

---

## **Locomotive 3801 – fiction, fact and future:**

---

**(Issued 27 July 2006)**

### **FACT: 3801 is not under threat & the locomotive's future is clear**

The current 3801 Limited media campaign mischievously alleges that 3801 will return to Thirlmere to deteriorate. This is not the case –

- 3801 will continue to operate widely and frequently with NSWRTM, and will be more accessible to the people of NSW. NSWRTM has a strong focus and 30 years of achievements in heritage train restoration, maintenance and operation.
- 3801 will have a home at Thirlmere. NSWRTM is NSW's leading rail heritage organisation – since 1962 we have saved much of NSW's moveable rail heritage. We display and conserve the NSW rail heritage collection 7 days a week at Thirlmere Rail Heritage Centre, consistent with our resources, and we sustainably and viably operate heritage trains state-wide.
- 3801 will be supported. NSWRTM's 300 strong volunteer team and 2000 members are proud to be involved in NSWRTM as stakeholders in the future of rail heritage – and 3801.
- 3801 will be sustainably and transparently managed by NSWRTM.
- 3801 is rightfully and legally in the permanent custody of NSWRTM – 3801 will return to the care of the NSW Rail Transport Museum (NSWRTM) in November 2006.
- NSWRTM saved 3801 from scrapping in the 1960s and is 3801's legal, permanent custodian, under a custody Deed from State Rail.
- NSWRTM operated 3801 until 1976 and then displayed it at Thirlmere until restoration started in 1983. The locomotive was handed over to 3801 Limited, on loan, after restoration in 1986 – 3801 is currently on a 20-year lease from State Rail and NSWRTM to 3801 Limited.

**Read on to learn the facts about locomotive 3801 and its future.**

---

The claims cited in italics below are quotes taken from the 3801 Limited Media Release dated 13 July 2006, quoting the Company's Chairman. The facts are presented by the NSW Rail Transport Museum (NSWRTM) as matters in the public domain.

---

**GET UPDATED 3801 FACTS AT [www.nswrtm.org/3801](http://www.nswrtm.org/3801)**

CLAIM: *‘The much loved 3801 steam locomotive will no longer be located or operated from Sydney from November under current plans by RailCorp’.*

FACT: **NSWRM is NSW’s largest heritage train operator and will operate 3801 frequently from Sydney Central and suburban stations - see the 2007 event program just released at [www.nswrtm.org/3801](http://www.nswrtm.org/3801)**

---

CLAIM: *‘3801 Limited is a successful company which has operated its business without government funding for 20 years’.*

FACT: **3801 Limited has received enormous in-kind support from Government entities, has had 20 years free use of a valuable inner-city site, was handed the locomotive and carriages restored and operational, and has received track access concessions for the ‘Cockatoo Run’.**

**In 2002, 3801 Limited received a grant from State Rail for vital parts to keep 3801 running when these could not be funded by 3801 Limited.**

**The Company’s only steam loco restoration project in 20 years (locomotive SMR18) is overdue and expensive – and has been funded by the Government.**

**In the meantime, NSWRTM has overhauled four steam locomotives for operation. 3801 Limited has no track record of locomotive restoration or major overhaul.**

---

CLAIM: *‘We have generated over \$2 million a year for the further preservation and care of the locomotive’*

FACT: **3801 Limited revenue also comes from a diversified business in diesel works-trains, not just from steam operations. The Company is no longer true to its core purpose.**

**Eveleigh is congested with privately owned locomotives and carriages, and 3801 Limited is squeezing heritage assets into the weather.**

**The revenue raised by the Company does not all go to the locomotive – it also supports privately owned works-train locomotives, a high cost base and a carriage fleet.**

**NSWRM frequently hires 3801 for its own train operations and has poured tens of thousands of dollars into the locomotive through train charters and joint ventures initiated by NSWRTM during the 20-year lease.**

The recent re-tyring of 3801 by 3801 Limited can be seen as expected maintenance for a locomotive after 20 years service (and after 20 years usage and income to the operator and maintainer).

---

**CLAIM:** *‘... (we) have continuing programs in place to provide for the replacement of major life expired components, for example a new boiler’.*

**FACT:** **Programs may exist for major work, but it is unlikely they are funded. The Company claims it is viable and profitable, yet provides no evidence. Any viability would be dependent on diversified works-train activities, not steam operations.**

**There appears to be no business plan and the Company’s public statements offer nothing for the future – and there’s no business continuity plan for the cessation of the lease.**

**Meantime, NSWRTM continues to provide parts and assistance to help keep 3801 running – as recently as last week!**

**The fact is that 3801 will soon need major repairs. 3801 came to 3801 Limited in operating condition (after restoration by Hunter Valley Training Company, supported by NSWRTM and re-commissioning by NSWRTM) – it will soon need major boiler work, a fact which is not clearly disclosed by 3801 Limited.**

**It is said by 3801 Limited that they seek only a signature and not a cheque – in the longer term, this is plainly not the case.**

**Neither 3801 Limited nor the NSWRTM can solely fund this scale of works – NSWRTM will work collaboratively with RailCorp to pursue external funding.**

**3801 Limited has enjoyed use of the locomotive for 20 years and the income it has generated – but it apparently sees no obligation to ‘make good’ the locomotive at the end of the lease.**

**3801 was towed from Thirlmere for restoration in 1983 partially disassembled after necessary investigative works by the NSWRTM at the start of the project. This is the media footage 3801 Limited have shown to skew opinion on NSWRTM’s care of the loco in the 1980s.**

---

**CLAIM:** *‘A unique feature of the 3801 operations is that it takes this iconic rail heritage to the people of metropolitan and regional NSW for them to experience rather than requiring people to visit a museum to look at a static exhibit’*

**FACT:** **3801 Limited’s ‘unique feature’ is actually a hallmark of many rail heritage operations – including NSWRTM’s own train operations for over 30 years.**

**3801 Limited are not providing a marketing ‘point of difference’ – aside from the locomotive itself, the product offered is little different to that of many other operators.**

**NSWRTM trains operate throughout NSW, routinely offer dining car service, lounge car comfort, attentive customer care and authentically presented rolling stock – re-creating the style of a bygone age.**

**No one will be compelled to look at 3801 in a museum – 3801 will have a living future, in steam, on the tracks – and will also be available on display at Thirlmere between trips in a special visitor facility - providing the best of both worlds to the people of NSW.**

**Right now, 3801’s locked away at Eveleigh with no visitor access in a building that needs expensive repairs for ongoing use.**

---

**CLAIM:** *“We are the most successful of the State’s rail heritage operators’*

**FACT:** **A glib and subjective claim – where is the substantiation? How is the Company sustainable, for example, without works-train income? Is the works-train business accounted as a stand-alone activity? NSWRTM’s annual report is available to its 2,000 members – 3801 Limited’s actual results are harder to find. Frequent train operations do not necessarily equate to profitability.**

**Just a few years ago, in 2002, the Company was not viable when reliant on steam operations. 3801 Limited desperately needed a grant from State Rail to buy vital parts to keep 3801 running. Now, the Company gets by on works-train income – but where’s the sustainable plan for when the works-train income finishes, as it could at any time?**

**NSWRTM has a solid business base and has self funded much of its operations, a tourist railway and a museum site. NSWRTM astutely operate the famous ‘Southern Aurora’ and other steam and diesel heritage trains with a far lower cost base than 3801 Limited.**

**NSWRTM is viable, has a home, and is pushing ahead with its core activities.**

**CLAIM:** *‘we regularly visit regional centres where we are joined by thousands of locals for shorter local steam train trips in their region’*

**FACT:** **Other operators, including NSWRTM, also regularly take heritage trains to regional areas. NSWRTM sees regional visits as a vital part of its museum outreach program and will continue to take 3801 and other locomotives to regional areas.**

**NSWRTM is no stranger to frequent and successful train operations. NSWRTM provided most of the rolling stock and logistics for the recent NSW railways 150<sup>th</sup> anniversary celebrations in Sydney – the largest NSW rail heritage event this decade.**

---

**CLAIM:** *“Since 1995 we have also been running a successful rail based tourism operation in the Illawarra and Southern Highlands – The Cockatoo Run’..*

**FACT:** **The ‘Cockatoo Run’ appears to have very poor passenger loadings and seems to need a fresh marketing approach.**

---

**CLAIM:** *“We have more than 130 active volunteers of all ages as well as 25 regular casual employees and 9 full time employed staff. All this is now at risk ...’*

**FACT:** **NSWRTM is NSW’s biggest rail heritage operator and has a large volunteer and a small paid staff contingent. NSWRTM is a volunteer based organisation and the intake of volunteers and staff will increase once 3801 is back at Thirlmere.**

**Many of the volunteers, paid and casual staff of 3801 Limited also maintain an involvement with the NSWRTM.**

**NSWRTM is a 2,000 member, volunteer led organisation.**

**3801 Limited is in effect a private Company with just 16 members and has had the same Chairman for 20 years. Membership of the Company is restricted.**

**With a closed membership there is effectively no mechanism to refresh a Board’s composition (unlike other community and heritage groups which have larger memberships and open Board elections).**

**3801 is a key heritage asset which deserves a more open and imaginative future. 3801 Limited’s volunteers and supporters are not members of the Company. NSWRTM’s members are real stakeholders in the NSW rail heritage collection.**

**The original, two founding management members of the Company, NSWRTM and the Australian Railway Historical Society (NSW) are no longer represented on the Board of 3801 Limited – so, the vital question is, just who is 3801 Limited, and who is it accountable to?**

---

**CLAIM:** *‘3801 Limited has been given access to the Large Erecting Shop at South Eveleigh for use as its operating base’*

**FACT:** **There is no evidence that Eveleigh will be demolished as part of the Redfern Waterloo Authority development. Neither NSWRTM nor 3801 Limited can fund the repairs necessary to keep the Large Erecting Shop fit for purpose as a steam workshop – especially given the site’s significant environmental, smoke, noise and practical issues. Built heritage issues are best dealt with by specialist organisations such as the National Trust.**

**3801 Limited has free use of the Eveleigh site – unlike most other heritage operators, 3801 Limited has not had to develop the site from scratch, nor maintain or pay ongoing development costs out of its revenue. This means 3801 Limited’s high cost base is reflected in wages and other costs, rather than site development.**

**NSWRTM’s train operations (and those of most heritage operators) are conducted more on a stand-alone basis. In NSWRTM’s case, train operations fund their own direct costs, maintain 14 kilometres of track and assist with the maintenance of the Thirlmere site.**

**It has been said that Thirlmere is ‘beyond the NSWRTM’ – yet we are keeping our head above water on a transparent basis with minimal Government support.**

---

**CLAIM:** *‘The Chairman of 3801 Ltd has said that another Sydney location could be suitable’*

**FACT:** **Where and at what cost? Near Sydney real estate is valuable and a greenfield site would cost millions of dollars to develop.**

**NSWRTM will give 3801 a home with a future. Thirlmere is established, can be enhanced with funding to supplement NSWRTM’s efforts, and is just 80 km from Sydney CBD in the fast growing southwest Sydney area.**

**Can NSW afford two major rail heritage sites? There's no better site close to Sydney.**

**15,000 people annually visit Thirlmere on one day alone for the annual Thirlmere Festival of Steam.**

**Steam trains have run from Thirlmere all over NSW for 30 years.**

---

**CLAIM:** *'RailCorp has refused to re-sign a lease with the company for the 3801 engine and has advised them that the engine will be sent to the Rail Transport Museum in Thirlmere. This will mean the 3801 Limited business will shut down'.*

**FACT:** **NSWRTM is 3801's permanent, legal custodian by Deed of Gift from State Rail. The 20-year lease to 3801 Limited expires in November 2006. There's no renewal clause in the lease and NSWRTM has exercised its right not to renew. It's NSWRTM's call.**

**The lease was signed by 3801 Limited's current Chairman. 3801 Limited signed the lease willingly and knowingly and had a responsibility to plan for business continuity as the lease conclusion neared.**

**It is said the 20-year term was just a contingency for failure of the venture – yet the lease contains early termination provisions which fulfil that purpose – and a definite, unequivocal 20-year term, which is the basis on which NSWRTM released the locomotive on loan in 1986. If the 20-year term was a contingency, it's evidently news to the people who drafted and signed the lease.**

**3801 will not be 'sent to Thirlmere' – 3801 is coming home, in the terms of the lease, to its rightful, permanent custodian for a living, operating and accessible future with NSW's largest rail heritage train operator.**

**3801 will be based at a museum – but with more than 40 other operating assets which regularly visit all corners of the NSW network, taking heritage to the people and developing regional tourism.**

**The return of 3801 to the NSWRTM does not in itself force the closure of 3801 Limited – the Company has diversified works-train activities and operates the 'Cockatoo Run'.**

**3801 Limited's statements ignore the fact that the heritage sector faces challenges of manpower, skills, funding and compliance. Consolidation of activities and resources is a sensible outcome for the longer-term viability of the rail heritage sector. This is recognised by RailCorp and is part of NSWRTM's publicly available Corporate Plan and vision.**

---

### THE FUTURE OF 3801:

#### **3801 will operate**

The NSWRTM will continue to operate 3801 for the benefit and enjoyment of the NSW community, providing an exciting new range of rail heritage journeys and experiences.

#### **3801 will have a home**

Public access to 3801 will be improved between operations – a special visitor facility at the Thirlmere Railway Museum will showcase the locomotive and its story.

#### **3801 will be sustainably managed for future generations**

The NSWRTM has established a high level Taskforce headed by former Queensland Rail CEO Vince O'Rourke to consider the best options for 3801's future overhaul, operation and management.

#### **3801 will provide opportunities**

NSWRTM will initiate new volunteer opportunities for people dedicated to working with 3801, developing heritage skills.

**3801 is a flagship of NSW rail heritage and  
a vital part of NSWRTM's vision of  
Telling the NSW railway story**