

From Preservationists To Operators: Impact of Changing 1990s Regulatory Regime on Heritage Railways in New South Wales, Australia

Robert Lee

Background to Rail Preservation in New South Wales

In terms of the number of lines, standards of site presentation, attention to heritage issues, and variety of rolling stock in operation, the preserved and heritage railway situation in New South Wales (NSW) is, frankly, disappointing. This is surprising in some respects, since the former NSW Government Railways (NSWGR) kept old locomotives and rolling stock well maintained and operational for decades after most comparable systems would have written them off. Its eccentric accounting system, by which assets never depreciated, was largely responsible for this situation. Thus, many locomotives and passenger carriages built in the last two decades of the 19th century were maintained, valued at their purchase price, and continued in operation in secondary services until they approached their centenary. This practice, however frustrating for the railway's users and engineers, meant that it was a veritable treasure trove of antiques on steel wheels right into the 1970s.

There was, therefore, a magnificent resource in terms of rolling stock on which preservationists could draw as the railway modernized, changed its accounting practices, renewed or abandoned its plant, and transformed its operations. These events began rather late in NSW, starting in most sectors of the railway's operations only after 1972. The significant exception was in traction: electrification dated from 1926 and the railway had operated diesels since 1936. Large-scale replacement of steam by diesel power began in 1950 and was competed—quite gradually and rationally on the whole—in 1972, at which time much of the rest of the railway was languishing in the operational and accounting practices of the 1890s.

It was the rapid changes after 1972 as much as the end of steam traction in that year that determined the shape of the

preservationist movement in the state. The NSWGR and its various successors and offshoots have been cognisant of their history and taken their obligations to their heritage seriously. This was even true in the 19th century and explains the survival of the first locomotive on the system, (0-4-2 built by Robert Stephenson & Co. in 1854) and examples of 1850s passenger carriages. It was also true for *most* of the crucial 1960 to 1990 period (although not the mid-1970s) before statutory obligations were imposed on it, as on all government instrumentalities, under the Heritage Act. Similarly, its offshoot, the Sydney tramways (separated from NSWGR in 1932) had deliberately ensured the preservation of at least one representative of each class of tram operating in 1950, when the business of replacing tram services by buses began in earnest. These preserved trams form the core of the collection of the Sydney Tramway Museum, which is by every criterion, far-and-away the finest preserved rail operation in the state.

Establishment of NSW Rail Transport Museum

This interest in its heritage meant that the NSWGR was supportive of the group of enthusiasts who formed the NSW Rail Transport Museum (RTM) in 1962 with the intention of preserving examples of the then rapidly dwindling steam fleet. Later, carriages and to a lesser extent wagons, became a focus of the Museum's efforts. The model followed was close to that of the earlier-established tramway museum—the NSWGR would donate a representative collection and the Museum's volunteers would care for it. This donation was formalized in a Deed of Gift, under whose terms State Rail (as it now is) retains ultimate title to the objects and the right of veto over any inappropriate use or changes to them by the RTM. At that stage, there was no intention of operating a preserved line

because there were no plans for the closure of any suitable branch. The expectation was that heritage operations (then conceived as steam operations) would continue over the trackage of the NSWGR. As the wind down of steam traction gathered pace, a site for the Museum's collection was identified—the 3-roundhouse depot built in 1917 for goods locomotives in the Sydney suburb of Enfield, some 20 km southwest of the city centre. Thus, Enfield was gradually, indeed almost imperceptibly, transformed between 1971 and 1972 from Sydney's last steam depot into a museum.

But the Enfield Museum was very short-lived. In 1972, the NSWGR ceased to exist after 117 years, becoming part of a new Public Transport Commission (PTC) of NSW. The new, aggressively modernizing but desperately under-resourced management decided that Enfield would be an ideal site for a container terminal. Instead, the RTM was offered a new site some 90 km southwest of Sydney at Thirlmere, a village on a surviving fragment of the old main southern line that had been replaced by a deviation in 1919. Sidings were laid where once had been bush and a small shed erected over part of the collection to protect it. The great move took place in 1975. With the move came the opportunity to operate heritage trains over the closed line, known as the Picton–Mittagong Loop Line. The PTC management deprecated (indeed prohibited) the operation of heritage trains on its trackage, a dramatic reversal from the warm welcome received in the last years of the NSWGR.

Thus, the circumstances of the move to Thirlmere and the development of the NSW's first preserved line were anything but propitious. It was imposed from above as a means of resolving two dilemmas confronting the PTC, which wanted to be rid of steam infrastructure in Sydney and to find a palatable way of

closing the loop line. It was certainly not the result of any enthusiasm on the part of volunteers—quite the reverse. Many volunteers, who had worked at Enfield, found Thirlmere too remote. In the following 25 years, the RTM has never recovered from that move. Ironically, the proposed container terminal was never built and the site remains a wasteland. Although the site was raw and presentation rough, in the early years at Thirlmere, visitor numbers were quite high, peaking at almost 50,000 in 1979. Since then, there has been a steady decline, falling to a disastrously low figure of 9691 in 2000. This fall of 25% on 1999 was caused by the distraction of the Sydney Olympics in 2000, but even at 12,000 visitors annually, the Thirlmere site is scarcely viable. There has been an irregular heritage train service on the loop line, sometimes monthly, sometimes weekly, but never developed to a scale likely to attract large numbers. Under these circumstances, it is not surprising that the RTM's energies have been deflected away both from its functions as a museum and as a preserved line operator. Indeed, since March 2001, the RTM has not had a single operational steam locomotive and plans to return one to service seem stalled.

There are good reasons for this apparently poor performance, none of which are of RTM's own making. The site is the first problem—well off the tourist track with no other attractions nearby and too far from Sydney to attract any but the most dedicated volunteers. Of course, the RTM did not choose its site. It receives no regular government funding, but is obliged to care for a large collection to meet the State Rail Authority of NSW's (not its own) statutory heritage obligations. The early main-line operations were banned by the PTC in the mid-1970s, then revived (following restructuring of the PTC with State Rail taking over the rail element) in 1980



The Great Zig Zag, 160 km west of Sydney, was opened in 1869 and closed in 1910. It was reopened as a tourist railway in 1975. However it was rebuilt to a different 3'6" gauge than most railways in the state. Here a typical 1960s Brisbane suburban train is working the line in April 2000. Spectacular scenery and interesting infrastructure make this a highly successful tourist railway although it has just 80 active members. (Author)

under a new organization, 3801 Limited, as discussed below. Moreover, another tourist railway opened in a far better location to serve Sydney's rail tourism market at the very time of the move to Thirlmere. This Great Zig Zag Railway is less authentic but far more attractive as a tourist proposition. It has thrived as the RTM's loop line operations have languished. All these factors demonstrate that the RTM's reliance on the successive patronage of the NSWGR, the PTC and State Rail has been far from healthy in terms of it becoming a viable heritage railway. One factor more in the RTM's control has been its tendency through the 1990s to devote its energies to main-line operations once again. These, however, have not been the steam-worked tours with pre-1939 (often pre-1914!) timber rolling stock that characterized operations in its first decade. Instead, it has gone far more up-market and into luxury rail tours with an emphasis on style. The rolling stock is 1961-vintage stainless-steel dining and lounge cars built locally under Budd licence. This

stock has considerable heritage value. The fluted side panels were rolled in the same mill that Budd used to produce the Zephyrs back in 1934 and they were used on the *Southern Aurora* all-sleeper train between Sydney and Melbourne from 1961 to 1983. But the operation is a far cry from either a museum or a heritage preserved railway. Most trains are worked by first-generation diesels (of interest themselves) and some are weekend trips including sleepers. Fares are expensive and most passengers are neither RTM members nor even especially interested in railways. As part of this change, the RTM has even rebranded itself as Southern Aurora Rail Tours. It has been a big change from its original function. Moreover, it has been a change driven not just by the economics of the operation. Volunteers, especially younger ones, are far more interested in working on the *Southern Aurora* tours, which go to interesting places and involve working in luxury cars with an appreciative clientele, than they are in operating a heritage railway.



The RTM has a large collection of locomotives and rolling stock. It includes these three Pullman cars built locally about 1900 and very well restored. However, it now has no operational steam locomotive. The last was the No. 2705 2-6-0 built in Leeds for railway construction. In this 1999 picture, it is hauling the Pullman cars on the RTM's own line. (J. Lacey)

While this repositioning of the RTM as a main-line operator has opened up a new market and is a good example of how the open-access regime of the 1990s enabled new heritage operations to evolve, there has been a real cost. The original focus of the organization first as a museum and second as a heritage line operator has been largely lost. However, it is difficult to apportion any blame because volunteers have a right to do what suits them best, and the unfortunate (even disastrous) relocation of the museum certainly was not the fault of the RTM.

Clearly, the case of the RTM is interesting. It shows that a close relationship with 'Big Railway' can be beneficial in some ways but also dangerous. The RTM would not have its marvellous collection without this patronage, but it also would not have the obligations it has inherited. An organization can be more focused without such a relationship, although this is not always the case. Diffusion of focus has been the RTM's great internal weakness over the last two decades.

Preservation Operators and State Rail

The example of the RTM is in some ways typical of the situation in NSW. With only one significant exception, preserved railways in NSW have never had the

same independence from the 'real railway' enjoyed by their counterparts in many other parts of the world. This was because the infrastructure of closed lines always continued to be held by the NSWGR and its successors—the PTC, State Rail, and the Rail Infrastructure Corporation (RIC) of NSW. Thus, all preserved lines have been something of a partnership between the railway owner and the operator. The significant exception is the Zig Zag Railway, rebuilt in the mid-1970s on the bed of a railway closed in 1910 to a different gauge (3'6") from the main-line railway network.

Until the 1990s, the impact of continued state ownership of the infrastructure was mostly benign, since it meant that State Rail had maintenance obligations. This was fortunate because the preserved lines were and remain extremely marginal in terms of generating sufficient revenue to cover expenses. The main reason for this is the lack of attractive closed branch lines near Sydney. Picturesque closed lines do exist in NSW, but most are far from the population centres needed to make them viable as heritage operations. Indeed, it is remarkable that the NSW Railways Commissioners in the late 19th and early 20th centuries built so few branch lines near Sydney, when they were so conscious of the need to preserve and enhance the railway's profitability.

Extraordinarily, the two preserved operations near Sydney (the RTM at Thirlmere and the Great Zig Zag) are both located not on closed branch lines, but on former main lines, built in the 1860s and replaced by deviations in 1910 and 1919, respectively. The few branch lines ever built near Sydney have either been electrified and incorporated into the suburban network, or were built as light rural tramways bereft of substantial buildings or other interesting features and closed decades ago leaving little trace that they ever existed. By contrast, the situation near Melbourne is very different where there is a host of attractive closed branches (and a few revived ones) within 100 km of the capital of Victoria.

3801 Limited

Since 1990, a regime of greater accountability has caused difficulties for operators, but it has also created new opportunities with open access to the state's main lines for any accredited operator. The drift of preservationists onto main lines in NSW has quite an interesting history. It began in the early 1980s with the decision of David Hill, one of the most colourful chief executives ever to preside over NSW railways, to restore its most distinctive locomotive, the 1943 streamlined *Pacific* No. 3801. The project was partly funded by the private sector, especially State Rail's larger customers, but also involved the Powerhouse Museum (NSW's major technology museum) and the RTM, which was then caring for the locomotive.

At that time, State Rail handled all traffic on the railway apart from a few charters, but it established 3801 Limited, a consortium with its own identity, as a limited liability company to handle both the restoration and subsequent operation of the locomotive. The Powerhouse, the RTM, the Australian Railway Historical

Society (whose function is largely research) and State Rail are represented on the board of 3801 Limited. After the locomotive returned to service in 1983, the company began developing a rolling-stock collection and operating excursions on the main lines out of Sydney. These run on most weekends behind steam, with a mid-week excursion behind an Alco World Series diesel. Sometimes, the company uses other locomotives: the famous former LNER 4472 in 1988, less famously and less successfully, a Beyer-Peacock 2-8-2T that previously worked on the colliery lines of South Maitland Railways. 3801 Limited established a precedent for regular operations by a private operator on State Rail's track, albeit a private operator owned partly by State Rail. Over the last few years, 3801 Limited has also used the last of the *Pacific Class* (No. 3830) owned and restored by the Powerhouse. It is significant that the trend ultimately leading to open access on Australia's government railways began with a heritage operator using a steam locomotive recovered from store on a preserved line.

Origins and Impact of Open Access

Indeed, the NSW open access regulation and safety regime was largely created as a result of an accident in 1990, when the 3801 stalled on a long bank north of Sydney and an EMU behind it ran a faulty signal, crashing into the train and killing five people. Once again, and in the worst possible way, it was a main-line heritage operator that provoked a large-scale reorganization of how the railway was run. Open access became an important issue in the early 1990s, as government policy urged the creation of more competitive regimes in all public utilities. This saw private operators given far greater access to State Rail's tracks. 3801

Limited became the first private operator to be accredited to run on State Rail's trackage with its own crew. Others, including the RTM and a host of freight operators, have followed.

The major restructuring in 1996 reflected this change; State Rail was left with the unprofitable passenger operations, while the infrastructure was handed over to a new entity now known as RIC, and freight operations went to Freight Corp. Private operators were free to move into freight business. With the exception of the Australian National luxury transcontinental trains, the *Ghan* and the *Indian Pacific*, which were sold to a private company called Great Southern Railway in 1998, the only passenger operators under this regime have been heritage owners. Indeed, it is nearly true to say that in NSW, the only profitable passenger trains are those hauled by a locomotive more than 40 years old, which is more often than not a green *Pacific Class* 38.

While open access has been at its most extreme in NSW, it is worth noting that the trend to privatization of railway operations in Australia began in Victoria. What happened there at about the same time was extraordinary. A radically neo-liberal government was elected on an aggressive privatization and public debt reduction policy. It soon looked for an organization to take over some of the unprofitable passenger services. Amazingly, it found that the tender with the most experience was from a group of individuals who were running a small preserved line near Geelong, about 80 km west of Melbourne. Thus, West Coast Railway was born with its decidedly retro main-line operations. 1980s diesels and rolling stock were dumped, and services were worked by first-generation diesels that were the handiwork of none other than Dick Dilworth. These were some of GM's first ever export designs by the Electro-motive Division. Rolling stock was similarly aged, some being original

Spirit of Progress cars from 1937, the rest built in the 1950s. All stock is air-conditioned, except for some former SAR excursion cars. In 1998, modern traction arrived at last, but in the unusual form of two totally rebuilt Class R North British 4-6-4s with the full Lempor front-end treatment. West Coast Railway has been very successful and has recently attracted investment from Connex. It is an interesting example of how enthusiasm and interest in heritage can contribute to an effective modern franchise operation. New South Wales has never attempted to privatize its passenger services but it is worth noting that whenever the government needs to run any extra or special trains, it turns to the RTM or to 3801 Limited for rolling stock, locomotives and crews because it no longer has any of its own to spare.

One of the more bizarre results of the NSW open-access regime has been the emergence of Lachlan Valley Rail Freight (LVRF). This is an offshoot of the Lachlan Valley Railway (LVR), a group that originally bought ex-NSWGR steam locomotives and rolling stock in the 1970s. It ran these into the ground on charters in the 1980s, basically living off its capital and the fact that these engines had been overhauled by NSWGR just before their retirement. Lachlan Valley subsequently obtained a peppercorn lease over the old locomotive depot at Cowra, some 360 km southwest of Sydney and occasionally operated on an old wheat-belt branch there. This is scarcely a preserved line in the European or North-American sense. There is a small population, but the steam-age infrastructure has survived intact and is used.

In 1993, the group created LVRF. At first, it ran the occasional wheat and other grain trains around Cowra and then container services between the central west of the state and Sydney. In 1999, it broke into the container market between Sydney and Newcastle. On these

operations, it uses an extraordinary variety of diesel power, some owned, some leased. For livery variety and retro diesels, nothing quite beats an LVRF train, but this is a far cry from operating steam locomotives and timber carriages on a preserved branch or main-line charters, which was LVR's original aim. Of course, it is a combination of the need for profits to pay for preservation activities and the existence of operational expertise within the LVR group that has driven it in this direction. Consequently, what started as a preserved, steam-operated branch line has become a successful and significant operator of main-line freight trains under the open-access regime.

Three Different Patterns

A very different path has been taken by the Dorrigo Steam Railway and Museum, based on the north coast of the state some 600 km from Sydney. This 'museum' began as a personal collection of rolling stock assembled by one man. He managed to secure a lease on an abandoned and very scenic branch in northern NSW on the understanding that it would be turned into

a heritage railway. However, a devotion to collecting yet more magnificent rolling stock prevented any operations at all. This greatly disappointed local supporters for whom the operational side held far more appeal than the collection. Once again, it was a case of diffusion of aims. The museum was so riven by dissension that it split. State Rail called for international tenders to lease the line but there was no response, and ultimately it has been divided between the original promoters of the museum and those who wish to operate a section. The former group retain the original name and identity while the latter became the Glenreagh Mountain Railway. The site is magnificent but it is in a sub-tropical zone with very high rainfall. The timber stock is deteriorating rapidly and the alignment is equally rapidly being overgrown so that in pastoral areas it is a now a corridor of 10-m trees growing between the sleepers. Confusion of aims has resulted in loss of a significant proportion of the collection to the elements and near destruction of the line whose preservation was envisaged. It has been a most depressing saga. Interestingly, it is the rebuilt Zig Zag Railway with its clear focus on operating

a tourist railway with just 80 active members that is easily the most successful 'preserved' railway in the state. It operates 364 days each year and attracts viable visitor numbers. However, it uses relatively modern steam locomotives and passenger carriages from Queensland and, while offering a very interesting ride, has relatively slight heritage value. The site is of great significance, but the same cannot be said for its operations. Of course, isolated by gauge, it does not operate at all on the NSW main line. Apart from the Zig Zag, the most active preservation operation and the one most neatly fitting the UK model is based in Canberra which, as the national capital, is within NSW but not in NSW. There are regular weekend operations, mostly steam-worked, but the operator shares track with three regular passenger trains and one freight train in each direction most days. Although based in the national capital with its vibrant tourist industry, even this operation has very real difficulties generating sufficient income to cover expenses. It also runs main-line long-distance rail cruises modelled on the RTM idea, although less opulent. Weekend services out of Canberra remain the mainstay; standards of rolling stock presentation and maintenance are high, but are sustained only with difficulty and government assistance.

Conclusions

The open access that operators have enjoyed on the main lines of NSW over most of the last 35 years has had a considerable impact. It has meant that the preserved-lines movement is weaker in NSW than in most comparable places. This trend has accelerated and deepened as access has become even more open since 1990 and operators have been permitted to use their own crews and operate freight trains in direct



3801 Limited operates on busy main lines. The first and last of the Pacific Class 38—No. 3801 built in 1943 and No. 3830 built in 1949—work its trains. Here both are hauling a train up the 2.5 per mill (1:40) grade of the electrified quadruple-track main northern line in 2001. (J. Lacey)

competition with the government's own operations. While this can produce revenue for preservationists, it perforce has weakened the preservation thrust of the movement.

In this context, there are a number of different models of preserved lines in NSW. On the whole, the achievements have not been commensurate with the levels of commitment and dedication. This is partly the result of diffuse and confused aims for which the preservation organizations themselves must accept some responsibility. However, factors beyond their control are far more significant. There are a number of characteristics that all these operations share:

- Location is the single most important factor in success. It far exceeds heritage value or quality of exhibits as a factor.
- Volunteer numbers are low and the volunteer workforce rather fragile compared to the situation in Britain in particular.
- More positively, government programmes supplement volunteer workforces in successful operations with workers provided under specific programmes, notably Work for Dole, and Community Service Orders.
- Large collections of rolling stock may (or may not) have intrinsic heritage value, but they certainly militate against effective operations, because they are a huge and costly distraction. Of course to some volunteers, the collection rather than operations is the point.
- Fares are low and there is little opportunity to increase them in view of a tradition of low rail fares dating back more than a century. Buyer resistance would set in immediately if fares were raised to the levels of British preserved lines.
- Government assistance is essential for any capital works and even for repairs and restoration if presentation



There are many more operational steam locomotives in the Australian state of Victoria than in NSW. None is more impressive than West Coast Railway's two rebuilt Class R North British 4-6-4s. Here is one, double-heading with an equally venerable GM diesel, after they have worked the regular Saturday morning express scheduled over the 250 km from Melbourne to Warnambool in a little over 3 hours. This is now the fastest regularly steam-hauled train in the world. (Author)

standards are to be adequate. The expectation that any rail heritage operation in NSW can generate sufficient income to pay for itself is an illusion. Indeed, all existing operations only exist because of large infusions of government capital.

- Becoming a main-line operator can generate revenue, but in terms of loss of focus, it militates against successful preservation efforts.

These conclusions are perhaps pessimistic, but they are realistic. It is unlikely that all the heritage operations in NSW can survive without continued and increased government support. The situation at Dorrigo is particularly dire, especially given the size of the collection,

the destructive climate, and the small population base to sustain the museum. NSW was very fortunate in having such a rich railway heritage survive into the 1970s that can be used to adorn these operations. It has also been fortunate in developing a relatively benign open-access regime and in having legislation that obliges owners to care for heritage equipment. However, even with these advantages, it is unlikely that railway heritage operations will ever generate sufficient funds to cover their expenses, despite the unpaid efforts of some very dedicated volunteers. ■

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Robert Lee

Dr Lee is Associate Professor of History at the University of Western Sydney. He is the UNESCO consultant and author of the report on the World Heritage Status of the Darjeeling Himalayan Railway in India. He has published a number of books and articles on railways and railway engineers.