

## Media Release

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*Friday, 28 July 2006*

### **OPERATING FUTURE OF 3801 GUARANTEED**

RailCorp Chief Executive, Mr Vince Graham today updated the progress of ongoing negotiations about the future of the 3801 locomotive.

Mr Graham said RailCorp has been involved in ongoing discussions with both the Rail Transport Museum (RTM) the custodians of the 3801 and the locomotive's current heritage rail operator 3801 Ltd.

"In discussions with both organisations I have guaranteed that RailCorp will provide the necessary funds to ensure that the locomotive 3801 continues to operate.

"RailCorp's primary concern in this matter is the sustainable conservation of the State's rail heritage as both 3801 Limited and NSW Rail Transport Museum are custodians of some of our most important items," Mr Graham said.

"Both are not for profit organisations with a dedicated volunteer base, enjoy community support for their activities and deserve praise for their contribution to preserving important rail heritage.

"Importantly both have steam operating capacity.

"I have put the view that I am not confident that by continuing to work separately that either the RTM or 3801 Ltd are sustainable in the long term.

"That's why I have asked both organisations to accept my offer for a independent analysis of the:

- Financial position of both organisations; and,
- Details of the asset condition, asset management plans and forward estimates for sustainable maintenance of the locomotive 3801 and other state core heritage assets in their care.

"As custodians of some of the State's most important heritage items I want a clear understanding of the position of these organisations," Mr Graham said.

"Along with the NSW Government I have been working for more than a year with all heritage groups on a sustainable heritage plan.

"It's a plan that will commit considerable resources to rail heritage and secure the future of the 3801 locomotive and the other important heritage assets.

Mr Graham said the Government's legal advice from the Crown Solicitor remains that the custody of the 3801 Locomotive is a matter between 3801 Limited and NSW RTM.

Mr Graham said he was aware that 3801 Ltd have obtained legal advice that conflicts with the advice of the Crown Solicitor.

"Irrespective of the legal outcome between 3801 Limited and NSW RTM over the future custody of 3801 Locomotive, I have offered to 3801 Limited an extension to its licence for its rent free base at the Large Erecting shop for the next 18 months.

"This will be subject to 3801 Limited meeting ongoing building maintenance and OHS responsibilities over the 18 month period.

"However, the Government will continue to work with both Companies to ensure a future for 3801 Locomotive and rail heritage in New South Wales.

**For media inquiries contact: RailCorp Public Affairs (02) 8202 2228**

**See the attached fact sheet**

## **FACT SHEET LOCOMOTIVE 3801**

- In 1978 the then State Rail Authority provided the 3801 locomotive “in perpetuity” to the Rail Transport Museum (RTM).
- In 1986 State Rail the RTM signed a 20-year lease for the locomotive to be operated by 3801 Ltd. This 20-year lease of the locomotive 3801 expires on 26 November 2006.
- Legal advice from the Crown Solicitor confirms that State Rail does not have the legal right to unilaterally step in and grant an extension on the lease for the locomotive.
- Any extension of the lease requires the agreement of all three parties (SRA, RTM and 3801 Ltd).
- RTM indicated in July 2005 they would not extend the lease of the locomotive meaning at this stage it will be returned to the Rail Transport Museum.

### **Large Erecting Shop**

- Since 1986, 3801 Ltd have been occupying the SRA owned Large Erecting Shop, effectively rent free.
- The area occupied by the Large Erecting Shop is subject to possible vesting to the Redfern Waterloo Authority (RWA). RWA have placed on public display a draft plan for public comment.
- RailCorp is also undertaking a review of the South Eveleigh precinct to determine RailCorp's long term future of the Millennium, OSCAR and Explorer/Endeavour maintenance centres, as well as CBD electric train stabling requirements.
- 3801 Ltd has identified projected maintenance costs of \$2.9m for the building over the next 5 years. The future of this site will depend on both RWA's consultation process and RailCorp's master plan.
- RailCorp has offered 3801 an 18 month, rent free extension of their current licence, subject to them being prepared to meet all maintenance, outgoing and OHS obligations for that period.

### **Current Situation**

- RailCorp is close to finalising a sustainable rail heritage strategy for NSW. This plan will include substantial support for the continued operation of the locomotive 3801, irrespective of the legal outcome between 3801 Ltd and RTM.
- RailCorp has requested for both RTM and 3801 to participate in an independent assessment of their financial sustainability.
- Both organisations have also been asked to cooperate in a review of the asset condition, asset management plans and forward estimates for sustainable maintenance of the locomotive 3801 and other state core heritage assets in their care.
- RailCorp is offering assistance to facilitate greater collaboration between RTM and 3801 for the benefit of rail heritage, rail volunteers and the wider community.