

Transport HeritageNSW

ANNUAL REPORT 2016-17



SECTION 1: ANNUAL REVIEW

“ Very, very impressed with the complete experience. The staff were more than helpful, they were all wonderful. Trainworks is a facility to be proud of. I first visited the collection of trains and associated materials in the 70’s when it was a large collection... crying out for love and care. That has now happened. Thank you for allowing the collection to be preserved.

- Visitor to *Day Out With Thomas*, September 2016

“ You guys need to do this more often. How amazing. Great day out! Staff and volunteers all wonderful.

- Passenger aboard *Santa’s Steam Train*, December 2016

“ Lovely family day out. Kids really enjoyed the live interactions. Congratulations to all the wonderful volunteers.

- NSW Rail Museum visitor, July 2016

“ Very informative & relevant. Students were kept busy and engaged the entire time. A very interesting excursion that will be recommended highly.

- Alford’s Point Public School, March 2017.

“ A very amazing place and so well maintained and clean. A credit to everyone concerned.

- NSW Rail Museum visitor, December 2016

“ Great day out with the family. Love the addition of circus and make & do activities. We all had a ball. Will come back!

- Visitor to *Circus Train* event at the NSW Rail Museum, April 2017

“ I felt like I was turned back in time. It was a special moment for me.

- Passenger aboard *Rail & Sail*, March 2017



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MESSAGE FROM THE CHAIR



I was honoured to have been appointed by the NSW Minister for Transport as Chair of Transport Heritage NSW (THNSW) on 1 March 2017. I take this opportunity to acknowledge and thank my predecessor Peter Lowry OAM, inaugural Chair of THNSW and all my fellow Directors for their effort and work throughout the year.

During this short time since my appointment, I have thoroughly enjoyed meeting and listening to many of our members, volunteers and staff, as well as representatives of heritage transport organisations across NSW.

It's abundantly clear the sector is alive with passion and enthusiasm, and a wealth of ideas for the future.

As THNSW enters its fourth year, we now have an opportunity to reflect on our many successes, identify what can realistically be achieved and address areas for improvement.

To this end, in 2017-18 both the Board and I will be focussed on delivering a new strategic plan that sets

our course for the next five years. With the knowledge of our progress to date, the strength of our staff and volunteers and the unique opportunity bestowed on us by the NSW Government, now more than ever we have the ability to set realistic goals and aspirations for the future and build even stronger foundations for THNSW.

I acknowledge the great work of our staff and volunteers as outlined in this Annual Report and look forward to continuing to work with our members, volunteers and staff as we build an even brighter future for Transport Heritage NSW.

Rob Mason
CHAIR



MESSAGE FROM THE CEO



Welcome to the 2016-17 Annual Report for THNSW.

In this financial year, I'm pleased to announce we delivered a record breaking 46,000 visitors to our now rebranded NSW Rail Museum, up 23% on the previous year, and we increased our passenger numbers to over 47,000.

This has only been made possible thanks to the hard work and dedication of our team of staff and volunteers who each share a common passion for what we do.

However, THNSW is far greater than just the NSW Rail Museum and the trains it runs. Whether it's restoring a heritage locomotive, preserving a 100 year-old collection item, assisting a heritage transport group

to develop its own business plan or engaging tens of thousands of people at our events across NSW, THNSW is increasingly delivering more engagement with the community and opportunities for the wider heritage transport sector to share our passion and enthusiasm.

This Annual Report outlines our achievements in bringing transport heritage to life during 2016-17. Moving into 2017-18, our focus will be on delivering:

- Continued safe, reliable and stable operations across all our sites and activities
- 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
- Scoping and making decisions regarding the *Southern Aurora* refurbishment project
- 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 funding 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 NSW State-owned Heritage Collection and its further development, and management of key heritage transport sites

Finally, I'd like to again 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 in continuing to bring transport heritage to life in 2017-18.

Andrew Moritz
CHIEF EXECUTIVE OFFICER

2016-17 HIGHLIGHTS



JUL

Day Out With Thomas - 4,350 visitors.

SEP

- Day Out With Thomas - 4,400 visitors.
- Cronulla vintage electric train shuttles including North Sydney to Cronulla and return - over 500 passengers.
- Tulip Time Southern Highlander - 260 passengers.



NOV

- Transport Heritage Grants Program awarded 18 grants to 14 organisations totalling around \$152K.
- Sector workshop - attended by 40 people from 14 organisations.
- THNSW Annual General Meeting where inaugural Chair, Peter Lowry OAM was farewelled.



AUG

Rail Safety Week - supporting activities at Central with steam train rides and Thomas the Tank Engine.

Northern Steam Spectacular - joint event with LVR with steam locos 3642 and 5917 in a parallel run for 36km - over 230 passengers.

OCT

- F1 vintage electric set operated 3 shuttles from Liverpool to Leppington for the Sydney Model Rail Exhibition - over 500 passengers.

Blue Mountains Flyer - over 200 passengers.

THNSW Goodwin Alco loco 4490 participated in Streamliners event at Goulburn Rail Preservation Centre.

The Big Draw at Trainworks.



DEC

- Smart and Skilled funded training for volunteers commenced.
- Steam Train Sunday - Sydney to Sydney Tramway Museum - over 430 passengers.
- Santa's Steam Train weekend - shuttles from both Hornsby and Penrith stations - over 2,200 passengers.
- Going Underground - THNSW provided objects for an exhibition curated by Sydney Trains, as well as vintage electric shuttles through the city underground - over 1,000 passengers.



JAN

Summer at Trainworks campaign featuring Loop Line railmotor rides which contributed to increase in summer visitation to Thirlmere.



MAR

Rob Mason commenced his term as Chair of THNSW.

Thirlmere Festival of Steam - 4,200 visitors.

Day Out With Thomas - 4,800 visitors.

Rail and Sail - Central - Wollongong - 800 passengers.

Vintage electric shuttles - Cronulla-Sutherland - over 600 passengers.

MAY

NSW Rail Museum brand launch.

Day Out With Thomas - 5,395 visitors.

Filming of TV Series *The Bachelor* on the Thirlmere Heritage Railway.

Filming of TV Series *The Secret Daughter* on the Thirlmere Heritage Railway.

World Presidents Association Charter - 40 passengers.



FEB

Sector workshop - attended by 40 people from 20 organisations.

Vintage Electric set F1 shuttles North Sydney-Lavender Bay - 1,200 passengers.

Sony Pictures filming of the motion picture *Peter Rabbit* on the Thirlmere Heritage Railway.



APR

THNSW won 2 National Trust Heritage Awards for *Lives on the Line* and assisting Sydney Trains with *Going Underground - 90 years of the Underground*.

THNSW worked with Maitland City Council to deliver *Hunter Valley Steamfest* which attracted over 50,000 visitors.

Southern Highlands Easter Bunny Shuttles - over 1,000 passengers.

Circus Train program at Trainworks - over 1,000 visitors.

St James Charter - 4 days around North West NSW, 170 passengers.

Cruise Express Charter - Central to Seymour (Vic), 140 passengers.

Most kilometers travelled by THNSW in a single month.

JUN

Transport Heritage Expo 2017 - the biggest event ever staged by THNSW featuring vintage trains, buses, talks, displays and access to Mortuary Station took place over 3 days at Central - 7,100 tickets sold and some 10,000 visitors.



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 MCMA and Subsidiary Custody Management (SCMA) arrangements 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)

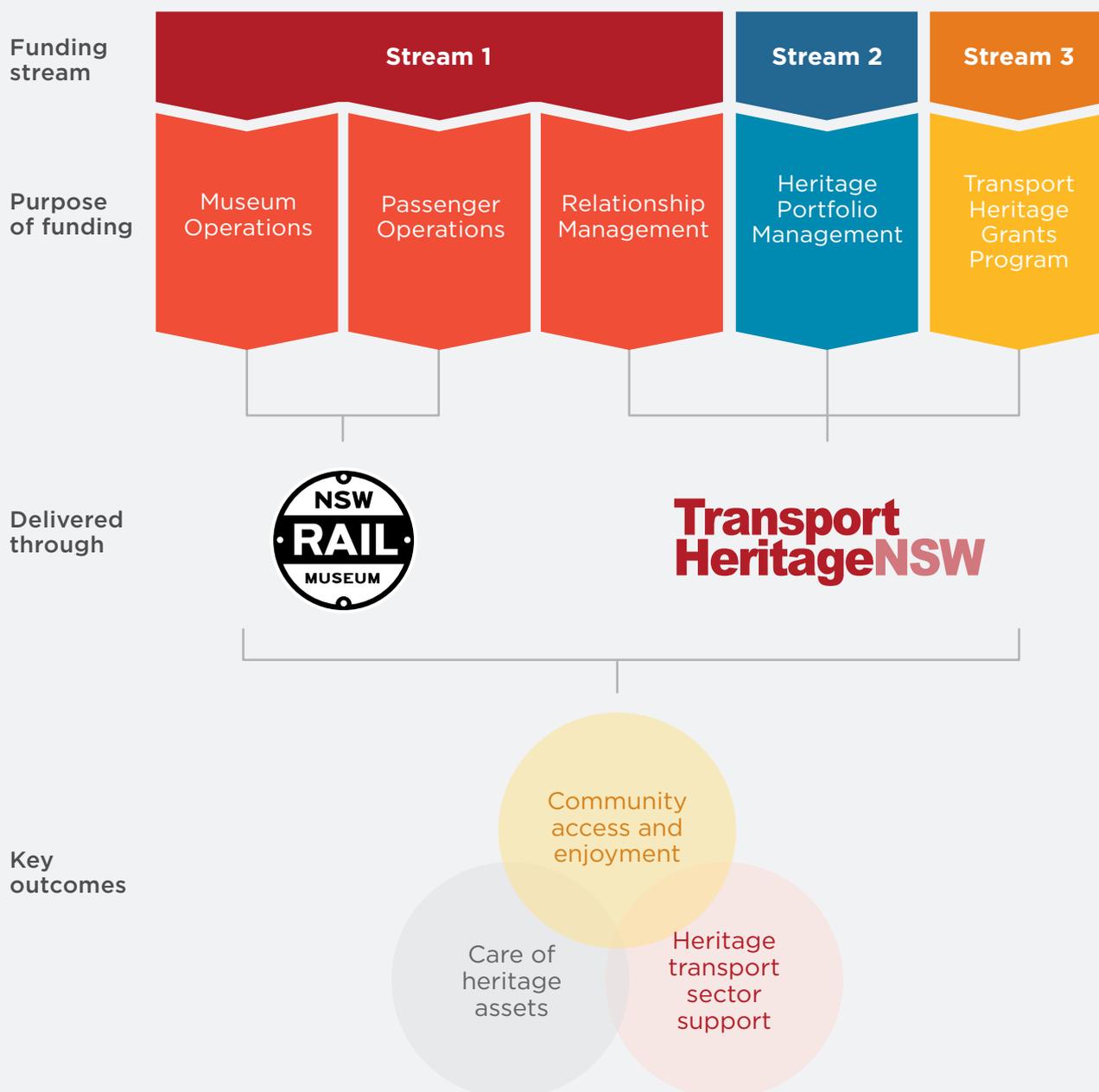
OPERATIONS

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.





CUSTOMER AND COMMUNITY ENGAGEMENT

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

KEY ACHIEVEMENTS IN 2016-17

MAJOR EVENTS

- In 2016-17, almost 19,000 people attended 4 *Day Out with Thomas* events, our most popular and profitable event. Following strong demand, this event has been increased from 3 to 5 weekends per calendar year.
- Our third annual *Transport Heritage Expo* at Central Station was the cumulative effort of over 5 transport heritage sector groups engaging more than 7,000 people in 3-days.
- Over 4,200 people visited the *Thirlmere Festival of Steam*, an annual community celebration of steam delivered in partnership with the Rotary Club of Picton.
- The award-winning *Going Underground- celebrating 90 years of the City Underground* event and exhibition delivered in partnership with Sydney Trains.
- Delivered our major rail heritage charter operations including Hunter Valley Steamfest in April (with Maitland City Council), and Rail Safety Week in August (with Sydney Trains).



MUSEUMS

NSW Rail Museum – Thirlmere

- NSW Rail Museum visitation increased by 25% in 2016-17 to 43,279 visitors, up from 34,611 in 2015-16.
- Successfully rebranded from *Trainworks* (along with *Heritage Express*) to the *NSW Rail Museum* in May 2017. This included an upgrade of uniforms, signage, and the introduction of a new integrated website and social media channels.
- Two new school holiday programs – *The Big Draw* (October 2016) and *Circus Train* (April 2017) were introduced, both boosting school holiday visitation to Thirlmere.
- 600 school students from 12 schools participated in the school education program.
- New front entrance planning and approvals commenced with works to be completed by end 2017 calendar year.
- Regular café operations on weekends commenced.

Valley Heights Locomotive Depot Heritage Museum

- Valley Heights visitation dipped slightly in 2016-17 to 3,591 visitors (compared to 4,224 in 2015-16).
- Additional events were staged at Valley Heights including a ceremony to commemorate 100 years of loco 5461 and 125 years of steam tram 103A.

RAIL OPERATIONS

- Heritage trains passengers (both on our Thirlmere Heritage Railway and main line), increased by 4% in 2016-17 to 47,537, up from 45,726 in 2015-16.
- Weekly steam operations were re-introduced on the Thirlmere Heritage Railway in March 2017 boosting weekend visitation to the NSW Rail Museum.
- A total of 4 charters were undertaken for Maitland City Council, St James Rail Tours, Cruise Express International and the World Presidents Association.
- A total of 16,563kms were travelled in 2016-17, compared to 22,035kms in 2015-16, yet more passengers were carried compared to the previous year.



COLLECTIONS AND ASSET MANAGEMENT

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

KEY ACHIEVEMENTS IN 2016-17

OPERATING RAIL HERITAGE FLEET

- Work towards returning locomotive 3801 to service continued. Following the decision to proceed with repairing the original boiler, contractors K&H Ainsworth were appointed in September 2016 with the boiler transferred from Chullora to Goulburn. The boiler is expected to return to allow completion of the restoration in late 2017.
- THNSW entered into a storage and use agreement with Deloitte Australia for locomotives 3016, 6029 and heritage cars, following the liquidation of ARHS (ACT). The addition of this rolling stock enabled flexibility and a boost to our heritage rail operations.
- Restoration work on Thirlmere based locomotive 3526 progressed as time and labour were available.
- Locomotive 3265 on loan from Museum of Applied Arts & Sciences (MAAS), was reassembled with new crankpins, wheel sets, and tyres with the view of returning to service in time for the 2018 program of events.



OPERATING RAIL HERITAGE FLEET (CONT...)

- 18 vehicles were lifted to enable annual inspections and repairs.
- Locomotive 2705 was repaired and returned to service in time for the 2017 *Thirlmere Festival of Steam*.
- Locomotive 3016 under its storage and use agreement with Deloitte Australia received minor repairs to enable safe and efficient operation.
- Various repaints took place including carriage MBE 62 and locomotive 1803 (Thomas The Tank Engine).
- Reconditioned wheelsets were fitted to MFS 2137.

COLLECTION

- Project to remove asbestos from stored locomotive 3203 commenced at Broadmeadow. All parts were removed and catalogued by the volunteer team and contractors removed the asbestos.
- Reconstruction of sleeping car MAM907 continued throughout the year, with the refinishing work on one and a half internal compartments completed and the exterior repaired and painted.
- Project to refurbish buffet car RBX607 continued, with all sides repaired and prepared for painting, and undercoating started. Challenges around accessing the roof to repair and re-cover it have delayed the project.
- Project to return locomotive 6040 to display condition was completed during the year. The second part of this project, to make the locomotive accessible for the public, is planned for the next financial year.
- Tanker wagon L758 was allocated to Tenterfield and transferred from storage at Broadmeadow. Work commenced to reconstruct this vehicle into an Atlantic Oil Tanker.
- The Loop Line's 150th anniversary was celebrated with a small exhibition at the NSW Rail Museum to coincide with the *Thirlmere Festival of Steam*.
- A number of display upgrades were carried out to coincide with the launch of the new NSW Rail Museum brand.
- Conservation management plan for the Loop Line was commissioned and delivered to help inform future work along the corridor.
- THNSW's extensive collection of railway objects was catalogued during the financial year.
- The NSW State-owned movable collection was uploaded into the new collection management system. This is around 4,000 objects.

PROPERTY

- Upgrades to Thirlmere Station building and platform commenced, including recladding of the station building in heritage profile weatherboard, resurfacing the platform, installation of accessible toilet facilities and repainting in the standard approved colour scheme for timber station buildings of the 1900s.
- Volunteer activities were temporarily suspended at the Broadmeadow site on 11 May. This was in response to concerns raised by a number of individuals. In order to fully understand the issues, an independent workplace review was conducted. The independent reviewer made recommendations as to the appropriate action for the THNSW Board's consideration.
- Extensive repairs were carried out to the roof of the Broadmeadow roundhouse, which had been damaged by storms in 2015.
- Installation of a new security fence around Valley Heights began, while improvements to the meal room and security were completed.
- Clean-up operations in the Large Erecting Shop commenced and repair works have been scoped.





SECTOR SUPPORT AND DEVELOPMENT

Transport Heritage NSW is funded by Transport for NSW to assist and support the broader transport heritage sector.

KEY ACHIEVEMENTS IN 2016-17

INDEPENDENT FUNDING & ADVISORY PANEL	<ul style="list-style-type: none"> The Independent Funding & Advisory Panel (IFAP) is appointed by Transport for NSW to provide independent advice and determination of funding allocations for both NSW State-owned assets and the annual Transport Heritage Grants program. IFAP met 4 times and consists of a panel of 5 persons, Mr Peter Colacino, Ms Judith Coombes, Mr Stuart Coppock, Ms Dianne Leeson (until early 2017), Mr John Minchin and Dr Christine Wright.
STATE-OWNED ASSETS	<ul style="list-style-type: none"> Funding was provided for a range of projects pertaining to NSW State-owned assets. See Appendix 2 for full list of funding allocations.
TRANSPORT HERITAGE GRANTS PROGRAM	<ul style="list-style-type: none"> 18 grants were issued to 14 heritage transport organisations totalling almost \$152,000. See Appendix 3 for full list of recipients and their projects. A special ceremony was held in November 2016 at the Sydney Bus Museum to award grant recipients.
RELATIONSHIP MANAGEMENT	<ul style="list-style-type: none"> Transport Heritage NSW conducted two workshops with the wider heritage transport sector in 2016-17 as follows: <ul style="list-style-type: none"> Australian Technology Park, November 2016 - Grant writing tips, briefing sessions by ATHRA and ONRSR for heritage operators, significance assessment writing workshop for museum groups. Powerhouse Museum, February 2017 - Business planning for community led NFP organisations. Site visits throughout the year to a variety of heritage transport groups providing ongoing advice and support.

PEOPLE

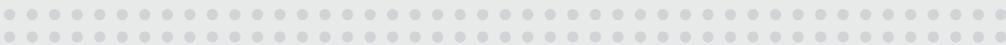
Our people are at the core of everything we do. Developing our people, building a positive culture and being clear about our objectives and priorities as an organisation enables our people to work together and strive towards our vision of *bringing transport heritage to life* for the people of NSW.



KEY ACHIEVEMENTS IN 2016-17

MEMBERSHIP

- Total membership at 30 June 2017 was 2,483 members (excluding Honorary and Complimentary members), down 42 members on the previous year.
- New membership was at its highest ever level, although was offset by a high lapse rate amongst families with children who had joined in only the last one to two years.
- Recognising the shifts emerging in both our customer base and also potential new membership base, the Board has determined that a simpler membership structure will be introduced from next year focusing on enthusiasts and those more interested in the governance of the Company.
- The new membership structure will be complemented by an annual NSW Rail Museum pass product expected to be taken up by those simply wanting to enjoy our Museum and heritage passenger rail experiences.
- This year also saw two very well attended Members' Information Forums held in conjunction with General Meetings of our Members to present updates on topics and projects of particular interest to members. Given the popularity, this concept will be continued in the 2017-18 year.



VOLUNTEERS PROGRAM

- Some 56 new volunteers were welcomed this year, and some 14 of our longer serving volunteers retired from our THNSW ranks.
- Our volunteer EoI and Application process was streamlined, seeing the retirement of multiple legacy forms into one single form for general application, supported by tailored application forms for targeted volunteer recruitment drives.
- Broader rollout of Volgistics, our volunteer management tool, saw the introduction of VICnet from February giving our volunteers the ability to access and update their volunteering records, access program news, see calls for help, and such from anywhere on any device with internet connection.
- Targeted recruitment drives were also successful during the year, focusing on support needed for major events, or for a number of specific roles and volunteering opportunities.

STAFF

- Our Heritage & Collections area saw the formalisation of the Collections Officer role, plus the recruitment of a dedicated Sector Development Officer.
 - Our new Rail Safety & Operations team was introduced during the year including a Rail Safety & Operations Manager, supported by two new roles of a Rail Safety & Environment Officer and a Rail Operations Coordinator. The previous Operations Manager and Safety & Environment Manager roles were abolished.
 - Our Fleet Maintenance area saw the appointment of a new Fleet Maintenance Workshop Manager, along with an increase to the number of Fleet Maintenance Worker Tradesperson roles, and the introduction of a new Fleet Maintenance Workshop General Support role.
 - Also in the Fleet Maintenance area, a new Locomotive 3801 Project Workshop Foreman and a dedicated Tradesperson role were put in place for the duration of this high profile project.
 - Our property and facilities responsibilities benefited during the year from the recruitment of a dedicated Property & Facilities Manager and also the appointment of a Site Coordinator for the Large Erecting Shop (LES) at Eveleigh.
 - These new staff roles continue to build our organizational capabilities and capacity, which means that we can keep growing our activities for the benefit of our members, volunteers, staff, the heritage transport sector and the people of NSW, as well as ensure we continue to deliver on our obligations under our funding arrangements with the NSW Government.
- 



TRAINING & DEVELOPMENT

- 2016-17 saw the rollout of expanded development and training across the organisation.
- A key highlight was our first wave of training under the NSW Government's "Smart & Skilled" initiative, with a broad range of training delivered for us by registered training providers. Key highlights included:
 - \$60,000 worth of training secured.
 - 150 of our people attained nationally recognised units of competency in targeted skills areas relevant to their roles including: Initial Response First Aid, Work Health & Safety, Tour Guiding, and Customer Service.
 - \$70,000 of training for our Operational Footplate Crew to bring competency in line with the National Units of Competence.
 - Other targeted training undertaken to increase the skill sets of our THNSW fleet maintenance and THNSW infrastructure workers.
- A major continued focus is the ongoing development and regular reassessment for our people who perform Rail Safeworking roles.
- 23 Rail Safeworking Crew members completed their on-the-job reassessments as required under the mandated 24-month renewal cycles across our Main Line and Loop Line qualified crew members.

PEOPLE SURVEY

- During 2016-17 we undertook our first ever People Survey, exploring our combined volunteer and staff team members' thoughts and feelings about their work environment, along with the opportunities and challenges they faced.
- The top three highlights from the survey were particularly important to us:
 - Our people have a high level of satisfaction with their work environment (80% were "very satisfied" or "satisfied").
 - 80% or more of our people agree that they feel safe; feel comfortable; and know who to ask for help if something unexpected comes up while undertaking their work with THNSW.
 - Our team members felt that communication, culture, leadership and development of our people should be emphasised to help further improve our work environment.



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:





Directors' Report

The Directors present their report together with the consolidated financial statements of Transport Heritage NSW Limited ("THNSW") for the year ended 30 June 2017 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 2016 are as follows:

DIRECTOR	QUALIFICATIONS	EXPERIENCE
Peter Lowry OAM Appointed Inaugural Chair of the Board <i>(term concluded 12 December 2016)</i>	<ul style="list-style-type: none"> Bachelor of Laws Solicitor Supreme Court of NSW Certified Local Government Planning and Development Mediator Officer of the Order of Australia Medal (2003), North Sydney Citizen of the Year (2000) 	<ul style="list-style-type: none"> Law, Urban Planning and Mediation Former Board Member Sydney Harbour Foreshore Authority Former Board Member Sydney Harbour Federation Trust Board Member of various NFP and performing arts organisations
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 2015)</i>	<ul style="list-style-type: none"> Professional geologist Rail operations professional 	<ul style="list-style-type: none"> RTM Director from December 2012 to December 2013 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 2015)</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 2015)</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
<p>Howard Collins OBE Non-Elected, Appointed Director <i>(current term commenced 18 December 2015)</i></p>	<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 • Director, TrackSafe Foundation • Director, Australasian Railway Association (ARA) • THNSW Director since December 2013
<p>Nev Nichols Non-Elected, Appointed Director <i>(current term commenced 10 December 2015)</i></p>	<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, MIRSE
<p>Dr Natalie Pelham Non-Elected, Appointed Director <i>(current term commenced May 2015, term concluded AGM 2016)</i></p>	<ul style="list-style-type: none"> • PhD Public Policy • Master Science & Society • Bachelor of Science (Hons) 	<ul style="list-style-type: none"> • Executive Director, National Policy & Priority Initiatives 2010-December 2015, Innovation Research & Reform, December 2015-present, Transport for NSW • Executive Director, Transport Safety Strategy, Independent • Transport Safety Regulator, 2003-2010 • Director CRC (Rail Innovation) 2013-2014, Director Australasian Centre for Rail Innovation 2014-present • THNSW Director since May 2015
<p>Pia Zadnik <i>(Invited by the Board to fill the casual vacancy of an Elected Director's position from May 2016 following the resignation of previous Elected Director and until the election of an Elected Director at AGM 2016)</i></p>	<ul style="list-style-type: none"> • Graduate of Australian Institute of Company Directors (GAICD) • Bachelor of Laws (Hons) • Bachelor of Commerce • Master of Environment 	<ul style="list-style-type: none"> • Former Audit and Risk Committee member, Natural Resources Commission of NSW • Former Program Director, Natural Resources Commission of NSW • Former commercial management positions in transportation and telecommunications, Siemens Ltd • Commercial Manager, Project Services, Ticketing and Concessions, Transport for NSW • THNSW Director since May 2016
<p>Ken Rouvray Elected Director <i>(current term commenced AGM 2016)</i></p>	<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 since November 2016



Directors' Meetings

The number of Directors Meetings (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of THNSW during the financial year are:

Director	Board Meeting		Committee Meetings		Committee Meetings	
	Number Held where Eligible to Attend	Attended	<i>(where the Director is a Committee Member)</i>		<i>(where the Director is an Invitee only)</i>	
			Number Held where Eligible to Attend	Attended	Number Held where Eligible to Attend	Attended
Peter Lowry OAM	4	3	-	-	6	-
Rob Mason	2	2	-	-	5	2
David Ireland	7	7	-	-	13	4
Brett Fitzpatrick	7	6	-	-	13	-
Dale Budd OBE	7	7	5	4	8	-
Howard Collins OBE	7	3	5	5	8	-
Nev Nichols	7	5	3	2	10	-
Pia Zadnik	3	2	-	-	4	1
Ken Rouvray	4	4	-	-	9	2

Note: the Number of Board meetings or Committee 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.

During the financial year ended 30 June 2017 a total of seven (7) Board Meetings were held, including regular Board Meetings and Special Board Meetings.

The Board had three (3) established Board Subcommittees during the financial year:

- **Safety & Environment Committee (SEC)** – chaired by Nev Nichols, a total of three (3) SEC Meetings were held

The SEC supports the Board overseeing at the strategic-level THNSW's safety risk management and environmental risk management, including setting THNSW's key safety and environmental performance indicators. The SEC also monitors THNSW's compliance with the applicable rail safety, work health and safety and environmental legislation and laws.

In 2016-17 SEC Members included the CEO, the previous Safety & Environment Manager (to December), 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 five (5) FA&RC Meetings were held

The FA&RC supports the Board 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 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 five (5) BD&MC Meetings were held.

The BD&MC supported the Board in the 2016-17 year focussing on the development of NSW Rail Museum brand, the concept to design of the Museum front entrance and café refresh works, and commencing planning of various relaunch event activities that will support the return to service of Locomotive 3801.

BD&MC Members include Steve Burrows, John Cowper, Peter Dykes, Bruce Marich, John McCutcheon, Max Press, Peter Thorburn, the CEO and the Marketing & Commercial Services Manager. Note: the Board determined to discontinue the BD&MC in July 2017.

Lead Auditor's Independence Declaration

The lead Auditor's Independence Declaration for the year ended 30 June 2017 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



Brett Fitzpatrick
COMPANY SECRETARY

26 September 2017



Our Finances

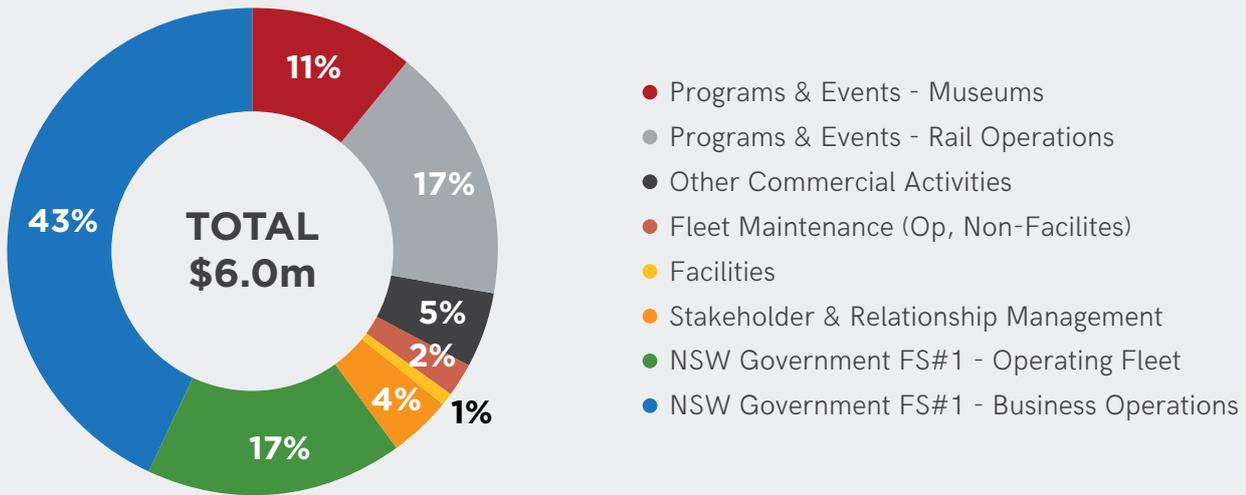
Transport Heritage NSW has a five-year funding agreement with the NSW Government to manage the State-owned rail heritage collection and deliver a wide range of activities to support the heritage transport sector in NSW. In addition to funding from the NSW Government, THNSW raises revenues through its various activities as highlighted in this Annual Report.

Our funding agreement with the NSW Government provides specific funding for the following purposes:

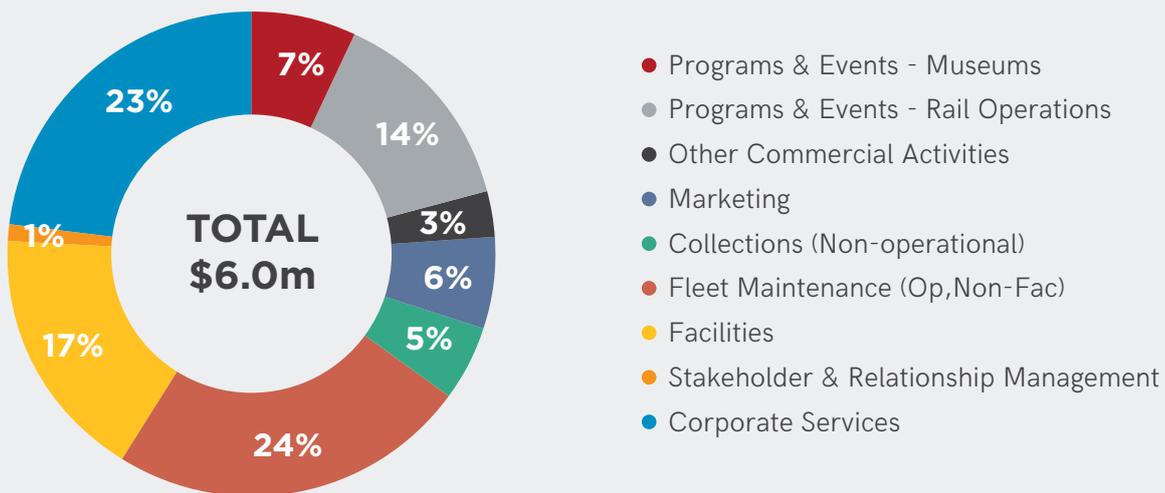
- **Funding Stream 1 (FS#1)** – Annual funding allocated specifically to THNSW’s Business Operations, including a minimum of \$1 million which must be used for operational rolling stock fleet maintenance. The THNSW Board determines THNSW’s annual business plan and annual business operations budget, including the allocation of FS#1 funds to be used and the use of THNSW’s own-generated revenue raised through its various activities.
- **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.
- **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.
- **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. Currently there is one approved project: the 3801 locomotive reconstruction.

Details of the annual funding allocations determined by the IFAP in 2016-17 under Funding Stream 2 and the Transport Heritage Grants Program (Funding Stream 3) are provided in Appendices 2 and 3, respectively.

FY 2016-17 Income - FS#1 and Own-Generated



FY 2016-17 Expenses - FS#1 and Own-Generated





APPENDICES

APPENDIX 1 – THNSW EVENTS IN 2016-17

Transport Heritage NSW undertook an extensive program of events in 2016-17 as follows:

DATE	EVENT	PASSENGERS / VISITORS
16-17 July 2016	Day Out With Thomas	4,350
14-15 August 2016	Rail Safety Week *	Data not available
20 August 2016	Northern Steam Spectacular	234 ^
10 September 2016	Cronulla vintage electric train shuttles	505
17 September 2016	Tulip Time Southern Highlander	260
24-25 September 2016	Day Out With Thomas	4,349
1 October 2016	AMRA Vintage electric train shuttles	223
1-3 October 2016	Streamliners *	Display only
8 October 2016	Blue Mountains Flyer	214
8-9 October 2016	The Big Draw at Thirlmere	334
5 November 2016	Rail & Sail / Steam to the Surf	480
6 November 2016	Steam Train Sunday (Loftus)	434
3-4 December 2016	Santa Steam Train	2,241
10 December 2016	90 Years of the Sydney Underground	1,200 ^
4-5 March 2017	Thirlmere Festival of Steam	4,205
11-12 March 2017	Rail & Sail / Steam to the Surf	771
19 March 2017	Vintage electric train shuttles	606
25-26 March 2017	Day Out With Thomas	4,800
8-9 April 2017	Hunter Valley Steamfest *	2,429
15 April 2017	Easter Bunny Steam Shuttles	1,063
20-23 April 2017	Circus Train	1,006
22-26 April 2017	St James Rail Charter *	170
23-24 April 2017	Cruise Express International Charter *	140
6-7 May 2017	Day Out With Thomas	5,354
20-21 May 2017	NSW Rail Museum rebrand launch weekend	1,006
27-28 May 2017	World Presidents Association Charter *	40
10-12 June 2017	Transport Heritage Expo	7,100 ^

* Commercial charter arrangement

^ Accounts for THNSW component of total event passengers/visitors only

APPENDIX 2 – FUNDING STREAM 2 ALLOCATIONS



The following heritage assets in the THNSW portfolio were allocated major periodic maintenance funding during the 2016-17 period:

PROJECT	PURPOSE	DESCRIPTION	TOTAL COST (GOING FORWARD)	2016-17 COMMITTED	2016-17 AMOUNT EXPENDED	AMOUNT RETURNED TO FUND	TOTAL CUSTODIAN INPUT	CUSTODIAN
MAM 907 Reconstruction	Refurbish for display	Volunteer-led project to return this sleeping carriage to display condition.	\$14,152.00	\$14,152.00	\$2,926.00	\$-	\$72,185.00	THNSW
RBX 647 Reconstruction (over two years)	Refurbish for display	Volunteer-led project to replace small fittings and fixtures internally, and reconstruct externally to return this buffet/sitting carriage to display condition.	\$13,366.00	\$5,500.00	\$1,681.03	\$-	\$78,273.00	THNSW
6040 Reconstruction and interp (over two years)	Complete for display and provide public access into cab	Volunteer-led project to replace/refit/remanufacture components to return to display condition, and make locomotive publically accessible.	\$32,633.32	\$7,018.00	\$7,348.17	\$-	\$107,977.68	THNSW
5711 Reconstruction (over three years)	Refurbish for display	Valley Heights volunteer-led project to rebuild tender as part of larger project to return locomotive to display condition.	\$25,873.00	\$8,000.00	\$5,751.00	\$-	\$134,312.00	THNSW (Blue Mountains Division)
L579 custody and transport to Tenterfield	New custody agreement	Volunteer-led project to arrange a contractor to transport vehicle from Broadmeadow to Tenterfield	\$23,760.00	\$23,760.00	\$6,600.00	\$17,160.00	\$17,075.00	Tenterfield Railway Museum
Asbestos removal from 3203	Hazardous materials remediation	This is a volunteer-led project at Broadmeadow to have the asbestos removed from a steam locomotive in the residual collection and refit all components to make safe for loan for public display.	\$113,630.00	\$85,000.00	\$69,178.20	\$-	\$323,330.00	Residual
623-723 refurbishment	New custody agreement	Loan of railcars to Lithgow State Mine Railway for overhaul and return to service.	\$147,185.00	\$147,185.00	0	\$-	\$8,040.00	Lithgow State Mine Railway
1307 repaint	Protection	Volunteer-led project to repaint locomotive currently in residual collection however actually on open display at Yass.	\$1,500.00	\$1,500.00	0	\$-	\$5,710.00	Residual (on behalf of Yass Council)
Thirlmere Station upgrade	Continue use	This is a staff-led project at Thirlmere Station to upgrade the buildings and platform.	\$202,920.00	\$202,920.00	\$179,545.00	\$-	\$21,621.20	THNSW
Cooma Station repairs	Refurbish for continued and enhanced use	Volunteer-led project restarting works to Cooma precinct begun by Office of Rail Heritage.	\$191,906.00	\$191,906.00	\$16,694.60	\$-	\$91,384.00	Cooma-Monaro Railway

PROJECT	PURPOSE	DESCRIPTION	TOTAL COST (GOING FORWARD)	2016-17 COMMITTED	2016-17 AMOUNT EXPENDED	AMOUNT RETURNED TO FUND	TOTAL CUSTODIAN INPUT	CUSTODIAN
Valley Heights Roundhouse roof repair	Continue use	Volunteer-led project to engage and oversee contractors to repair roof.	\$96,017.90	\$96,017.90	\$-	\$-	\$10,900.10	THNSW (Blue Mountains Division)
Broadmeadow Roundhouse roof repair	Make good following storm damage	Co-contribution project between THNSW and Sydney Trains	\$320,000.00	\$222,250.60	\$222,250.60	\$-	\$-	Residual
Werris Creek Monument tree removal	Preventive maintenance	Volunteer-led project to engage and oversee contractors to remove trees damaging monument.	\$6,600.00	\$6,600.00	\$2,552.00	\$4,048.00	\$546.00	Rail Journeys Museum (Liverpool Plains Shire Council)
Valley Heights boundary fence improvements	Security	Volunteer-led project to engage and oversee contractors to install new fence.	\$479,163.00	\$479,163.00	\$385,491.80	\$-	\$15,750.30	THNSW (Blue Mountains Division)
Thirlmere Roundhouse improvements	Security	Staff-led project to engage and oversee contractors to install new entry systems and doors on workshop at Thirlmere.	\$140,000.00	\$75,570.00	\$4,290.00	\$-	\$18,153.50	THNSW
Online catalogue project	Public access	Staff-led project to have State movable collection entered into digital catalogue and made accessible to the sector and public.	\$80,120.00	\$80,120.00	\$6,380.00	\$-	\$57,460.80	THNSW
Relocation of core collection objects from North Eveleigh	Security	This is a staff-led project that will utilise volunteer labour and transport contractors (trucks and cranes) to transfer the remaining State-owned collection items still in store at the Paint Shop at North Eveleigh to the store at Chullora.	\$17,325.00	\$17,325.00	\$16,775.00	\$-	\$11,926.40	Residual
Conservation management plan for Picton-Mittagong Loop Line	Heritage management	Staff-led project to understand important heritage elements of the line and how to incorporate protection or resurrection of those elements in future works.	\$54,080.00	\$54,080.00	\$46,904.58	\$7,175.42	\$21,090.00	THNSW

APPENDIX 3 - TRANSPORT HERITAGE GRANTS

The following heritage transport organisations were awarded Transport Heritage Grants in 2016:

LACHLAN VALLEY RAILWAY SOCIETY CO-OP LTD	
Interpretation improvements at Cowra	\$4,755
Publishing booklet on Cowra precinct	\$2,060
Reconstruction work on steam locomotive 3237 to keep in service	\$25,545
SYDNEY TRAMWAY MUSEUM	
Reconstruction of freight tram car to operating condition	\$8,778
STEAM TRAM AND RAILWAY PRESERVATION CO-OP SOCIETY LTD	
Reconstruction of louvre van to display condition	\$9,082
DORRIGO STEAM RAILWAY AND MUSEUM LTD	
Conservation treatment for five passenger carriages	\$10,000
GLENREAGH MOUNTAIN RAILWAY	
Reconstruction of railmotor interior for eventual operation	\$8,869
RICHMOND VALE PRESERVATION GROUP	
Boiler removal and inspection for SMR 10 class locomotive	\$12,864
OMNIBUS PRESERVATION SOCIETY	
Reconstruction of Leopard bus to display condition	\$4,768
3801 LTD	
Retention toilet upgrade of operating, main-line car	\$5,455
Roof repairs to main-line carriage SBN 2195	\$2,620.50
Roof repairs to main-line carriage SFN 2182	\$2,620.50
SYDNEY TRUCK AND BUS MUSEUM	
Reconstruction of White bus	\$11,899
GOULBURN CROOKWELL HERITAGE RAILWAY INC	
Railway sleeper and ballast replacement in yard precinct	\$6,136
OBERON TARANA HERITAGE RAILWAY	
Roof repairs to carriage	\$9,000
CARRIAGEWORKS LIMITED	
Publication of book about 1917 Strike	\$10,000
DICTIONARY OF SYDNEY	
Heritage railway entries	\$9,364
AUSTRALIAN RAILWAY HISTORICAL SOCIETY	
Publication of book about Temora	\$8,000

“ Travelled overnight on XPT to and from Melbourne. Well worth it...you are so lucky in NSW...going to become a member. Loco was in better condition than when they were in regular service. There are so many restrictions now that in the days of steam were just acceptable. Thanks again for beautiful memories.

- Visitor to *Thirlmere Festival of Steam* 2017.

“ The selection of activities was excellent. We found the race thrilling as always. The rides on the 3642 (can't get enough), the Railmotor, the F1 set the Vintage Bus and the Devonshire Tea were all great. We greatly appreciate the commitment and time of the volunteers who help to make all this possible. Cannot get enough Train rides.

- Visitor to *Transport Heritage Expo*, June 2017

“ Keep on doing what you do now. It was a great display and the volunteers were excellent. The carriages are well maintained. Thank you for the opportunity to bring back childhood memories. Keep up the good work.

- Visitor to *Transport Heritage Expo*, June 2017

“ Our 3 year old didn't stop smiling for the whole hour!

- Passenger aboard *Moss Vale Easter Bunny Steam Train*, April 2017

“ Really enjoyed it, perfect for our family, thanks!

- Passenger aboard *Cronulla Vintage Electric Train shuttles*, March 2017

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