

Goldfields Railway Society: President's Yearly Report: 2009/10

These three annual reports cover the multitude of complex business conducted by the Society over the last 12 months. This organisation is not a simple one, there are many separate operations contained within the Society. I am the first one off the block covering our general activities over the past year.

The Society does not exist in a vacuum, it needs to interact more with the community around us. We as an organisation have to realise that we are selling "an experience" for both visitors and members. This "experience" further reflects what the individual experiences as a whole of holiday or whole level of work/life satisfaction. It should also be remembered that we are all unpaid volunteers, only being here because we want to ensure that a part of both our local and national industrial past is preserved for future generations.

I believe there is a huge need for members to understand that we have to be more professionally and commercially orientated extending to proper project planning including timing of activities against resources.

The Society has to develop an ethic which means decisions should be made on a commercial basis not personal, a failure to understand this causes a backlash which is not justified or pleasant. Particularly in view of the fact that members of the executive are working in their own time on a purely volunteer basis with the best interests of the Society as a whole at heart.

It has been my concept to get as many people involved in the decision making process as possible, and to this end I established sub-committees under the provisions of our Constitution. Some worked, others' didn't.

Business Plan:

The application of a viable business plan to the workings of the Society is a requirement under the constitution. Considerable time has been put into such a plan which has been tabled before the Management Committee, however as it contains some controversial options, it has not yet been formally adopted or applied.

The suggested option is for the train revenue operations of the Society to be created into a business unit called "WaihiRail". The General Manger will have charge of this under the direction of the Management Committee, who will be directly responsible for the property and restoration activities. As WaihiRail will be under the direct control of the Management Committee, it will not be in order for any employees to be appointed to the management committee as this would create management control and authority issues already experienced under the current structure.

Just what happens to this plan now will depend on the incoming committee members.

Restoration:

Considerable work has been carried out by small teams of committed and hard working volunteers using available funding for materials only. Full “heritage” restoration of rolling stock is just not possible with current safety issues and available resources. A steady team guided by Bob Morton including Don Martin, Alan Carter, Graeme Porter and Rod Rattray, Ashton Baird and Sel Baker have been beavering away down in the carriage shed working on various projects including:

- The little RNZAF shunter is nearly finished by Phill Boyd with assistance from Brian Rae
- A complete re-build is under way on the passenger car with one side completed (\$12,000) and with the ceiling soda blasted successfully. The other side has been framed and covered, but waiting on funding for the windows and floor. The mechanical repairs are also underway.
- The new dining car has been completed after 10 years and is waiting repairs to a draw bar prior to certification and release to revenue earning traffic. Another funding issue.
- Some essential work has been carried out on the para car and the old dining car, but both these units are in urgent need of a complete re-build. Again resources are just not there.
- A semaphore signal has been refurbished and re-installed at the western end of the yard; two other signals have been scheduled for repainting but waiting on volunteers.
- A shed meal room and work’s store car have been created, along with the general tidying up of the carriage shed especially with H&S in mind.
- The overseer’s hut and a working man’s hut has been restored and equipped by Syd and Colleen Haggie as a base for the platform attendants.

Other restoration work under the supervision of Dennis Blake and his team of Anton Douglas and Ashton Baird includes;

- A 6 man motorised jigger was restored by Ashton Baird with assistance. Its home is being rebuilt but waiting on funding for a curved roof and new doors
- A start has been made on the north wall of the goods shed, but waiting further funding. The eastern end doors had a major re-build after an incident revealed hidden defects.
- A new jigger shed has been re-located closer to the good’s shed which has been allocated to infrastructure-construction team.

- The open car needs urgent repairs to a wheel bearing plus refurbishment of floor/seating. We are waiting on the return of the other car from Waitara who are finalising arrangements for its return, which is anticipated before the end of this month.
- A number of wagons have been retrieved from “rotten row” and recommissioned for infrastructure work. In all cases this has meant re-decking and rebuilding braking systems. Thanks to Ashton Baird (Asst Rolling Stock Manager) and Anton Douglas for their unrecognised efforts on these rolling stock resurrections.

Technology:

Computer system and software upgraded as a result of generous a donation, we also now have an integrated laser printer. A laptop and software has also been donated for railway use. We need to upgrade our till, but funding is an issue.

- An air-con unit was installed in the office, but despite initial assurances prior to installation, the unit is faulty and needs replacement. The original funds for this unit were donated.
- All the funds for CB radios base sets which were installed at Waihi & Waikino with a mobile unit in the cab of loco 6 were donated. An additional 7 hand sets were donated, but 5 were stolen during a recent break-in. Funding is being sought to replace these.

Property:

We have negotiated a **concession** to operate on DOC land which replaces our lease. This concession is for 31 years and for those interested in how such a concession works, visit the DOC website. This agreement is subject to being effected by any Waitangi Tribunal settlement agreement with the Hauraki Maori. The concession rental to us is 4% of our base income (Excl grants/donations and membership fees) plus costs. This works out very similar to what we are paying now, but should not be a cause for delaying revenue earning projects.

The new lease on the Waikino Station can now go ahead with the negotiation team being lead by Chris Hale. It is anticipated that the existing crew room will be reserved for the use of train staff only.

The Waihi Railway Historic Precinct is classified as a class 2 Historic Places Trust classification and as such, care must be taken when restoring buildings. After some trials and tribulations, we now have compliance certificates on all our buildings, excepting the Drama Society building which is somewhat of a mystery best left unsolved.

The railway housing continues to be a thorny problem due to many years of deferred maintenance. There is no immediate solution as there must be a fair distribution amongst the houses of what little resources we have. In addition any exterior works need compliance with Historic Places Trust specifications. The income from the houses of \$29,000 per year is insufficient to carry out major reconstruction. Funding from the Society is not available as this is required for operational infrastructure repairs.

- Considerable refurbishment work is being done on the houses, but funding is insufficient other than to maintain the status quo. All houses are let and currently up to date with rents.
- The Management Committee has been looking at an income stream from the vacant land, but its zoning classification as “passive historical recreation” is an issue.
- Considerations are being given for use of the caravan power boxes on the station forecourt which are still active, but need funding to ensure compliance before use.

Asset Register:

Although promised, this sub-committee has been fraught with changes to its make-up and issues with identifying what actually is an “asset”. The Management Committee has now established an applicable definition so the building of a proper asset register can proceed.

The assets as shown on the balance sheet will be updated once we have a proper asset register.

Funding:

Money does not grow on trees despite what some members think, and costs have increased substantially over the last 30 years. The amount of funds we are consuming to re-build our operational infrastructure alone will run into the millions of dollars over the next few years.

Many of the usual sources have either dried up or reduced substantially the value of their grants. In addition the accounting for the funds spent is a nightmare. The contributions we have to have in our accounts for any projects to obtain grants are; Lotto Heritage funds - 33%, other Charities’ – up to 90%.

The very nature of our operation dictates that our funds come from what is known as the “Heritage Funding Schemes” , and it is obvious that demands from recent events in Canterbury where many heritage sites need re-building, will create heavy demands on this type of funding.

Dennis & I attended a workshop by Internal Affairs over Lotto funding, and found that only \$11m is currently available for all of NZ. Our buildings cannot qualify for community multi-use, therefore we are further restricted in our funding sources. In addition no grants are allocated for plant or buildings, only wages or repairs etc. Grants from the Government for the tourism industry only go to national and regional promotional activities, not to operators like us.

The Society did secure a \$30,000 loan from the HDC which is being paid back from housing income.

Securing funding has not been an easy task for Chris Hale and Sel Baker, especially Chris who has been heavily involved with the Hauraki development process, but given up his time to work with Lotto and other major Charities. This is additional to his work of creating an accounting system for us, which we can understand. Bee Brown has also been involved in submitting applications to local Charities.

Resources:

Last year the Management Committee realised that our resource base was non-existent. Thus funds were used to develop industrial base equipment from scratch to enable major reconstructions works. There is a crying need for more resources though, which means Dennis is always pounding on my door. Thanks to a number of local businesses, we have survived with “cost only” contracts and actual donated services etc.

Staffing:

Income from train operations has been the saving grace for the Society, but at what cost to the overworked few. People are an essential resource, but we have very few with qualified and experience for work being undertaken. I become very disheartened that there are those who feel free to criticize the very hard working unpaid volunteers either on the Management Committee or operations. This in turn affects morale and consequently the essential people we need to survive, walk away.

- We desperately need train staff to qualify as we only have Ron Wilton, Dave Rowe, Dave Cole, Peter Robertson, Brian Rae, Ross Baird, Lisa Worthington and myself currently available. Arthur Lynch worked hard the first part of the year, but new employment opportunities have reduced his availability. This small group has been entirely responsible for our operations income and deserve some real appreciation from the members.
- Age and illness continues to decimate our ranks which is a concern not only to us as members of the Society, but also to our regulators. The double crewing of cabs to counter such concerns may not be too far away.

- We lost Neil Copeman during the year but were privileged to hold his memorial service on the train with over 100 people carried and fed by our volunteers.
- Relieving office staff of Carolyn Burns and Irene Morton have been a godsend, and with Syd Haggie working on developing the new job of platform attendant, our passengers are assured of a fantastic experience.

Constitution and charities commission:

Our updated constitution as approved at the last AGM, has been officially approved and registered with the Companies Office and the Charities Commission. We also have qualified with the IRD for tax deductions on donations etc.

Marketing:

“Marketing”_not only involves advertising, but identifying our market, identifying what the public/members want, identifying our product, identifying and evaluating our media delivery, and identifying what value the public/members place on our product. Statistics from Tourism NZ guide us in aiming to develop our niche in the crowded tourism market. Marketing is expensive so we have to be very careful that our limited marketing budget is reaching the people who we want to experience our particular product (target marketing).

The identity that has been created over the past few years has been established in the public image with “Goldfields Railway” and care has to be taken to ensure that this is not destabilised in the public’s mind. The use of the “WaihiRail” identity has been created within the original concept and linked accordingly to what the public see and imagine our objectives are.

Some members feel they can contribute more outside of the Management Committee and these efforts are appreciated. There are concerns however, that such activities may become unco-coordinated with or detrimental to our efforts in creating a distinct and unique identity.

Members have to accept that our product is “an experience”. To illustrate this; Dennis wants to drill a hole in the rail for a bolt, so he goes out and purchases a drill to make his hole. What he bought was not a drill but the hole, which is what he originally wanted. Our product is not a train ride, but the unique experience of safely travelling on a century old railway experiencing part of our past, and safely travelling through some of the most unique and beautiful country side in New Zealand. To this end;

- We have made every attempt to improve our image with new improved signage, clean and tidy station, re-painted white and yellow lines on the platforms, regularly washed and cleaned rolling stock (inside & out), water blasted premises and attractive entry doors. Regular emu patrols for litter and clean toilets etc.

- We have sought to increase the WOW factor of the experience by introducing an amplified commentary plus training staff in the local history and features of interest seen from the railway.
- Piggy backing off existing promotional opportunities such as; Anzac Day, Open days, Mothers day, Eco Walking festival, Tourism Coromandel, Go Waihi, & BA5 to name a few.
- We have experimented with radio and print media avenues with mixed results.
- Although a new rack card has reached the final design stage, no funding has been available for completion. The Waikino Café did not renew their joint card this year.
- Developed a new website which is up and running under the “WaihiRail” identity. We did develop an integrated on-line booking system but this was temporally suspended. However we are pushing our website address of waihirail.co.nz as an effective media to keep public quickly and reliably informed about our services etc. Tourism NZ has identified that 90% of both national and international visitors search the web for possible attractions prior to booking their holidays etc.
- We are further developing our website with a project to enable our local schools to develop a “schools package” for addition to our website, but this is in early stage and will need some more dedicated follow up by professional staff to progress. After all, what should attract younger people to our website and Society, only those younger people really know.
- Our re-vamped newsletter is receiving a great response, with on-line circulation reaching around 500 people. This has been created by our Secretary, and the incoming committee would do well to retain her services for this important aspect of our marketing package.
- Having lost the Scenic Tours for 2010/11 season, we need to develop a replacement program for the charter tours. With Scenic it was a matter of economics for them going out on a limb to experience our railway.

Bring back Steam:

This sub-committee also suffered from direction and staffing issues, however is now headed by Rob Bowater. Nothing concrete to date, but processes are being developed to restore our Peckett and possibly a Fa250, nothing else seems to be available. This sub-committee has been given another 6 months to 1 March 2011 for the report on feasibility on bringing back steam. This is a very complex matter with a lot of surrounding issues to be considered, not just which engine we use.

Health & Safety:

The good old days of using No 8 wire and going ahead doing something how we like, have gone. All our activities are covered in some way by some sort of legislation whether it be local body or Government decree. We must comply and therefore must become aware of what issues are involved. The offences are committed either by direct act or by omission (failing to act). Ignorance is no excuse and we cannot insure against penalties if something goes wrong.

The Management Committee has been involved in a big push, which means now staff have adopted work safe practices. There is still a long way to go. Procedure manuals are being updated and risk analysis is being done realistically. We now have a qualified H&S rep available internally, but his free services will only be available for specific tasks to the incoming committee. Otherwise we will have to pay for the services of our H&S Consultant.

Membership:

Although we have seen some new members join the Society this year, we have also experienced too many losses. Numbers are difficult to ascertain as some have not paid or renewed the memberships. Membership and volunteer promotions have been held with little response from locals.

In Conclusion:

I want to thank the committee for their support in their respective roles; Chris Hale as Treasurer, Dennis Blake in Operations, Bob Morton in Restoration plus taking on the role of VP, Carolyn Burns as Secretary and News Letter Editor, Eddie Morrow and Sel Baker in their President consoling roles, plus the rest of the Management Committee though out the year. These include, Ashton Baird, Tom Porter, Colin Dray, Neil Copeman (deceased) and Sherryl Sutherland.

Also a special thankyou to the Corrections Department who have supplied Dennis with many hands throughout the year to do the sleeper work. Without these volunteers, Dennis would not have achieved what he has.

One of the biggest disappointments of my time as President, is that I have been unable to locate that most elusive of member's whose surname is Else and first names are Sum One. This member seems to be responsible for all the disasters and failures to achieve what people have been tasked to do. Strangely though, this same member is also never around to take the accolades of a job correctly done either.

After the reports from the Treasurer and General Manager, the chairmen of the relevant sub-committees are available to answer any questions. This will give members time to think about their questions.

The President's and General Manager's Reports reports will be available on line after this meeting. The Treasurers Report will be available on line once it has been audited and the audit report accepted by the incoming Management Committee.

Thank you for listening.

Graeme Martin.