

THE EMPLOYMENT OF PROFESSIONAL STAFF BY COMMUNITY MUSEUMS

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Most community-based museums including the tramway and railway museums in Australia and New Zealand, have their origins in community groups who have established incorporated associations or similar bodies for the purpose of developing and operating museums in their fields of interest. These museums operate with voluntary contributions which are made by their members who give their skills to achieve the goals which the museum members have set through the endeavours of the committee members whom they will have elected at annual general meetings.

Tramway museums in the English-speaking world have traditionally been developed by volunteers through processes which have been described for North America by Andrew Young (1983) and for Britain by Tony Bacon (1982). This usually involves a progression encompassing the collection of cars, the ultimate establishing of a collection policy, the housing of the vehicles, their operation, their progressive restoration/conservation, and the interpretation of their role within the social fabric of the society in which they operated.

While many projects have operated for considerable lengths of time solely based on volunteer labour and management, opportunities can arise, such as by grants from government, allowing the museum body to employ staff to carry out major projects which might take the volunteers a considerable length of time to otherwise complete. In recent years, unemployment relief schemes, and sesquicentenary and bicentenary celebrations in Australia and New Zealand have provided examples where this has been possible. In addition, the museums may be able to generate sufficient revenue to employ staff to carry out basic operating activities, with supplemental operations and often the longer term developments such as high quality restoration projects being undertaken by volunteers.

However, the introduction of paid staff to a volunteer-based and managed museum can involve both considerable delicacy of relationships and the potential for substantial and unforeseen debt to be incurred. Furthermore, the volunteer management of the organisation may not have ready access to the industrial

relations expertise to ensure the appropriate and equitable employment of paid staff. There are a number of issues to be considered as follows:

Terms of Employment

There should be clearly established terms of employment with duty statements which are accepted by the museum executive on behalf of its members and are accepted by the employee at the time of commencement. To whom the employee is responsible should be made clear and other members must understand that they do not have the right to give instructions (which may be contradictory) to the employee. The "chain of command" must be well defined. This applies both ways between staff and volunteers.

Salaries and Wages

Wages and/or salaries should be paid at an appropriate rate in line with established conditions and awards for that type of endeavour. Recognition should be taken of the need for casual loadings (often 20%), any special shift conditions, weekend rostering obligations, the extent of use of awards, enterprise bargaining or the need for "market parity", taking into account whether the work is to be carried out in regulated or deregulated employment environment.

Additional supplementary costs including workers compensation, annual leave entitlements, long service leave entitlements, superannuation, payroll tax and other sometimes unexpected costs must be included within budget calculations before staff are taken on.

In some cases, it may be possible for recompense to be provided by other means than by direct payment of wages or salaries, but if this course is taken, fringe benefit tax (FBT), may be payable by the employer.

Where the employee is being reimbursed for specifically incurred costs, for example in the use of their motor vehicle as part of transport on the job, appropriate rates should be agreed before commencing. Note that if a lump sum is given to cover any likely transport costs and no acquittal for actual expenses is required, FBT may be an additional cost payable by the museum as the employer.

The frequency of payment, and whether it is by cash, cheque or bank deposit should be resolved before commencement. Paying by cash can often be relatively inconvenient for a small organisation whose office bearers can be distant from the point of payment. Direct credit to a bank account is increasingly acceptable. However, it is essential for audit purposes that appropriate time sheets, records of attendance or other measures are retained. Provision will need to be made for direct payment of income tax, insurance policies, payroll tax, etc. by the museum treasurer, accountant or finance manager.

Selection Processes

Vacancies should preferably be advertised, recognising that this may be an additional employment cost. Hiring should be on a basis of selection on merit using processes which are, in the jargon, "transparent". These processes must allow for equal opportunity without discrimination against age, sex, religious belief or disability according to local state or national legislation. Any hiring should be free from potential criticisms of nepotism (hiring of friends or relatives of the committee, or of "mates" from among the museum membership where the merits of the appointment may not be apparent to other members). Where applicants are from both sexes, it will be desirable to have members of the selection committee drawn from both sexes.

There should be a clear understanding between the museum and its potential staff member as to whether the employment is on a casual, indefinite, contract or other basis. A written offer of employment should be given to the prospective staff member who should formally accept it in writing by either counter-signing the offer or by accepting with a separate letter by return mail.

Occupational Health and Safety

Appropriate provision should be made for occupational health and safety on the job, including provision of training, where necessary, in the use of any equipment with which the employee is not familiar. (The same provisions must in any case be provided for volunteer members working in the museum).

Cash Flow

A particular problem often faced by small employers including museums can be that of cash flow. Depending on the nature of the source of income, payments to the museum which form the basis of employment of staff may be erratic or may be received on the completion of "milestones" in the project.

Staff employed under short term grants may have to be paid before payments are received from the granting organisation for work which has been completed. The need to pay staff in advance of receipt of the grant monies may result in additional costs, particularly if funds have to be borrowed from the bank. The job of the "paymaster" in keeping all these issues on the "straight and narrow" should not be under-estimated. The museum treasurer may need some additional assistance over that normally required to operate the museum finances. Construction of a month-by-month income and expenditure budget for the entire financial year is very helpful as a means of identifying when museum finances are likely to be stretched.

Similarly, where income through the gate is quite seasonal, serious problems can arise if staff continue to have to be paid when in the low season the income through the gate becomes significantly less than the cost of paying the staff. This can also result in the museum running into liquidity problems. It may be possible to secure overdraft facilities from your bank, but this can be expensive in additional costs, and may be difficult to secure because the museum offers little security. Accordingly, staff should not be taken on until the museum has sufficient working capital to tide it over the peaks and troughs of its annual income cycle.

Sources of Advice

It may well be advisable for the museum to have access to appropriate sources of advice before entering into or during the course of employing staff. This advice may come from consultants (who are fond of charging money), the government Small Business Corporation, or local industry associations such as the Chamber of Commerce, which may be worth joining if they have special business advisory services and industrial relations or legal services available to members.

The Long Term Cash Flow

In working out the budgets for a new museum development, care should be taken to recognise the probability of declining visitor attendance and income after the initial "novelty value" of the new museum has passed by. For example, the National Gallery of Victoria on St Kilda Road received ten million visitors in its first year, but by ten years later, its annual visitation had fallen to two million visitors. Similarly, the Port Dock Station Railway Museum at Port Adelaide initially constructed a budget when it changed from a two Sundays a month volunteer operation at Mile End to a full time part professional operation at Port Adelaide showing that it would be able to employ six staff. Five years later, the staff which were by then three and a half full time equivalents, had to be reduced to two full time staff. This ensured that there were sufficient surplus from the operation of the museum to provide the resources for the volunteer members to undertake restoration and development projects without having to go through a substantial and discouraging haggling process to get even small funds to undertake activities.

Skills Required

It should also be recognised that as the museum develops, a change may be needed in the skills required for its continued operation. If a manager is being employed, a fixed-term employment contract of, say, three years may be desirable. In the initial stages, a high level of initiative and entrepreneurship may well be the attributes needed, whereas in later years, management, museum development and negotiating skills may become paramount. However, the primary skills needed in the type of museums in which we operate is that to have effective inter-personal relationships between the professional staff and the volunteers.

Conflict

Frequently there can be conflict between the paid staff who "know what to do", and the volunteers including the committee, representing the members of the museum and who through their annual elections, determine the objectives which the museum is seeking to achieve. The paid staff must be prepared to accept that they are responsible to the museum organisation. At the same time, they must be prepared to work with volunteers in a co-operative manner, recognising the diversity of skills which the volunteers bring and having the ability to ensure that the volunteers continue to enjoy their participation in the museum's activities and its achievements.

Unlike staff employed in an employer-employee relationship, the volunteers cannot be "made" to do anything. They will only undertake the work if they are motivated by the satisfaction of the achievements they can produce. The effective employer will recognise this and seek to facilitate what the volunteers are doing. Too often, there can develop an "us versus them" relationship between the paid staff and the volunteers. This becomes a managerial issue, and frequently has its origins in inadequate setting up objectives, and in inadequate communication between the staff and the management of the museum which is almost invariably the elected committee drawn from the membership. Just as a wide diversity of skills is required in running a tramway, a wide variety of skills is required in ensuring that a diverse range of volunteers and paid staff can work harmoniously together. This is the challenge to be faced by the management committee of the museum.

The Bottom Line

Finally in continuing the employment of staff, it is absolutely essential to ensure that the income which the museum is continuing to receive is sufficient to maintain the employment of any staff who have been hired. If there is any doubt in regard to this issue, further expenditure through employment must be reduced or terminated as soon as possible to ensure that the museum is not placed in a position of no longer being able to service its debts. Should the museum be left with a surplus of liabilities which have been incurred over the extent of the cash assets at its disposal, it becomes a prime target for the appointment of receivers who will be entitled to sell any of or all of the Museum's assets in order to recover any unpaid debts. This can result in the disposal of the very vehicles which the museum was established to preserve in perpetuity for the benefit of its members and all mankind.

References

- Bacon, A.D. (1982) - "Restoring the Tramcar", Paper 13, (Tramway and Light Railway Society; London) 32pp.
- Young, A.D. (1983) - "Trolley to the Past - A Brief History and Companion to the Operating Trolley Museums of North America" (Inter-Urban Press: Glendale, California), 158pp.

Questions

Lewis Nyman: Asked if there are problems when sacking people?

Answer: Yes there are problems e.g. Redundancy and disputes re payments.

Geoffrey Claydon: Talked on contract for services as answer to those problems?

Don Campbell: Enquired about the responsibility of income tax re contract employers.

Answer: Yes, after \$3000 you must deduct tax.

Geoffrey Claydon: Continued about the problems of permanent staff and volunteers being under different arrangements.

Phil A'Vard: Spoke on where do you stop in regard to volunteer and permanent staff re work safety (WorkCare) claims.

Ray Webster: Continued on an incident that happened in Perth re the above question.

Lewis Nyman: Expressed his thanks to John Radcliffe on his presentation.