

**DEPUTY PREMIER**



**MINISTER FOR TRANSPORT & MINISTER FOR POLICE**

**JOHN WATKINS MP**

## **NEWS RELEASE**

### **EXPERTS RECOMMEND A NEW FUTURE FOR 3801**

Monday 27 November 2006

As the 3801 steams its way to Maitland tonight for assessment ahead of a \$500,000 engine upgrade, heritage experts have recommended the merger of the two rival volunteer rail groups vying to operate the historic locomotive.

Mr Watkins said a panel of independent rail heritage experts believed a merger would ensure the financial viability of both groups and the continued operation of the 3801.

Deputy Premier and Minister for Transport John Watkins today accepted the final report of a panel of experts set up to advise on future management options for the locomotive.

The taskforce comprised former Queensland Rail Chief Executive Officer, Vince O'Rourke, and representatives of the Chairman of Tourism Australia, Mr Tim Fischer and the Chief Executive Officer of the Australian Railway Association, Mr Bryan Nye.

"The report found that on their own, neither 3801 Ltd or the Rail Transport Museum, despite their enthusiasm and volunteer base, had the financial or business capabilities to guarantee the future upkeep and use of the 3801," Mr Watkins said.

"The Government believes the only way forward is for the rival groups to merge their heritage efforts and work with the Powerhouse Museum and RailCorp's Office of Rail Heritage," he said.

"After an extensive analysis of the groups' operations and finances going back five years, the report concludes collaboration between the rival groups is the best way to ensure their financial viability.

"Mr O'Rourke's report makes it clear that this type of collaborative and commercial approach is needed to build long term sustainability in the rail heritage industry.

"The Government is absolutely committed to ensuring the 3801 locomotive stays in good working order so it can keep up its busy schedule of public engagements across NSW.

"The 3801 has a secure future. It belongs to the people of NSW, and the Government will do everything in its power to ensure the thousands of men, women and children who love it can continue to ride it and experience the steam age.

"But the Government has done all it can to mediate a truce between 3801 Ltd and the Rail Transport Museum. It's now up to them – if they're really committed to the locomotive, they'll work together."

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Mr O'Rourke's final report identifies a number of emerging challenges faced by the two rival groups that require attention.

These include the need for sustainable heritage strategies that not only cover Government-owned rolling stock and equipment, but that also take into account those controlled by other groups, such as the 3801.

The issues identified include:

- The need to adopt safety systems to comply with new national accreditation standards;
- A better approach to tourism and marketing across the sector; and
- The need to attract, train and keep volunteers with the relevant skills and experience.

Mr Watkins said, meanwhile, preparations were underway to get the 3801 to Maitland this week as part of the \$500,000 overhaul of its boiler.

"It will be crewed by members of both organisations, which as I have said before – shows how a collaborative approach to the management of the loco can be achieved."

The Panel's Terms of Reference agreed at its first meeting were:

- Assess the sustainability of 3801 Ltd and the Rail Transport Museum by reviewing their businesses, operating and asset management plans as well as financial forecasts, including a review of their finances going back five years;
- Identify options for improved collaboration between 3801 Ltd and the RTM in view of the above considerations; and
- Provide advice that would ensure a sustainable operating plan for the locomotive.

The locomotive was leased by 3801 Ltd from the RTM. This lease expired on Sunday (26 November). The Crown Solicitor has twice advised RailCorp that at the conclusion of the lease, under the previous legal agreement, the locomotive reverts to the custody of the RTM.

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