

Financing the Railway/Tramway Operating Museum – What’s Changed?

Looking Back at Lon Wymond’s Paper of 25 Years Ago (contained in Appendix A)

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Introduction

Twenty-five years ago, the first tramway museum’s conference opened with a paper (see Appendix A) from my Puffing Billy colleague Lon Wymond. I felt that for this jubilee conference it would be appropriate to re-visit his paper and consider its ongoing relevance. His key points are summarised in normal font below with my additional observations shown in italics.

Lon considered the financial development of community museum-type projects to be broadly similar. He divided the railway/tramway museum projects into two groups:

- a) Those aiming to preserve an existing line, both the physical assets and atmosphere, nostalgia, scenery, etc (for example, Puffing Billy, Ballarat Tramway);
- b) Those who seek to establish operation of a museum collection in a demonstration setting (for example, TMSV and many others).

At the time, new heritage transport operations and folk museums were still springing up in Australia but, with a few notable exceptions (eg Portland cable tramway in Victoria) the rate of formation has tapered off. However, governments are now pouring money into re-development of their own major cultural institutions such as (in Victoria) ScienceWorks and the associated Planetarium at Spotswood, the Immigration Museum and Museum of Helenic Antiquities in Flinders Street, the new Melbourne Museum and Immersion Cinema (and adjacent Imax Theatre) in Carlton and the forthcoming Art Gallery re-development (St Kilda Road and Federation Square) and Cinemedia facility (also at Federation Square).

The Inevitable Need for Capital Injection

Each group, Lon suggested, had differing financial priorities. In the first case much could be done with voluntary effort and scrounging even without significant initial finance. The second group was often faced with huge financial needs early on to purchase and move exhibits, acquire a site, etc. However, he suggested that whilst both might start with minimum capital they would, sooner or later, both need a significant capital injection. To think otherwise would be living in a fool’s paradise.

I would take this further and suggest all such entities need periodic capital injections. Even if the initial funding is generous, over time there is a need to address changes in visitor expectations (eg interactive displays, higher standard toilets), access requirements (eg for mobility-impaired visitors) and health and safety standards (eg rail accreditation requirements).

If sufficient finance is not forthcoming there will be a downward spiral of tatty appearance, service breakdowns and possibly even accidents. It may be relatively easy to gain occupancy of a significant running line or to construct one using employment scheme labour and second-hand materials but sooner or later a bridge or vehicle will require heavy repairs or those \$25 notes under the track (also known as sleepers) will rot away and need replacement. Even static museums are faced with rusting roofing iron and weathering of timber-clad walls in relatively short timeframes.

Consider the funding history, visitor number trends, organisational changes and presentation of the following Victorian transport and outdoor museums:

- *Yarra Valley vintage railway (Healesville) – Commenced with large-scale federal funding but not enough to establish proper railway operations and now struggling to operate trolley services on a reduced length of track;*
- *Old Gippsdown (Moe) – A one-off lease of part of the site for a McDonald's deferred a collapse but to visit today requires only a gold-coin donation to enter a trash and treasure market conducted in the grounds;*
- *Swan Hill Pioneer Settlement – The state government wound up the statutory authority and handed the whole enterprise back to the local council;*
- *Coal Creek (Korumburra) – Has dabbled with a couple of attempts to add a railway for life and movement but where the whole operation has closed down several times and offers to lease out the whole complex have resulted in few serious responses;*
- *Mornington Railway Preservation Society – Until forced out of the 'nest' at HMAS Cerberus faced an uncertain future but has now undergone a remarkable rebirth.*

Lon's greatest concern wasn't the early phases of (a) development and (b) initial operation (a proving period) but the phase of (c) continuing operations where funding of capital requirements becomes an issue. For a limited period capital requirements might be met from operating profit but 'saving up' for the next big expenditure item can be painfully slow.

He dismissed commercial loan funds fairly briefly as generally being unavailable to most groups because of problems in offering adequate security.

His discussion overlooked private funding beyond the membership donations and raffles level but at Puffing Billy private charitable trusts have become a significant funding source over the past decade.

As our membership ages, bequests are also assuming greater significance.

Government Funding

His core concern was “the vexed question of Government grants”. He felt that, at Puffing Billy, “the very success of our operation is counting against us when the dollars are being handed out. What is not fully appreciated ... is that success doesn’t necessarily mean big profits. Hence we feel somewhat aggrieved when we see money being handed out ... to all sorts of embryo[sic] tourist attractions [when] none has come our way to help what is widely acknowledged as a major tourist/recreation attraction”. *I would have to add that the “they’re successful so don’t need help” attitude also seems to apply to some private philanthropic groups too.*

Some of Lon’s key points on government funding still largely hold true, including:

- Keep quiet until you are in a position to ask for – and spend – a reasonable sum;
- Indicate what, if any, the ongoing requirement for capital is going to be over a 5-10 year period;
- A relatively few dollars spent in preparing an attractive and well-documented submission could be the key to success; *[Look how Robert Green’s impressive ‘Hawthorn Depot’ booklet resurfaced nearly 20 years later! Desktop publishing software has lowered costs in this area but makes it harder for your submission to stand out from the crowd!]*
- Be honest in your claims and proposals – your proposals will be subject to verification and you may be asked to substantiate the claims you make;
- Be cautious in any lobbying you embark on – it could backfire very easily and in any case is often regarded with disfavour.

Lon wrote in an era when government funding programs were less structured. Today I’d have to put at the top of the list the need to understand and address the objectives of the funding scheme (whether from government or the private sector).

At Puffing Billy we have a long pre-costed ‘wishlist’ of projects from which we pick the item which best fits the potential funding source. Our internally-generated funds are reserved firstly for ultra-high-priority works for which we cannot find an external source (eg many OH&S-related works) and then to meet any ‘matching contribution’ required to secure external funding for priority one and two works. We hope to progress to a stage where wishlist items are not only pre-costed but pre-designed so that we don’t get caught out with cost blow-outs.

The Treasurer and Budgetary Process

As an accountant, and treasurer of one of the two bodies involved in the Puffing Billy enterprise, I commend Lon’s words on handling and control of finance to all of you. Even with a full-time accounting staff I’d have to agree that the treasurer is often the busiest executive member and, without proper support, can sometimes be the lone voice against some proposal which the organisation may not be able to afford but which has great emotional appeal.

Your President or Chairman has a particular responsibility for supporting the treasurer (and secretary) and for educating the broader member/volunteer electorate that his or her unseen

work is at least as important (and arguably more so) than that of someone who works (or plays) on-site.

Local Government – Handle with Care

The Puffing Billy view on local government continues to be that it is better to preserve your independence as long as you possibly can. We continue to be faced with frequent changes in council policy impacting on Puffing Billy as councillors change over time.

That said, we put an enormous effort into maintaining close relationships with both our local councils and into educating councillors and officers about our activities. We are quick to organise a formal inspection visit within a few months of elections as a demonstration of our professionalism and to remove any misconceptions they may have about us (and there are usually many!)

Concluding Remarks

Who could argue, even today, with Lon's summing up?

- It is of utmost importance that you keep your financial house in order. You must be able to demonstrate that any request for assistance has not resulted from your inability to manage your project properly;
- It is necessary to show that your project is financially viable – governments won't back a loser – and that you are not seeking an operating subsidy.

What else can we add?

- *Funding requests cannot just focus on what you want. They must be framed in terms of what the funding body is trying to achieve. Only when your project and their objectives match will you have a chance of success.*

Discussion

John Radcliffe (AETM) – How has the management of projects and grants changed over the years?

Answer – The conditions of how money is spent and how projects are managed have been tightened.

Bob Pearce (PETS) – What about the conditions of use of money and labour under the Work for the Dole scheme?

Answer – It is a matter of insurance cover. 'Active' work is not allowed but 'passive' work is permitted. The Puffing Billy Preservation Society has recently had this problem and is exploring the position.

Lewis Nyman (BTM) – The supervision of community service order workers was sometimes a problem.

Answer – Some people become good workers and there are ways of getting around administrative and supervisory problems.

Bruce Gamble (WST) – New Zealand had led the world in desocialising government functions. Would Australia follow suit?

Answer – The opinion of the past Kennett government in Victoria was that ‘Governments should steer, not row’. This situation will possibly change now that there is a new government in that state.

Bill Kingsley (BTM) – Spoke on the problems of cost and size. How big should a museum be? Was there a limit to expansion?

Answer – A museum should not ‘bite off too much’. It is hard to stand still and some form of ‘expansion’ should continue, but it must be in a viable form and a sound move. Opportunities must be seized, but must not be too big to be safely handled by the society concerned. It must be thoroughly investigated/costed/analysed before being commenced.