

Transport HeritageNSW

ANNUAL REPORT 2017-18



SECTION 1: ANNUAL REVIEW



CONTENTS

Section 1 - Annual Review

Message from the Chair	4
Message from the CEO	5
2017-18 highlights.....	6
Who we are and what we do	8
Customer and community engagement.....	10
Collections and asset management	12
Sector support and development.....	14
People.....	16
Governance.....	19
Appendix 1 - Events	27
Appendix 2 - Stream 2 Funding Allocations.....	28
Appendix 3 - Transport Heritage Grants	29
Key people.....	30

Section 2 - Audited Financial Statements

2017-18 TOP ACHIEVEMENTS



RECORD VISITATION AT THE NSW RAIL MUSEUM

Over 55,000 people visited the NSW Rail Museum in 2017-18, up nearly 30%.



LARGEST SINGLE TRANSPORT HERITAGE EVENT

Over 9,000 people visited the 2018 Transport Heritage Expo at Central over the June long weekend – a collaboration of five volunteer-led heritage transport groups from across NSW in partnership with the NSW Government.



RECORD PASSENGERS CARRIED ON HERITAGE TRAINS

Over 60,000 people travelled on our heritage trains, up nearly 30%.



OVER \$1.7M IN FUNDING ALLOCATED TO HERITAGE TRANSPORT GROUPS

Over \$1.7M was allocated to heritage transport groups for government-owned heritage assets and through the Transport Heritage Grants Program.



OVER 35,000 FOLLOWERS

Over 35,000 people now follow the NSW Rail Museum and Transport Heritage NSW on social media, with live videos showing steam and diesel engines in operation at our events reaching tens of thousands of people all over the world.



NEW HERITAGE TRAIN EXPERIENCES INTRODUCED

New heritage train experiences were introduced in 2017-18 with the Highlander focusing on providing passengers a scenic day-trip through the Southern Highlands and Illawarra, while the Hydro Express connects Sydney with one of Australia's most historic hotels, the Hydro Majestic in the Blue Mountains.



OVER 52,000 VOLUNTEER HOURS

THNSW relies heavily on its volunteer workforce to fill a wide range of roles right across the organisation. In 2017-18 330 volunteers performed over 52,000 volunteer hours.



AUSTRALIA'S LARGEST OPERATING STEAM ENGINE JOINS FLEET

THNSW entered into a storage and use agreement with the new owners of Australia's largest operating steam engine, Beyer-Garratt 6029, built in 1954 for the NSW Railways. THNSW thanks the owners for their generosity and support for helping us bring transport heritage to life.



101-YEAR OLD STEAM ENGINE RETURNS TO SERVICE

Following a lengthy restoration by THNSW staff and volunteers, locomotive 3526 returned to main line duties in June 2018.



▲ Photo credit: SJB Photography

MESSAGE FROM THE CHAIR



The past year has been characterised by record breaking visitation to our museums and passenger numbers aboard our heritage

trains. What an impressive result!

The fact that we've managed to double visitation to the NSW Rail Museum in just four short years is a testimony to the success of our blended team of staff and volunteers who work hand-in-hand with the backing and strong support of the NSW Government.

I'm constantly proud of our staff and volunteers who this year have staged some of the most impressive events to date, completed major restoration projects, engaged heritage transport groups more than ever before with much needed support and funding, and worked week in week out ensuring we provide our customers with the best possible experience at our museums and onboard our heritage trains.

Operating 20th century technology in a safe and efficient manner within the confines of a modern 21st century railway network has its challenges. As someone who has run a railway myself, I'm pleased to see all our staff and volunteers heeding the 'safety first' message as we continue to modernise and improve our operating standards, training and safe work methods.

I'd like to take this opportunity to thank my fellow Board members who have worked diligently to advance the company on your behalf throughout the year. I also thank and congratulate all volunteers and staff on a job well done and look forward to working with all our people again in the year ahead to continue bringing transport heritage to life in NSW.

Rob Mason
CHAIR



MESSAGE FROM THE CEO



For the second financial year in a row, we have once again delivered record breaking visitation and passenger numbers with over 55,000 visitors

to the NSW Rail Museum and over 60,000 passengers on our heritage trains.

Both visitation to our museums and passengers on our heritage trains are a strong indicator of not only our growing community engagement, but the community's awareness and appreciation of all that we do.

In 2017-18 we also provided over \$1.7M in funding to some 13 heritage transport groups and collaborated with several volunteer-based heritage transport organisations from across NSW to stage one of the biggest heritage transport events in the State's history with the annual Transport Heritage Expo.

While our engagement has increased significantly over the past few years, moving into 2018-19 we know this growth will begin to slow as we reach the limits of our current resourcing. That's why we're now turning our attention towards finalising the new Transport Heritage NSW Strategic Plan for 2019-23, which paves the way for the future.

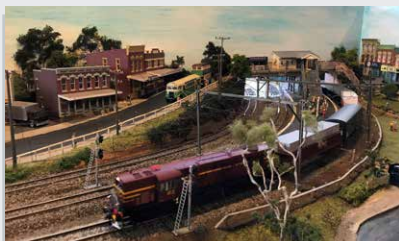
In 2018-19 we will also focus on:

- Continued safe, reliable and stable operations across all our sites and activities as the national regulator ramps up its focus on tourist and heritage rail operators (as outlined in the ONRSR strategic plan)
- Delivering a vibrant program of engaging heritage rail experiences with a focus on growing visitation at the NSW Rail Museum and revenue growth across key areas of our operations
- Returning Locomotive 3801 to service
- Securing ongoing funding support for our activities via the renewal of the funding arrangements with Transport for NSW (TfNSW)
- Developing our people across our sites with a focus on evolving and growing our Volunteers Program and delivering development programs for all team members
- Managing and delivering a program of grants support services and works to ensure the care, preservation and appreciation of the NSW Government heritage rail assets in conjunction with the Independent Funding & Advisory Panel (IFAP); and other transport heritage organisations
- Working with Transport for NSW (TfNSW) to clarify our roles and responsibilities in relation to the State-Owned Heritage Collection and development and management of key heritage transport sites and assets

Finally, we'd like to thank all our staff and volunteers for all they have done in achieving this year's results. I look forward to working with them and the wider heritage transport sector to continue bringing transport heritage to life in 2018-19.

Andrew Moritz
CHIEF EXECUTIVE OFFICER

2017-18 HIGHLIGHTS



JUL

New event, *Models and Miniatures*, held at NSW Rail Museum – over 2,200 visitors over 3 days.

Blue Mountains Railway 150th Anniversary – just under 3,000 carried on two heritage trains over the 3 days.

Day Out With Thomas – at the NSW Rail Museum – 5,520 visitors over 2 days.

SEP

The Strike That Never Ended exhibition opening and book launch at the NSW Rail Museum.

Day Out With Thomas at the NSW Rail Museum – 3,978 visitors over 2 days.

1950s diesel locomotive 4201 returned to service for the NSW Rail Museum's inaugural *Highlander* trip – 294 passengers.



NOV

Day Out With Thomas – 4,712 visitors over 2 days.

THNSW AGM and Members Information Forum at the NSW Rail Museum attended by 142 members.

Opening of the new front entrance and retail store at the NSW Rail Museum.

Highlander heritage train day-trip – 270 passengers.



AUG

Leann Meiers appointed to the THNSW Board bringing a wealth of public engagement and development experience to THNSW.

Hornsby Steam Shuttles with locomotive 3016 – 1,440 passengers over 1 day.

Rail Safety Week – in partnership with Sydney Trains and NSW Trainlink operating steam train rides and Thomas The Tank Engine.

OCT

Family Fun Days – a school holiday program with steam train rides and performances at the NSW Rail Museum – 1,095 visitors over 3 days.

2017 Transport Heritage Grants announced at the Sydney Tramway Museum – 9 sector groups awarded funding for 12 projects worth \$150k.



DEC

NSW Rail Museum Annual Pass introduced.

Santa's Steam Train at Thirlmere – 1,315 visitors over 2 days.

Santa's Vintage Electric Train in collaboration with Sydney Trains & Historic Electric Traction – 876 passengers.



JAN

Summer heritage train rides with rail motor CPH 18 every Sunday at the NSW Rail Museum.



MAR

Thirlmere Festival of Steam - over 5,800 visitors to the museum over 2 days with national coverage on the 7 *Sunrise* program.

101-year-old steam locomotive 3526 officially unveiled following lengthy restoration by staff and volunteers.

Day Out With Thomas - 4,670 visitors over 2 days.

Locomotive 6029 joins operational heritage fleet.

Loop line track upgrades - major sleeper replacement works were undertaken between Thirlmere and Picton to improve service reliability.

Alex Claassens appointed to the THNSW Board.

MAY

Mother's Day Weekend Hydro Express - 228 passengers.

Day Out With Thomas - 4,450 visitors over 2 days.

Great Train Weekend - celebrating 150 years of the Great Western Railway at Mount Victoria with steam train and railmotor rides in partnership with Lachlan Valley Railway, Mount Victoria Community Association and NSW TrainLink - more than 2,200 passengers over 2 days.



FEB

Introduced the *Hydro Express*, a new heritage train experience in partnership with the Hydro Majestic Hotel, operating once a quarter from Sydney to Medlow Bath - 258 passengers.

Highlander heritage train day-trip - 244 passengers.



APR

Easter Bunny Sunday - over 700 visitors attended the NSW Rail Museum.

Hunter Valley Steamfest - 3,679 passengers over 2 days.

Cronulla Vintage Electric Train Shuttles - over 550 passengers carried.

Circus Train - school holiday event at the NSW Rail Museum with 1,365 visitors over 3 days.

JUN

Transport Heritage Expo 2018 - our largest ever ticketed event with 5 heritage trains in simultaneous operation, 15 heritage buses, and 5 volunteer groups delivering over 9,000 passengers over 3 days.

The forecourt at Valley Heights received significant upgrades with new asphalt and fencing improving the overall safety and aesthetics of the site.



WHO WE ARE AND WHAT WE DO

Our purpose

ENGAGE THE COMMUNITY

- Operation of two public rail heritage attractions in NSW: NSW Rail Museum, Thirlmere, and Valley Heights Locomotive Depot Heritage Museum.
- Operation of heritage train experiences at the NSW Rail Museum and throughout NSW.
- Delivering outreach programs throughout NSW, including major events, online experiences and education activities.

CARE AND PRESERVATION OF ASSETS

- Managing a portfolio of primarily rail heritage assets owned by the NSW Government on behalf of Transport for NSW.

SUPPORT AND DEVELOP THE HERITAGE TRANSPORT SECTOR

- Providing a leadership role and delivering a range of support services to the transport heritage sector on behalf of the NSW Government.

Our sites and operations

THNSW conducts its activities from a number of sites throughout NSW.

DIRECT CUSTODY SITES (OWNED BY NSW STATE GOVERNMENT)

THNSW has direct responsibilities for the management and maintenance of these facilities:

- NSW Rail Museum Complex at Thirlmere
- Valley Heights Locomotive Depot

LEASED SPACES

- Head Office, Australian Technology Park, Eveleigh
- Locomotive 3801 Workshop, Chullora
- Picton – Mittagong Loop Line

RESIDUAL SITES (OWNED BY NSW STATE GOVERNMENT)

THNSW is caretaker of these facilities:

- Large Erecting Shop, Eveleigh
- Paint Shop, Eveleigh
- The 'Igloo', Chullora
- Broadmeadow Locomotive Depot

OTHER HERITAGE SITES

In addition to the above, THNSW, through the Master Custody Management Agreement (MCMA) and Subsidiary Custody Management Agreement (SCMA) has oversight of a number of key heritage sites throughout NSW. These are directly managed by local custodians and include:

- Finley Railway Yard (Berrigan Shire Council)
- Cooma Station Yard and part of the Cooma Goods Yard (Cooma Monaro Railway)
- Werris Creek Railway Refreshment Room (Liverpool Plains Shire Council)
- Tenterfield Railway Yard (Tenterfield Railway Station Preservation Society Inc)
- Porters' Room Wagga Wagga Railway Station (Wagga Wagga Rail Heritage Association)

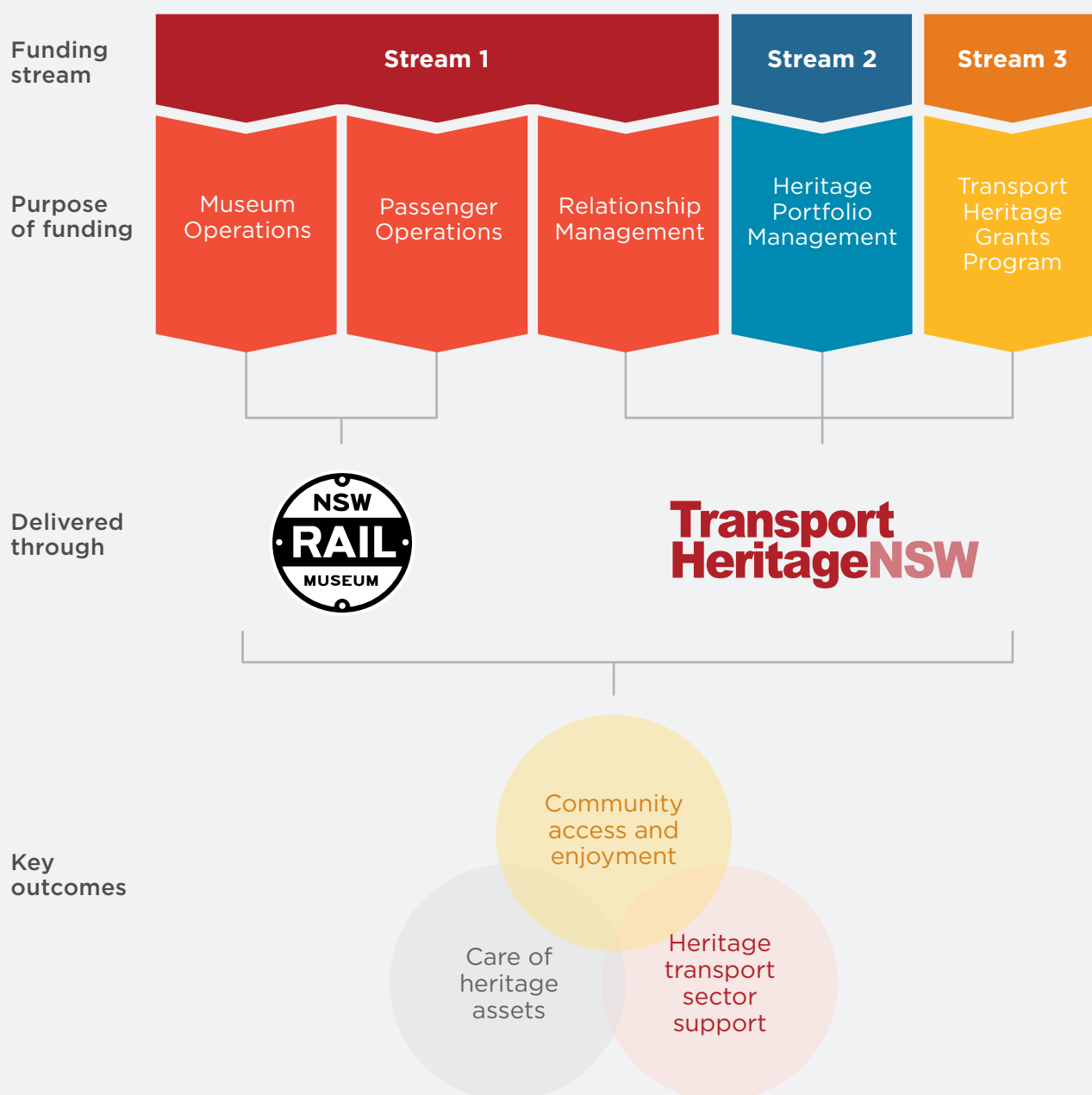
OPERATIONS

THNSW also operates its heritage rail passenger services on the broader rail network throughout NSW and interstate including the:

- Sydney Metropolitan Rail Network, provided by Sydney Trains
- NSW Country Rail Network, provided by John Holland Rail and the Australian Rail Track Corporation (ARTC)
- Queensland, Victorian and South Australian rail networks

What we're funded to deliver

Transport Heritage NSW is funded by the NSW Government through three annual funding streams to ensure public access and enjoyment, ongoing care of our heritage assets and to provide support to the wider heritage transport sector.





▲ Photo credit: Delta Charlie Images

CUSTOMER AND COMMUNITY ENGAGEMENT

Transport Heritage NSW engages its customers through regular community events, its museums and mainline rail operations.

KEY ACHIEVEMENTS IN 2017-18 INCLUDE:

KEY EVENTS

- Over 23,000 people visited the NSW Rail Museum's *Day Out With Thomas* events over five separate weekends during 2017-18. The event continues to be a mainstay success for the museum attracting visitors from all over Sydney and surrounds.
- Staged our biggest ever single event in collaboration with five volunteer-based heritage transport groups. The Transport Heritage Expo saw over 9,000 Sydneysiders visit Central Station over 3 days – up 26% (1,884 tickets) on 2017's event.
- The 29th Thirlmere Festival of Steam was held in partnership with the Rotary Club of Picton attracting over 5,800 people to the NSW Rail Museum – up 38% on 2017's event.
- The annual Hunter Valley Steamfest saw locomotives 3642 and 6029 haul some 3,600 passengers over 2 days.
- Mount Victoria celebrated 150 years since the Great Western Railway reached the area in 1868. Our two heritage trains carried more than 2,300 people over 2 days.
- The *Hydro Express* was introduced in partnership with the Hydro Majestic Hotel. This new heritage train experience operated once per quarter from Sydney to Medlow Bath and continues to operate at 100% capacity.



MUSEUMS

NSW Rail Museum, Thirlmere

- Visitation to the NSW Rail Museum increased by 27.2% in 2017-18 to 55,907 visitors (compared to 43,279 in 2016-17 and 34,611 in 2015-16).
- Continued regular school holiday programs including Family Fun Days (Sept-Oct 2017), Circus Train (April 2018) and Models and Miniatures (July 2018).
- 1,034 school students from 12 schools participated in the school education program.
- A new annual pass product was introduced providing discounts and free entry to the museum outside of special events. 95 passes were sold and used over 200 times.
- New front entrance and retail area completed, providing more retail space and improved overall customer experience.
- A small exhibition titled *The Strike That Never Ended* detailing the Great Strike of 1917 was developed and an accompanying book published by THNSW. Both the book and exhibition detail events and stories that had not been told before to explain why the effects of this strike lasted so long.

Valley Heights Locomotive Depot Heritage Museum

- Visitation to Valley Heights held steady in 2017-18 with 3,713 visitors (compared to 3,591 in 2016-17).

RAIL OPERATIONS

- Our heritage train operations carried a total of 60,270 passengers (up 26.8% on 2016-17) across both the Thirlmere Heritage Railway and main line operations. This includes heritage train operations funded by THNSW to support our main line program.
- A total of 18,951kms were travelled by our heritage trains in 2017-18, compared to 16,563kms in 2016-17.
- Several long-distance charters were undertaken in collaboration with St James Rail Tours and Cruise Express International.



COLLECTIONS AND ASSET MANAGEMENT

Transport Heritage NSW has an extensive portfolio of rail heritage assets, collections and heritage sites across NSW.

KEY ACHIEVEMENTS IN 2017-18 INCLUDE:

OPERATING RAIL HERITAGE FLEET

- The restoration of 101-year-old steam locomotive 3526 was completed with an official unveiling at the Thirlmere Festival of Steam on 3 March 2018.
- Work towards returning locomotive 3801 continued with works to the boiler continuing at Goulburn with THNSW contractor K&H Ainsworth while THNSW staff and volunteers worked on the rest of the locomotive at Chullora.
- A new storage and use agreement was entered into with the new owners of Beyer-Garratt 6029 in early 2018. The addition of this locomotive has underpinned much of THNSW's main line activities.



OPERATING RAIL HERITAGE FLEET (CONT...)

- THNSW continued its storage and use agreement with the liquidators of the former ARHS (ACT), for locomotive 3016 and heritage cars. The addition of this rolling stock has provided much needed extra capacity for our rail operations.
- Restoration work on Museum of Applied Arts and Sciences (MAAS) locomotive 3265 continued with works expected to be completed by end of 2018.
- Various carriage repaints took place throughout the financial year with all THNSW main line carriages now operating with recent repaints.

COLLECTION

- Significant progress on the reconstruction of sleeping car MAM 907 and dining car RBX 647.
- Asbestos was removed from locomotive 3609, preparatory to the locomotive being sent to Junee for reconstruction and long-term display.
- Diesel locomotive 4401 was transferred to the roundhouse at Junee for long-term display, arriving in time for their *Rhythm and Rail Festival*.
- Various collection loans were extended, including models to Richmond Vale Railway and objects to Sydney Trains for their St James Station display. The long-term loan of three trikes was made to Wagga Wagga Rail Heritage Centre, and Temora Shire Council borrowed some items for long-term display at Temora Station.
- Important acquisitions into the collection over the twelve months included a commemorative spade for the opening of the Molong to Dubbo line, two 'Lily White' union badges, a platform bubbler, an enamel Wynyard Station sign and a large platform clock from Forbes Station.

PROPERTY

- Independent environmental and work health and safety audits were carried out across all THNSW custody sites. Work continues to progressively implement all recommendations at sites.
- Significant work was completed to the Thirlmere Station building, goods shed and platform. Further works to the signal box are yet to be completed.
- The Broadmeadow site remains closed to volunteer activities and, as per the requirements of the Master Custody Management Agreement, the site is currently being maintained purely to house stored rolling stock.
- The forecourt at Valley Heights was dug out between the turntable and the roundhouse and the asphalt replaced with coloured concrete and new fencing installed.



SECTOR SUPPORT AND DEVELOPMENT

Transport Heritage NSW is funded by Transport for NSW to provide a leadership role and deliver a range of support services to the heritage transport sector and community groups on behalf of the NSW Government.

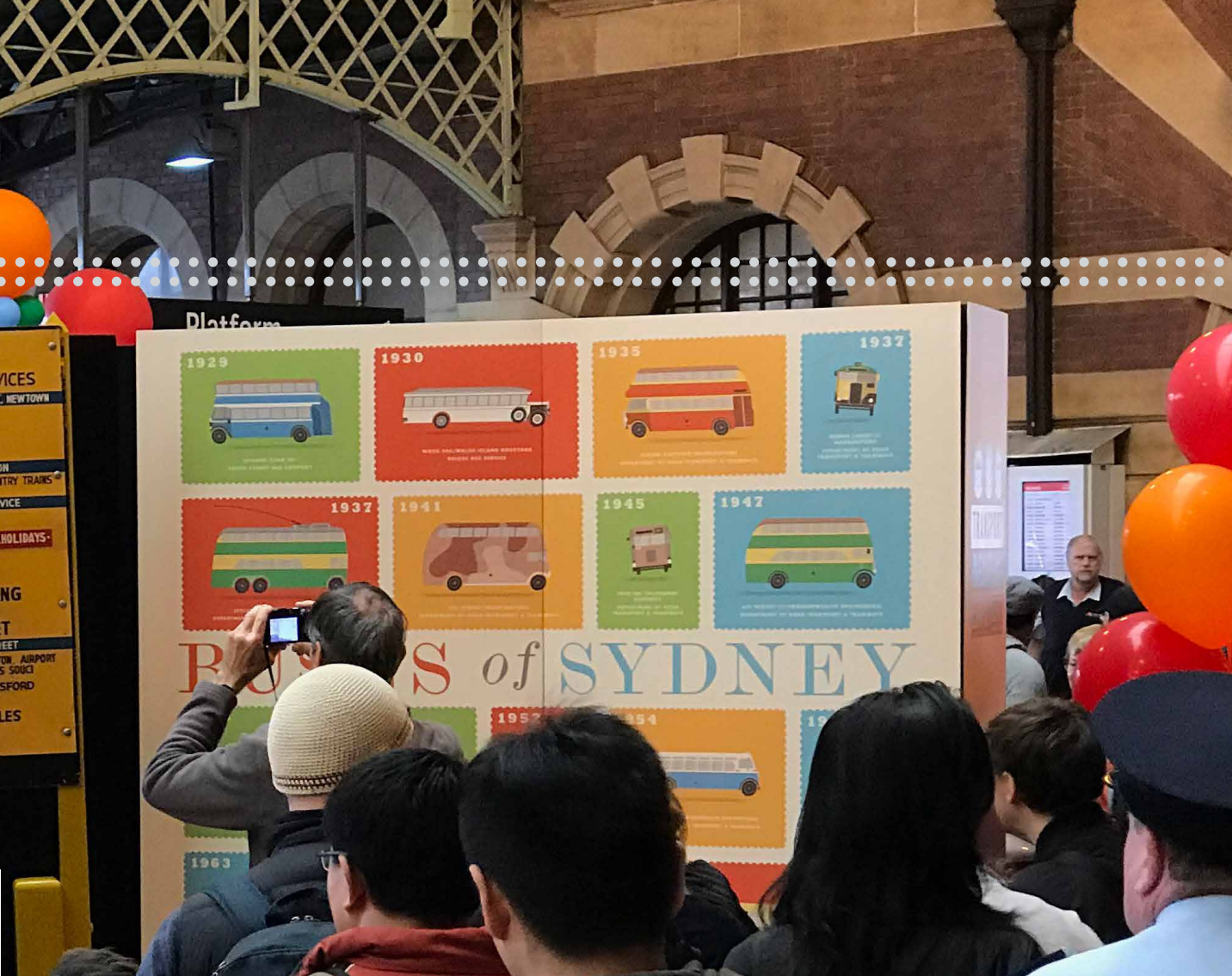
KEY ACHIEVEMENTS IN 2017-18 INCLUDE:

STATE-OWNED ASSETS

- Over \$1.6M was allocated to State-owned assets in 2017-18. See Appendix 2 for full list of funding allocations.
- Various State-owned assets were allocated to heritage transport groups including an oil tanker to Tenterfield and locomotive 3609 to Junee.

TRANSPORT HERITAGE GRANTS PROGRAM

- 12 separate grants were issued to 9 heritage transport organisations in 9 different local government areas, totaling almost \$155,000. See Appendix 3 for full list of recipients and their projects.
- A special ceremony was held in October 2017 at the Sydney Tramway Museum to award grant recipients.



RELATIONSHIP MANAGEMENT

- Transport Heritage NSW conducted two workshops with the wider heritage transport sector in 2017-18 as follows:
 - October 2017, Hazelhurst Gallery and Sydney Tram Museum – Grant recipient presentations, Sector Development Officer led discussion forum and asset management planning workshop.
 - April 2018, History House (Royal Australian Historical Society) – Customer data and cultural organisations, asset management, new online catalogue for State Collection, new Associate Membership offer and social media workshop.
- Conducted site visits throughout the year to a variety of heritage transport groups, including all THNSW precincts, providing ongoing advice and support.
- Collaborated with several heritage transport groups to stage various events throughout 2017-18 including the Sydney Bus Museum, Sydney Tramway Museum, Lachlan Valley Railway and Historic Electric Traction.

INDEPENDENT FUNDING & ADVISORY PANEL

- The Independent Funding & Advisory Panel (IFAP) is appointed by Transport for NSW to provide independent advice and determination of funding allocations for both State-Owned assets and the Transport Heritage Grants Program.
- In 2017-18, IFAP met 5 times and consists of a panel of 5 persons appointed by Transport for NSW as listed in the back of this annual report.



▲ Photo credit: SJB Photography

PEOPLE

Our team of members, volunteers and staff have a shared passion for what we do. Our challenge is working together as one and bringing younger individuals into our organisation to pass along our unique knowledge, skills and experiences for future generations. Developing our team, building a positive culture, and being clear about our objectives and priorities remains key to enabling our people to work together and strive towards our vision of bringing transport heritage to life for the people of NSW.

The THNSW Board has reaffirmed its commitment to THNSW's policy and practice of requiring all volunteers and employees to have current NSW Working With Children Check (WWCC) clearances. Extensive activities are well underway across the organisation to update personnel records, including confirming current WWCC clearances, and ensuring all volunteers and employees have WWCC clearances by the first half of 2018-19.



KEY ACHIEVEMENTS IN 2017-18 INCLUDE:

MEMBERSHIP

- At the AGM in November 2017, life membership was conferred on five long-standing members who have continued to make exemplary volunteer contributions to our organisation over many years. Life membership is our highest award in recognition of an individual's extraordinary contribution.
- 100 new members joined in FY 2017-18, bringing total membership to 2,077 as of 30 June 2018 (excluding honorary and complementary members), down 406 members from the previous year.
- New members joining from October 2017 do so under a new, simpler membership structure. The new structure focuses more on those individuals with strong enthusiasm for heritage (predominantly rail) transport and a real interest in the governance of our company.
- While membership remains ideal for true long-term enthusiasts and supporters, our new annual pass product recognises a shift in our customer base, providing value for money for people specifically interested in the museum and our events.
- This year saw the continuation of our Member Information Forums held in conjunction with general meetings of our members to present updates on topics and projects of particular interest to the membership.
- Three new groups joined as associate members during FY 2017-18, bringing associate members to 12 as of 30 June 2018. THNSW offers associate membership for volunteer-based heritage transport groups in NSW and the ACT.

VOLUNTEERS PROGRAM

- During 2017-18, we welcomed new volunteers and farwelled some of our longer serving volunteers who retired.
- More than 330 active volunteers contributed over 52,000 hours of their time supporting THNSW's varied activities throughout the year.
- Targeted volunteer recruitment drives continued during the year with a focus on support needed for major events.
- Our broader rollout of Volgistics and VICnet, our volunteer management tool, continued throughout the year.





VOLUNTEERS PROGRAM (CONT...)

- Work continued throughout the year to ensure that all personnel records for our active volunteers are up-to-date, including current Working With Children Check clearances in place. These activities will continue as business as usual checks and processes going forward.
- THNSW participated in National Volunteer Week held from 21-27 May 2018, giving our volunteers the opportunity to experience a diverse range of activities offered by other volunteer-supported organisations.

STAFF

- A Sector Development Officer role was formalised to provide a dedicated resource to support the heritage transport sector to seek custody and loans of collection items, apply for funding, manage properties and facilities and other activities.
- Our Fleet Maintenance area saw the appointment of a dedicated Carriage Builder, Steam Locomotive Maintainer, and *Southern Aurora* Project Manager.
- A Locomotive 3801 Return to Service Program Director was appointed, on secondment from Sydney Trains. The role is responsible for project-managing the activities being undertaken to complete the project and plan the activities for 3801's relaunch.

TRAINING & DEVELOPMENT

- A major focus in 2017-18 was the ongoing development and regular reassessment of over 70 people who perform rail Safeworking roles across our organisation.
- Rail Safeworking crew members completed on-the-job reassessments as required under the mandated 24-month renewal cycles.



▲ Photo credit: SJB Photography



▲ Photo credit: Declan Goodsell

GOVERNANCE

Our Governance arrangements

Transport Heritage NSW (THNSW) is a not-for-profit company limited by guarantee, and is a registered charity.

THE THNSW BOARD

The THNSW Board comprises a total of eight directors made up by:

- The Chair, appointed by the NSW Minister for Transport
- Four Elected Directors, elected by eligible-to-vote Members of THNSW, and
- Three non-elected Appointed Directors appointed as per the Constitution of THNSW.

OVERARCHING ARRANGEMENTS AND AGREEMENTS

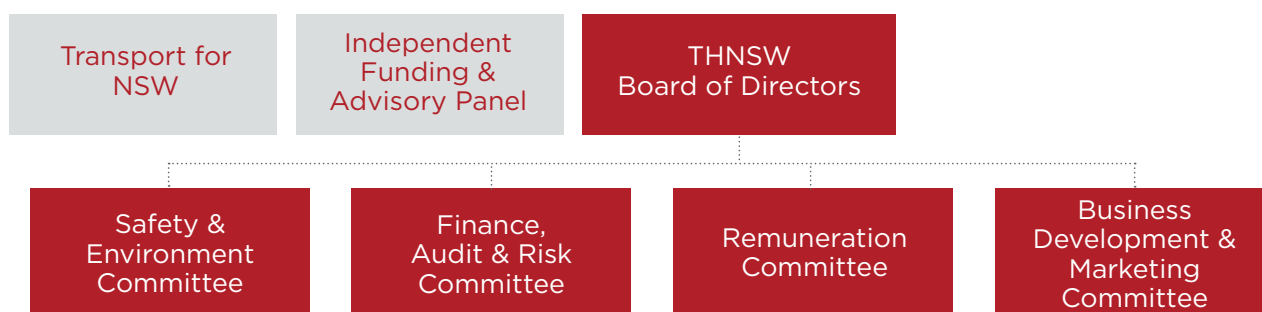
Our organisation is governed and influenced by the:

- THNSW Constitution
- THNSW Strategic Plan 2015-2019
- Funding Agreements with the NSW Government
- Master Heritage Asset & Custody Management Agreement (MCMA) with the NSW Government

The agreements with the NSW Government commit THNSW to deliver a range of activities as demonstrated in this annual report.

GOVERNANCE STRUCTURE

In accordance with the THNSW Constitution and the funding agreements, the Board governance framework is as follows:



(Discontinued from July 2017)

Directors' Report

The Board of Directors present their report together with the consolidated financial statements of Transport Heritage NSW Limited ("THNSW") for the year ending 30 June 2018 and the auditor's report thereon.

INFORMATION ON DIRECTORS

The names of the directors in office at any time during the financial year ended 30 June 2018 are as follows:

DIRECTOR	QUALIFICATIONS	EXPERIENCE
Rob Mason Appointed Chair of the Board <i>(current term commenced 01 March 2017)</i>	<ul style="list-style-type: none"> MBA Cranfield Management School BSc Land and Hydrographic Surveying Sciences DipM Chartered Institute of Marketing Fellow of the Australian Institute of Company Directors 	<ul style="list-style-type: none"> Over 30 years' experience in operations, engineering leadership and customer service in both London and Sydney Board Member, London Underground RailCorp CEO 2008 - 2013 NSW Trains CEO 2013 - 2017 Director - TrackSAFE Foundation Director - Destination Network Country & Outback NSW Member - RTAA and the Permanent Way Institute
David Ireland Deputy Chair, Elected Director <i>(current term commenced AGM 2017)</i>	<ul style="list-style-type: none"> Professional Geologist Diploma Applied Science - Geology Crew Assignment Supervisor 	<ul style="list-style-type: none"> RTM Director from December 2012 to December 2013 and RTM Vice Chairman to April 2013 RTM Chairman from April to December 2013 THNSW Director since December 2013 Deputy Chair since December 2013
Brett Fitzpatrick Company Secretary, Elected Director <i>(current term commenced AGM 2017)</i>	<ul style="list-style-type: none"> Human Resources Professional Graduate Certificate in Customer Service & Case Management Cert IV Workplace Assessment Cert IV Adult Teaching & Learning 	<ul style="list-style-type: none"> RTM Director since August 2002 to December 2013 THNSW Director since December 2013 Company Secretary since August 2006
Dale Budd OBE Elected Director <i>(current term commenced AGM 2017)</i>	<ul style="list-style-type: none"> B.E. (Mech) (Hons) Officer of the Order of the British Empire (1978) 	<ul style="list-style-type: none"> Senior Project Advisor, Melbourne-Brisbane Inland Rail Program since 2014 Director, Australian Rail Track Corporation 2001 - 2007 Director, Australian Institute of Company Directors 2006 - 2008 Chairman, Development Advisory Board, Rail Industry Safety & Standards Board (RISSB) 2008-2015 Committee Member, NSW Rail Transport Museum 1962-1970 and 1974-1975 THNSW Director since December 2015

DIRECTOR	QUALIFICATIONS	EXPERIENCE
Howard Collins OBE Non-Elected, Appointed Director <i>(current term commenced 18 November 2017)</i>	<ul style="list-style-type: none"> • Master of Business Administration • Officer of the Order of the British Empire (2013) 	<ul style="list-style-type: none"> • Chief Executive of Sydney Trains • Acting Chief Executive of RailCorp • Acting Chief Executive of NSW Trainlink • Fellow of the Institute of Directors (UK) • Former Chief Operating Officer, London Underground • Former Director of London Transport (Museum) • Former Member of British Transport Police Authority • Lead Director, London Underground and London Rail for 2012 London Olympic Games • General management, rail operations, rail heritage, pension trustee, security of finance, media • Director, TrackSAFE Foundation • Chairman, Antique Motorcycle Club of America (Australia Branch) • Director, Australasian Railway Association (ARA) • THNSW Director since December 2013
Nev Nichols Non-Elected, Appointed Director <i>(current term commenced 18 November 2017)</i>	<ul style="list-style-type: none"> • B.Sc.(Hons) Technology • Post Graduate Diploma Management • Incorporated Engineer (I.Eng) • HNC Electrical/Electronic Engineering • Company Directors Diploma AICD 	<ul style="list-style-type: none"> • CEO Country Regional Network, John Holland • General Manager Northern, John Holland • Rail Operations Director, Jarvis Rail PLC • THNSW Director since October 2014 • JP, MAICD, FIET, FIRSE
Leann Meiers Non-Elected, Appointed Director <i>(Current term commenced 1 August 2017)</i>	<ul style="list-style-type: none"> • B.A. (Communications) • Member of the Australian Institute of Company Directors 	<ul style="list-style-type: none"> • Over 30 plus years' experience in PR, marketing and fundraising success • Director Danbella Consulting • Former Director of Development & External Affairs at Museum of Applied Arts and Science (MAAS) 2015-2018 • Former Director of Advancement/Foundation, Macquarie University from 2012-2015 • Former NSW Committee Member Australian Sponsorship Marketing Association
Alex Claassens <i>(Invited by the Board to fill the casual vacancy of an elected director's position from 01 March 2018 following the resignation of previous elected director and until the election of an elected director at AGM 2018)</i>	<ul style="list-style-type: none"> • AICD Company Directors Course • ACTU Union Governance • ASFA Core Governance for Superannuation • AM Institute Risk Management • ALARA Risk Management • Human Factors for Transport Safety Investigators • Workcover OH&S Course for Workplace Committees • All internal Union training requirements • All Railway Certification requirements 	<ul style="list-style-type: none"> • NSW State Secretary & National Executive Member - Rail, Tram and Bus Union (RTBU) since 2010 • Elected Director of Endeavour Mutual Bank & Member of Risk Committee • Member of NSW Rail Regulator - NSW Branch Operations Forum • Employee Representative Board Member, State Super • Executive Member of Unions NSW • Member of Australian Institute of Company Directors (AICD), the Australian Institute of Superannuation Trustees (AIST) and the Association of Superannuation Funds of Australia (ASFA) • THNSW Director since March 2018
Ken Rouvray Elected Director <i>(current term commenced AGM 2016, resigned on 25 February 2018)</i>	<ul style="list-style-type: none"> • Certified Practising Accountant (CPA) - Retired 	<ul style="list-style-type: none"> • Over 40 years' senior financial expertise in small to medium-size businesses, including eight years as an investigation accountant • Previous RTM Director • THNSW Director from November 2016 - February 2018



Directors' Meetings

During the financial year ending 30 June 2018, a total of sixteen (16) meetings of the directors (including regular Board meetings and special Board meetings) were held. The number of meetings attended by each director during the financial year is as per the following table:

Director	Number held where eligible to attend	Attended in full and/or in part
Rob Mason	16	16
David Ireland	16	12
Brett Fitzpatrick	16	14
Dale Budd OBE	16	15
Howard Collins OBE	16	14
Nev Nichols	16	11
Leann Meiers	13	12
Alex Claassens	5	5
Ken Rouvray	10	10

Note: The Number of Board meetings held where a director was eligible to attend during the financial year is as per an individual director's term as a director of THNSW as described in the Information on Directors.

All directors requested, and were granted, leave for meetings that they were unable to attend.

The Board had four (4) established Board Subcommittees during the financial year:

- **Safety & Environment Committee (SEC)** – Chaired by Nev Nichols, a total of four (4) SEC meetings were held. SEC supports the Board with overseeing THNSW’s safety risk management and environmental risk management, including setting THNSW’s key safety and environmental performance indicators. SEC also monitors THNSW’s compliance with the applicable rail safety, work health and safety, and environmental legislation and laws. In 2017-18, SEC members included the CEO, the previous Safety & Environment Manager, replaced by the Rail Safety & Operations Manager, and the Property & Facilities Manager.
- **Finance, Audit & Risk (FA&RC)** – Chaired by Howard Collins OBE, a total of six (6) FA&RC meetings were held. FA&RC supports the Board with overseeing the financial position and performance of THNSW, including internal control frameworks, financial management systems, budgeting, procurement, insurances, reporting and THNSW’s annual financial statements, as well as (non-safety) corporate risk management and THNSW’s external accountability requirements. FA&RC members include Andrew Elliot, Director of Corporate Resources & Chief Finance Officer, Museum of Applied Arts & Sciences (MAAS), as an independent member; Les Shepherd, FGIA, FCIS, FCPA, GAICD, as a THNSW members’ representative member; the CEO and the Head of Finance & Corporate Resources.
- **Business Development & Marketing Committee (BD&MC)** – Chaired by Dale Budd OBE, a total of one (1) BD&MC meeting was held. BD&MC members included Steve Burrows, John Cowper, Peter Dykes, Bruce Marich, John McCutcheon, Max Press, Peter Thorburn, the CEO and the Marketing & Commercial Services Manager. The Board determined to discontinue the BD&MC in July 2017 at the recommendation of its Committee Chair.
- **Remuneration Committee (RemC)** – Members comprise of Rob Mason, David Ireland, Nev Nichols, and supported by the CEO and the Head of Finance & Corporate Resources. RemC supports the Board on matters relating to the remuneration of the CEO and key personnel who are direct reports to the CEO, plus consideration of remuneration and compensation of Board directors. No RemC meetings were held, rather the RemC dealt with matters via email during the financial year ended 30 June 2018.

Note: All directors have standing invitations to attend subcommittee meetings.

Lead Auditor’s Independence Declaration

The Lead Auditor’s Independence Declaration for the year ending 30 June 2018 has been received and is set out on page 2 of the financial statements section of this annual report, and forms part of the directors’ report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

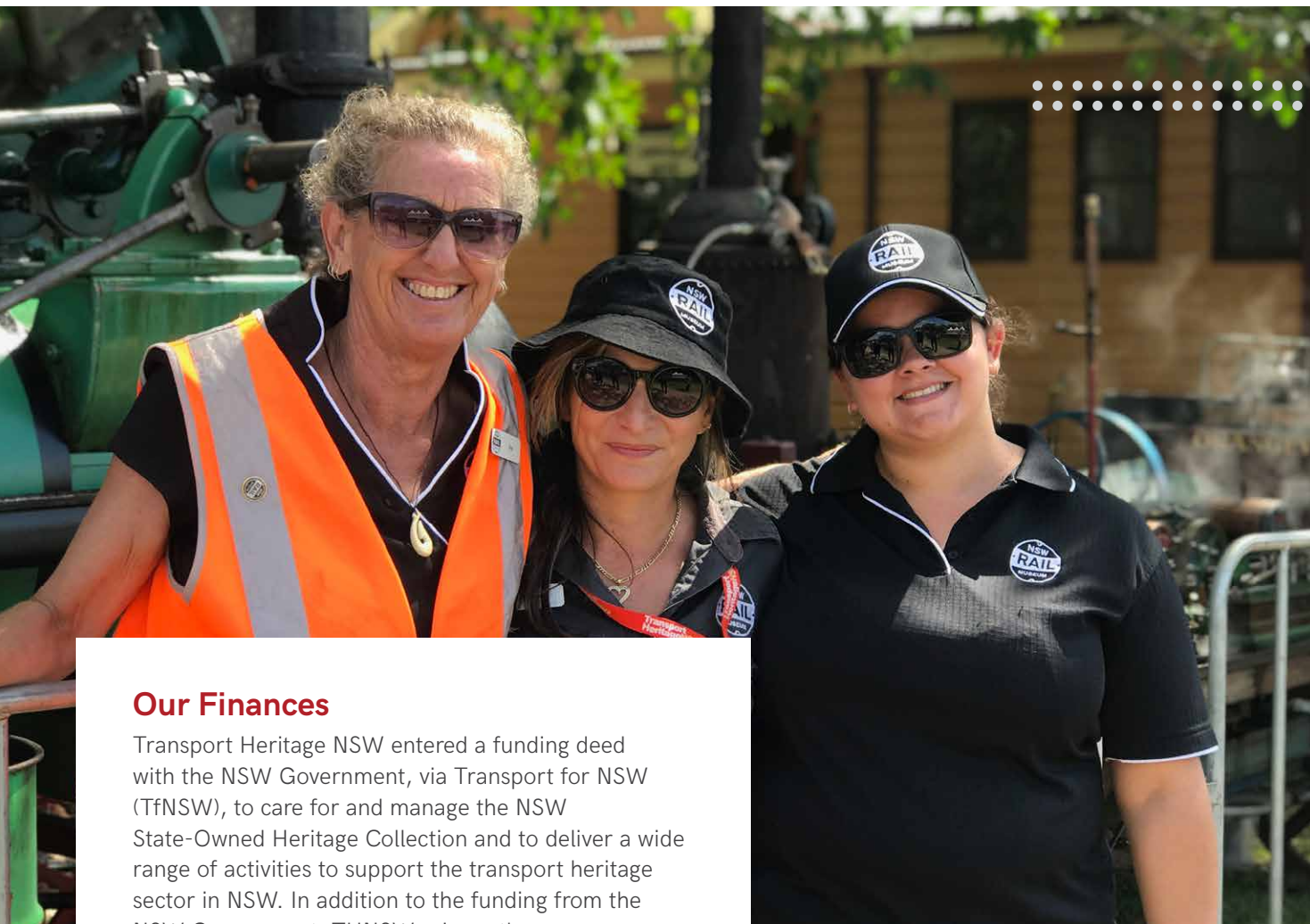


Rob Mason
CHAIR



David Ireland
DEPUTY CHAIR

26 October 2018



Our Finances

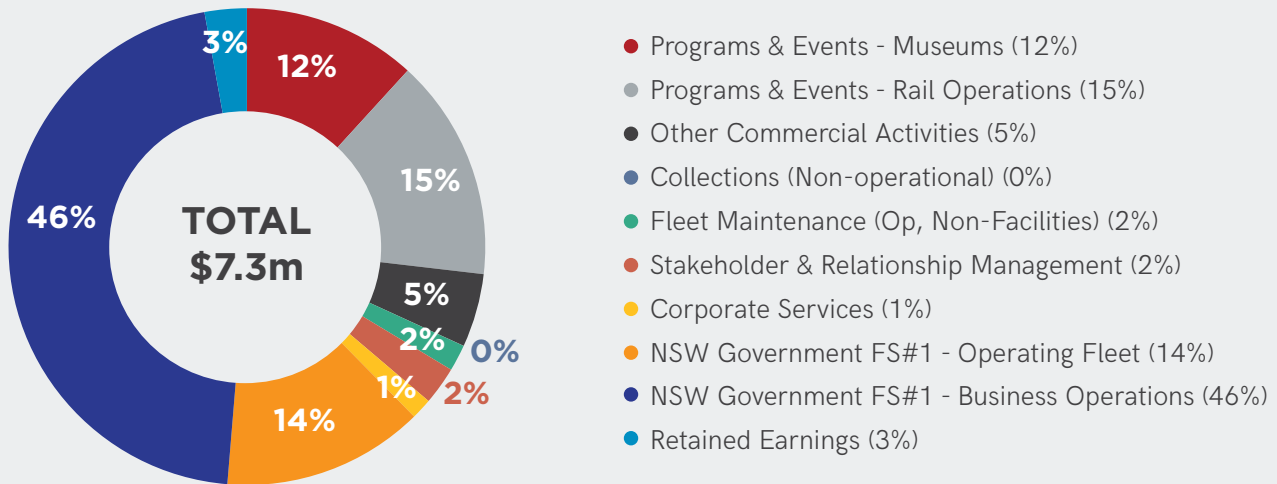
Transport Heritage NSW entered a funding deed with the NSW Government, via Transport for NSW (TfNSW), to care for and manage the NSW State-Owned Heritage Collection and to deliver a wide range of activities to support the transport heritage sector in NSW. In addition to the funding from the NSW Government, THNSW raises other revenue through its various activities highlighted elsewhere in this annual report.

The funding deed with the NSW Government provides specific funding to THNSW for the following purposes:

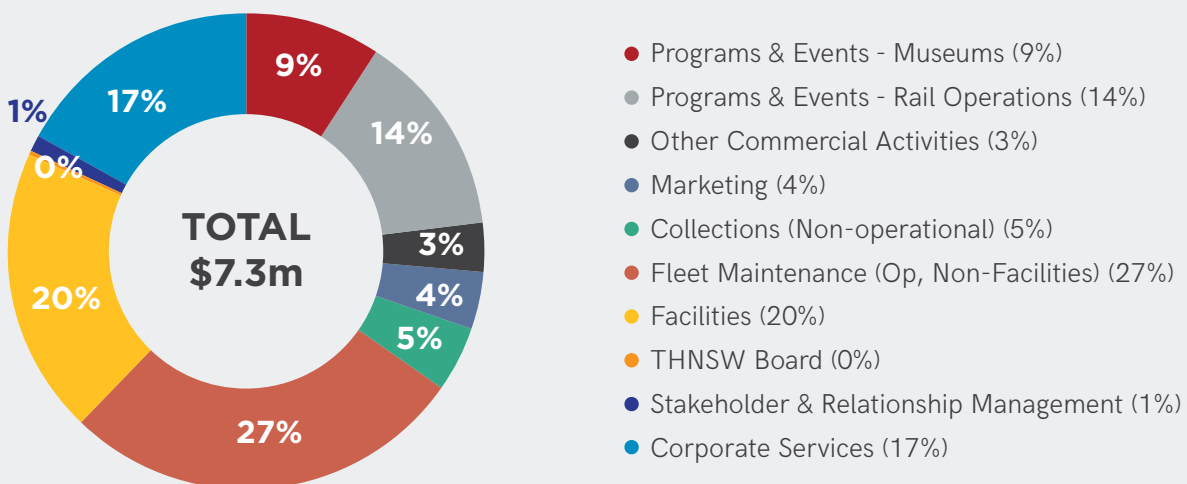
- **TfNSW Funding Stream 1 (FS#1)** – Annual funding allocated specifically to THNSW’s business operations, including a minimum of \$1 million that must be used for operational rolling stock fleet maintenance. The THNSW Board determines THNSW’s annual business plan and business operations budget, including the allocation of FS#1 funds to be used and the use of THNSW’s own generated revenue.
- **TfNSW Funding Stream 2 (FS#2)** – Annual funding for the purposes of portfolio management of the NSW Government-owned heritage transport assets. Allocation of the annual funding is determined by the Independent Funding & Advisory Panel (IFAP) appointed by the NSW Government.
- **TfNSW Funding Stream 3 (FS#3)** – Annual funding for the Transport Heritage Grants Program. Allocation of the annual funding is determined by the Independent Funding & Advisory Panel (IFAP) appointed by the NSW Government.
- **TfNSW Special Purpose Funding (SPF)** – THNSW has also entered into a ‘special projects funding deed’ with the NSW Government, under which specific funding is allocated to specific projects. Allocation of special purpose funds to specific projects is determined by TfNSW. There is currently one approved project – the Locomotive 3801 Reconstruction Project.

Details of the annual funding allocations determined by the IFAP in FY 2017-18 under Funding Stream 2 and the Transport Heritage Grants Program (Funding Stream 3) are provided in appendices 2 and 3, respectively.

FY 2017-18 Income - FS#1 and Own-Generated



FY 2017-18 Expenses - FS#1 and Own-Generated



A full-page background image with a red tint. It shows two men in industrial workwear. The man on the left is older, has a beard, and is wearing a cap and overalls. The man on the right is younger, wearing a cap and a jacket with a strap over his shoulder. They are standing in front of industrial machinery. A horizontal line of white dots is visible near the top of the image.

APPENDICES

APPENDIX 1 – FULL LIST OF THNSW EVENTS IN 2017-18

Transport Heritage NSW undertook an extensive program of events in 2017-18 as follows:

DATE	EVENT	LOCATION	ENGAGEMENT
7-9 July	Models & Miniatures	NSW Rail Museum	2,200 visitors
21-23 July	Blue Mountains 150th	Blue Mountains	2,889 passengers
29-30 July	Day Out With Thomas	NSW Rail Museum	5,520 visitors
12 August	Hornsby Steam Shuttles	Hornsby	1,440 passengers
13-14 August	Rail Safety Week	Central	2,256 passengers
1 September	Charter: Carlton United	Wyong	200 passengers
9-10 September	Day Out With Thomas	NSW Rail Museum	3,978 visitors
16 September	Highlander	Southern Highlands & Illawarra	294 passengers
27 September	Great Strike Exhibition / Book Launch	NSW Rail Museum	41 guests
14-15 October	Family Fun Days School Holiday Program	NSW Rail Museum	1,095 visitors
14 October	Sector Development Day	Sutherland	41 delegates
14 October	Transport Heritage Grants 2017	Sydney Tramway Museum	45 delegates
4-5 November	Day Out With Thomas	NSW Rail Museum	4,712 visitors
18 November	THNSW Annual General Meeting	NSW Rail Museum	142 members
19 November	Highlander	Southern Highlands & Illawarra	270 passengers
2-3 December	Santa's Steam Train	NSW Rail Museum	1,315 visitors
9-10 December	Santa's Vintage Electric Train	North Sydney	876 passengers
10-14 January	Charter: Elvis Train (carriage hire)	Parkes	-
24 February	Highlander	Southern Highlands & Illawarra	244 passengers
25 February	Hydro Express	Blue Mountains	258 passengers
3-4 March	Thirlmere Festival of Steam	NSW Rail Museum	5,882 visitors
17-18 March	Day Out With Thomas	NSW Rail Museum	4,670 visitors
1 April	Easter Bunny at Thirlmere	NSW Rail Museum	718 visitors
8 April	Sector Development Day	Sydney CBD	27 delegates
14-15 April	Hunter Valley Steamfest	Maitland	3,679 passengers
15 April	Cronulla Vintage Electric Train	Cronulla	588 passengers
20-22 April	Circus Train School Holiday Event	NSW Rail Museum	1,365 visitors
23-26 April	Charter: St James Rail	Ararat, VIC	133 passengers
12 May	Hydro Express	Blue Mountains	228 passengers
13 May	Highlander	Southern Highlands & Illawarra	190 passengers
19-20 May	Day Out With Thomas	NSW Rail Museum	4,450 visitors
26 May	Blue Mountains Flyer (one-way)	Blue Mountains	196 passengers
26-27 May	Great Train Weekend	Mount Victoria	2,243 passengers
9-11 June	Transport Heritage Expo	Central, Sydney	9,019 passengers

APPENDIX 2 – FULL LIST OF FUNDING STREAM 2 ALLOCATIONS

The following heritage assets in the THNSW portfolio were allocated major periodic maintenance funding during the 2017-18 period:

APPLICANT	PROJECT TITLE	AMOUNT
BUILT HERITAGE		
Cooma Monaro Railway	Signal Box and Out-Of Shed	\$5,740
Cooma Monaro Railway	Barracks refurbishment	\$101,507
Tenterfield Railway Museum	Termite remediation to repair barracks	\$223,536
Transport Heritage NSW	Thirlmere Signal Box	\$48,800
Transport Heritage NSW	Valley Heights bull ring	\$429,628
	SUB TOTAL:	\$809,211
HERITAGE & COLLECTION MANAGEMENT		
Cooma Monaro Railway	Master Plan	\$10,000
Transport Heritage NSW	Business and Strategic Planning	\$13,636
Transport Heritage NSW	Sector Feasibility Study	\$45,455
	SUB TOTAL:	\$69,091
NON-HERITAGE INFRASTRUCTURE		
Cooma Monaro Railway	Security System	\$3,000
Cooma Monaro Railway	Security Audit	\$4,545
Cooma Monaro Railway	Fence around precinct	\$324,398
	SUB TOTAL:	\$331,943
ROLLING STOCK		
Cooma Monaro Railway	Powder Van refurbishment	\$3,335
Junee Roundhouse Museum	3609 to Junee	\$118,655
Rail Motor Society	621-721 maintenance	\$302,784
Transport Heritage NSW	KAM 508 refurbishment	\$5,000
	SUB TOTAL:	\$429,774
	TOTAL:	\$1,640,019

APPENDIX 3 – FULL LIST OF TRANSPORT HERITAGE GRANTS

The following heritage transport organisations were awarded Transport Heritage Grants in 2017:

APPLICANT	PROJECT TITLE	AMOUNT
RESTORATION AND CONSERVATION PROJECTS		
Illawarra Light Railway Museum	Steam Locomotive Perry or Tully no. 6	\$9,300
Lachlan Valley Railway	Locomotive 5917 driving wheel tyre replacement	\$50,000
Oberon Tarana Heritage Railway	Restoration and repair of roof of one end platform carriage	\$6,900
Rail Motor Society	HPC 402 Bogie maintenance and wheel change out	\$20,416
Richmond Vale Railway Museum	Purchase and installation of backhead injector to locomotive Kathleen	\$9,655
Sydney Bus and Truck Museum	Restoration of White Bus	\$4,254
Sydney Tramway Museum	Restoration of Sydney Trolleybus no. 19 to display condition	\$9,285
Sydney Tramway Museum	Restoration of heritage Sydney railway tramway signal box	\$13,500
Zig Zag Railway	Replacement of rainwater tank on 1890 signal box	\$1,255
Zig Zag Railway	Restoration and painting of 1890 Zig Zag signal box	\$9,600
Zig Zag Railway	Preservation of Coorwull Railway Footbridge	\$11,330
	SUB TOTAL:	\$145,495
PUBLICATION PROJECTS		
Shoalhaven Historical Society	Going South: The Kiama to Bomaderry Railway	\$8,850
	SUB TOTAL:	\$8,850
	TOTAL:	\$154,345

KEY PEOPLE

Below is a summary of key personnel and members as at time of publication (November 2018).

PATRON

His Excellency General The Honourable David Hurley
AC DSC (Ret'd)

VICE PATRON

The Hon. Milton Morris AO

THNSW BOARD OF DIRECTORS

Rob Mason	Chair
David Ireland	Deputy Chair
Brett Fitzpatrick	Company Secretary
Alex Claassens	
Dale Budd OBE	
Howard Collins OBE	
Leann Meiers	
Nev Nichols	

THNSW MANAGEMENT TEAM

Andrew Moritz	Chief Executive Officer
Andy McNeill	Head of Finance & Corporate Resources
Ann Frederick	Creative Services & Public Programs Manager
Ben Elliot	Fleet Maintenance Manager
David Bennett	Marketing & Commercial Services Manager
Jennifer Edmonds	Heritage & Collections Manager
John Snider	3801 Return to Service Program Director
John Thorogood	Safety, Environment & Quality Manager
Michael Baczynskyj	Rail Operations Manager

THNSW LIFE MEMBERS*

Allan Leaver	Jeffrey Forrester
Andrew Killingsworth	John Harwood
Andrew Tester	Joy Eyre
Anthony Eyre	Ken Ames
Barry McMahon	Les Wilson
Brian Woolley	Mary Wear
Bruce Saunders	Neil Finey
Christine Cuttle	Philip Robinson
David Kennedy	Ray Beharrell
David Thurlow	Raymond Love OAM
Donald Estell	Richard Butcher
Edward Oliver	Robert Price
Gary Woodward	Roslyn Reynolds
Gilbert Wheaton	Stephen Williams
Graham Ahern	Ted Dickson
Ian Cuttle	Ted Mullett
Ian Dale	Timothy Ball
Ian Martin	Trevor Ford
Ian Sheppard	

*Does not include deceased life members

INDEPENDENT FUNDING & ADVISORY PANEL (Appointed by TfNSW)

Christine Wright
John Minchin
Judith Coombes
Peter Colacino
Stuart Coppock

“ The event was extremely well planned and catered for. It was very easy to navigate and participate as a family with a two-year-old son. We all had a fantastic day and would come again.

-Visitor at Day Out With Thomas, March 2018

“ I wish we had been able to stay longer, but we will be back! Our little Thomas fan had the best time and was in awe of the Fat Controller. Thank you!

-Visitor at Day Out With Thomas, November 2017

“ You always present your stock beautifully and your volunteers are fantastic.

-Passenger at Blue Mountains 150th Celebration, July 2017

“ It was a fabulous day out for my family! The staff were so friendly and attentive, and the experience and education provided was excellent. Thank you for an amazing day!

-Visitor at Day Out With Thomas, March 2018

“ Great atmosphere and great to see the community out enjoying this well organised event. We need to preserve our history and educate the public about heritage transport as part of our culture.

- Visitor to Transport Heritage Expo, June 2018.

“ High tea at the Hydro Majestic was lovely and the staff on board the train were helpful, courteous and knowledgeable.

-Passenger on the Hydro Express, May 2018

“

This trip brought so much joy to everyone onboard and track-side. There were hundreds of people lining the tracks, enthralled by the sight and sound of steam at every station. Proof that even the smallest steam event can have a big impact on a community!

-Passenger on Hornsby Steam Shuttles, August 2017

“

So much to do! The volunteers were so wonderful and my toddler just loved the old school dancers and live band. She also loved being able to have a go in the driver's seat of the bus and watch steam trains take off.

-Visitor to Transport Heritage Expo, June 2018

“

The return journey is often reverse of the outward trip, so it was nice to come back another route. The scenery was breathtaking and it was a great day out for my family.

-Passenger on the Southern Highlander, February 2018

“

I loved it! I couldn't say a bad word. Thank you for a great day out.

-Passenger at Blue Mountains 150th Celebration, July 2017

“

It was a very hands on, hop on experience. Great to get up close to the trains and see how they work.

-Visitor to Transport Heritage Expo, June 2018

Transport Heritage NSW Ltd

ABN 25 000 570 463

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2 Locomotive Street, Eveleigh NSW 2015

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transportheritagensw.com.au

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**Transport
HeritageNSW**