that after we have received the money, is the need to show that the results are as they were forecast.

Did we make any mistakes? If so, why? Can we fix this damage?

Finally there are not enough reports back later to demonstrate success: the numbers of people actually benefitting and other pleasant surprises that will always pop up.

To do this achieves several very important outcomes.

- It proves you are fair dinkum in accountability and want to commiserate with donors.
- It brings them on side and will make them more likely to help again if you ask them. (The reasons are obvious).
- It creates a larger audience which knows about your organisation; its attitudes and style of management which will only be helpful when you come to ask again or when you need call on a wider audience for help, eg, Government.

None of what I have been saying is rocket science or difficult. It reflects common sense and old world courtesy which are currently in short supply.

If you create an occasion where interested outsiders can come and see what you are doing, it is not unkind or demanding to ask your staff and the people you are supporting to be there to talk to the visitors. You are all heightening their interest in your work.

Last year, I visited the Cobb and Co Museum at Toowoomba, where there were young people fitting up harness, cleaning carriages and generally helping. As well the workshop was full of older men working on lathes, saw benches or fixing up the repair work on the extraordinary collection of vehicles and other equipment.

A great piece of good communication to fire up the interest of visitors, donors and who knows what other positive categories of people wandering through, enjoying themselves.

I cannot emphasise enough saying Thank You and explaining what you are doing. It is a great stimulus to more outside help.

### Issues for Trustees of Charitable Bodies

- 1) Attending meetings of the organisation, including specific purpose committee meetings.

- 2) Following through with requests for information, updates, verifying documents to make sure the policy decisions have been carried out and that the outcomes are or are not what was planned.
- 3) The membership of a board or committee of governance automatically carries the responsibility of identifying the outcomes as planned, and if not why not?
- 4) None of this is a show of distrust in the management of the organisation. Quite the opposite. It is a spelling out of the responsibilities of the board or committee.
- 5) Anyone who has had this experience knows that people forget what they had to do; they get pressured by time constraints and competing demands on their time.
- 6) There are also situations where the boards assume that the management know what the issue is and what needs to be done to deal with it.
- 7) The reality is that people get overloaded with work. Also there may be aspects of the task and its solution which they do not have experience or knowledge of.
- 8) I believe it is absolutely essential for directors to visit locations where the organisation carries out its work. It also does not mean visiting just before lunch or just after. It is surprising what you learn from a visit on the night shift, but it is important to warn management of the proposed time of visit – no shocks, surprises or damaging self confidence.
- 9) It does not have to be done very often but it will develop from an atmosphere of uncertainty and discomfort on the part of workers, to one of pleasure at the interaction once everyone becomes used to it.
- 10) A major result is that the people who run the organisation get a chance to meet the board members and as it happens more often there is the opportunity for friendly interaction. You would be surprised what a director can learn from a walk through their business operation.
- 11) It also means that the directors learn not just from the managers what is happening, and by asking questions can get answers on issues they might not know anything about.
- 12) It also means that the managers have to be sure they only tell the truth as directors learn other facts and issues through these visits.

### Communicating with Donors

- 1) Obviously the most important interaction comes from the strength and energy of the story the organisation puts to the donors.
- 2) The story has to be carefully drawn so that it sets out the objectives; why we need to achieve them and, where relevant, what are the difficulties in achieving these objectives.

- 3) A lot of work goes into this, as it must, to fire a convincing and motivating story to the prospective donor.
- 4) Too often, there is a bad habit of people who put in the work asking for money and other support, believing that if you put the story out in a compelling and interesting way, then that is all you have to do. You just wait until the money comes in. Not so.
- 5) Once donations start coming in you will start to feel the measure of success (or failure) in your efforts.
- 6) If you do not succeed you need to do a very hardnosed appraisal of what you have done. Is the audience the right one? Did we miss out on some more appropriate people?
- 7) Did we use the right language in telling them why we wanted their help? Was it interesting and was it polite? Did it sound as if we want to work with them etc, etc, etc?
- 8) Too often, people involved in fund raising think that when we sent the letter out that was all we needed to do. No. We need to check on the reaction.
- 9) We need their names and addresses. We also need them, after the appeal to feel an interest (or more) in what we are doing.
- 10) To achieve this, we need to write to them periodically to update them on the good news and the not so good news. We need to communicate more completely with them to get a feel for their reaction and how successful we have been.
- 11) If you look at the Salvation Army Red Shield Appeal with which I was involved in Sydney in 1993, 1994 and 1995 you will find that they keep writing to donors – yes, asking for more support – but also telling you stories of the success in helping people in need, including new disasters like the Queensland floods.
- 12) What they also do is tell you of the successes. They are an optimistic organisation who tells when they have good news, as evidence of their success in the task.
- 13) I cannot emphasise enough the need to write again and again to donors to tell them the good news (and if necessary, the bad news, to validate their entitlement to ask you for money) more than just once a year.
- 14) It is very hard to reject a request from an organisation which keeps on reporting to you, including on some things which may not have gone well. Never say that there are no new things to do.

When I chaired the Salvation Army Appeal I did something no one had done before – I went to the Chinese community, (who have 10 daily newspapers in Sydney) and asked for support. They had not been asked before and came to the task well and with enthusiasm – and money. I did the same thing with the

Imam at the Mosque in western Sydney. I explained that any of his people who needed help got it and would continue to need it. The Salvos do not discriminate against Muslims in need. He too was surprised and gave some help.

- They recognise a very fundamental aspect of the Australian character – we want to know if fundraisers are fair dinkum in their work; achieve results and come back and tell you and say thank you.
- I am afraid I do not feel that universities are as good as they should be on all of this – and they have the knowledge, experience and credibility to do it, as have anyone else who knows how important it is to do it.

To discuss philanthropic fund raising by Universities may seem a bit odd at a gathering like this.

Too many times the underlying message in fund raising for research, extended study opportunities, more teaching staff and more space, give the clear impression that if we are asking you for money -

- It is for a good cause.
- We know what is needed and we shall deliver it in due course.
- We do not need to explain or give reasons for the Appeal.
- Just give us the money.

That is a very plain spoken summary of the style but it misses out on the opportunity to create an interest in our institutions, and understanding of what we do; why it is useful to our society and why we are the right people to do it. You will know from your knowledge of research and teaching institutions because they talk to you from time to time. This gives you knowledge of the work of the institution and its people and generally creates confidence in both and then produces financial support.

Not to communicate at all or to do it in a distant and not very friendly way has the opposite effect.

We not only need money to do things – research, teaching, extending our reach to others etc, but we can provide verbal support when they are seeking funding support from government – if they build us into the landscape.

I have quoted to you before how the Salvation Army are so good sending out reminder notes and stories of specific projects eg, Queensland floods etc, etc.

People are going to be much more inclined to support organisations and individuals who talk to them; tell them what is going on, preferably achievements eg, in research, prize winning students, government awards for achievements etc, etc. Keep talking to them and they will get used to hearing; become interested and help when asked.

An interesting experience in the last few years was the Veterinary School at UQ being built at Gatton.

The other buildings at St Lucia were past it and St Lucia is not really an ideal place for animals, students and administration altogether. It was not current in skills and equipment and needed upgrading as well.

It was a long and substantial fund raising for a new set of buildings at Gatton campus; more staff; accommodation for students; test facilities of world class status.

It was a different appeal because the animal involved people outside who did not know what was planned and why. They did not realise the need for it in Queensland to help animal breeders and trainers get on in their highly competitive world.

It involved a long education process communicating with animal breeders, trainers, students and others who did not make up a highly prosperous section of our community with lots of money to give to a good cause.

Talking to Governments was hard work as well. The conversation starts, “Why do we need to give money to your University for your vet school, when there are others in other states?”

We ended successfully. The new school at Gatton is world class – a great place for students, researchers and teaching staff – and the animals who live there. The fact that it succeeded does nothing to change the opening comments about the difficulty of the task. It was one of the hardest I have ever taken on and was largely successful because of the hard work and passion of my successor who presided over a wonderful end.

I hope that what I have said makes sense to you about the need to identify your audience, talk to it, keep it informed and give it strong reasons for their being helpful when you ask for money.

It never gets easier.

***Dr Daniel McDiarmid, Chair of Emmanuel College Foundation and Chief Executive Officer of Global Philanthropic Asia-Pacific***

In thanking John Reid AO I want to make three points:

1. The importance of the subject of this lecture
2. The importance of John Reid as the presenter
3. The importance that philanthropy for education be a topic of public discourse

**The importance of the subject of this lecture**

When Barrack Obama gave a speech recently to support the US economy after the credit downgrading by Standard & Poors, he wanted to make the point that American institutions were still strong, and kept that nation strong. President Obama referred to universities first in a list of great US institutions. There is no doubt that philanthropy for higher education is one of the key ingredients in the high quality of some US universities.

Appreciation of the importance of philanthropy in establishing and sustaining Australian universities is coming belatedly. The fine speech by John Story, Chancellor of The University of Queensland, at Emmanuel College earlier this year on the contribution of Scottish philanthropists was an important contribution to the topic. So too have been the comments of Dr Michael Spence after the donation and sale of the Picasso painting. Dr Spence put this gift into a historical perspective that included the mighty contributions by Challis, Bosch and other early contributors to the University of Sydney.

There are discussions going on this week between Australian universities and philanthropists for contributions amounting to several tens of millions of dollars. One Australian school has a gift discussion underway that might realise more than \$10million. A number of secondary schools and universities will report greater contributions from philanthropy in 2011 than in any previous year.

There are also exciting new developments. Some technical colleges are looking to seek philanthropic support for the first time.

The Catholic Education system in the Archdiocese of Brisbane is bringing new investment and innovation to seeking philanthropy for schools within that system.

The one opportunity that is still being missed is government schools. The politics around funding of government schools prevents students in government schools benefitting in any significant way from philanthropy. The topic of philanthropy is an important one for all sectors of Australian education.

### **The importance of John Reid as the presenter**

When I was doing my home work on John Reid before I met him for the first time in the early 1990s I was told that it was greatly to his credit that he was one of the few Australian business figures who was very positively and equally accepted in Brisbane, Sydney and Melbourne. This remains a description that few business leaders can claim.

So it is important that John has been our speaker because he has a greater geographic scope than many others. Also, he, and others who have been decision-makers with him, have supported all levels of education, from primary school indigenous education, to secondary schools for arts centres, swimming pools and more, to Universities for various topics, including the study of philanthropy itself.

The third reason that it is important that John Reid has been the presenter of this inaugural address is that he understands the role of fundraising, in bringing opportunities to philanthropists and also in negotiating safe passage of philanthropic ideas within complex institutions such as universities.

Philanthropists who understand the role of fundraisers are not common, and John's understanding of this has been appreciated by the many fundraisers who have engaged with him over many years.

### **The importance that *philanthropy in education* be a topic of public discourse**

If philanthropy for education is to flourish, Australians are going to need a vernacular for discussing it. Perhaps I could illustrate this with an example. The Global Fund for AIDS, TB and Malaria is perhaps the most successful fundraising organisation in modern times, having raised more than 20 billion dollars. It is a very successful organisation – it has already saved more than 6.5 million lives. Bill Gates said of it, “The Global Fund is one of the best and kindest things that people have ever done for one another.” This is lovely, gracious language.

The more that Australians speak about philanthropy - on why they give what they do, on the role of private support in a society like ours, on the impact that philanthropy – the more that we will develop words, and phrases that are



authentic for us, and that express distinctive Australian approaches to giving and receiving. This is an important part of promoting local philanthropy.

This has been the first Emmanuel College lecture on *Philanthropy in Education*. It is to be an annual event. John Reid, you have given us a treat tonight, and established for this annual lecture a high standard indeed. Thank you.



## Emmanuel College

within The University of Queensland

*enriching lives since 1911*

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