

The *Eureka* Times

25th Edition

1 September, 2012

Welcome to the twenty-fifth edition of The Eureka Times.

This is our second issue for the year and it is being released at a time when Eureka's development program is starting to build up a full head of steam. As with many decisions in life the move away from our original manufacturer was not of our choosing. However the impact of the new factory is already such that it is evident that the move will be one of the most important and positive decisions undertaken to date in the life of Eureka Models.

With two projects from the new factory now delivered and the likelihood of a further four arriving before the end of this year, three things have become evident in the growing relationship between Eureka Models and the new factory. The first two are positive and the third is probably negative. The positive ones are the quality of the product coming from the new factory and the speed at which projects progress from the drawing stage to delivery. The not-so positive trend is the dramatic increase in prices being quoted on new (and existing) projects. Warnings of 10% plus annual price increases have been mentioned in previous editions of this newsletter but the full impact on prices is now beginning to be felt. As an example of the rapid increase in prices it was once the custom for the factory to quote a fixed price at the beginning of a project including the unit price for the product. Now the product price is re-quoted at the completion of the tooling when actual manufacture and assembly is about to commence.

The resultant increase in costs has already been quite startling in several projects and will inevitably result in increased post-delivery prices. Protests have been lodged on your behalf over the tendency of workers at the factory to demand wages that provide a reasonable standard of living but to no avail. We will all just have to adjust to the new price levels if we want to continue to receive the models of the quality that we have come to expect. Eureka did consider cutting back on the quality of its projects in order to save money but rejected this approach and our supporters can continue to expect the same high level of quality as on past projects. With so much happening let's get down to business.



3813 at the head of a seven car HUB set

The NSWGR Bogie Cattle and Sheep Vehicles.

The BCWs arrived in Port Botany in May and the BSVs arrived in early August. The post out of both models has been completed. The quality of both models and the BSV in particular is generally regarded as being superb and sales have been brisk. Weathered BSVs have sold out but stocks of BCWs in both blue and weathered remain along with BSVs in black and in PTC blue.



The HUB Sets:

Decoration (painting) of the HUB sets is well underway. Due to the complex nature of the paint liveries this process will take several months and the factory has advised that the target delivery date is November and whilst they may arrive earlier, disappointingly they will not be here in time for the October exhibition. Associated items such as packaging, leaflets etc have been finalised and we here at Eureka are gearing up for what is likely to be a massive distribution effort before Christmas.

The balance on all HUB set orders is due by the 31st of October, 2012 in order for the pre-delivery price to be maintained. Orders not fully paid by this date will attract the post delivery price which will be \$630 per five car set and \$110 for additional cars.

The R Class:

The last piece of the R class project, the sound chips are expected to arrive at our new factory by the end of September. All other items such as art-work and packaging are being finalised and the factory is committed to delivery prior to the end of 2012.

A running sample of the R class with the final version of the sound decoder was on display at Caulfield and it's sound was given a good hearing on several occasions on an NCE DCC control system. There is no doubt from the sound that this is an R class. The sound is clearly those files that were recorded by Eureka at Newport earlier this year. Two minor changes have been made (No matter how many times they are told, the Americans do not seem to understand that bells were never a feature of Australian steam operation.) and the sound files are now being burned into the ASIC chips. Once the decoders arrive at the factory assembly of the R class will be completed and delivery can take place.

The engine numbers that will be available "ex-factory" for the standard coal burners are: R 700, R 717, R 727, R730, R 740 and R 752.

When the R class arrives Eureka will contact each person with an R class on order to confirm the postal address before dispatching the order. Engine numbers could also be confirmed at this stage, however those wishing to advise their required engine number and to confirm their postal address now are welcome to do so.

The balance on all orders is due by the 31st of October, 2012 in order for the pre-delivery price to be maintained. Orders not fully paid by this date will attract the after delivery price which will be \$660 for the basic unit.

The K Class:

The K class project is progressing well with an engineering sample arriving in time to be displayed at the Caulfield exhibition. The running sample spent several hours undergoing tests on the Kilmore East layout performing very well. This was of considerable interest as the K class is the second steam engine after the R class that Eureka is producing with a fully geared mechanism (driving rods are not necessary and are only there for show) and it does appear that the running qualities are better than a conventionally driven steam locomotive. Since Caulfield the sample has been checked thoroughly and the factory has been advised of minor corrections. Art-work and sound files will now be prepared and the factory has been informed that the target delivery date is mid-2013.



K class engineering samples undergoing trials on the Kilmore East layout.

The NSWGR Standard Goods Engines.

Tooling on the 50 and 53 class has commenced and the factory has advised that engineering samples should be ready before the end of 2012. The factory has been informed that the target delivery date is 2nd half of 2013. Sound files are currently being collected so that they ready for installation when the engineering sample arrives. The standard goods engine project has a number of associated projects, provision for which is being made at this in the 50 and 53 class tooling. More news on these projects will be announced as the project progresses.

The 59 Class:

As previously advised the 50 class Standard Goods project has taken the place in the production line formerly allocated to the 59 class project. This has meant that the target delivery date of the 59 class has been pushed back to late 2013.

For those who have a 59 class on order and who do not want to wait, the usual Eureka "money back at anytime" policy applies. Also, for those who have monies paid against more than one project it is not a problem to shift balances from one project to another to take into account changes in delivery timings.

The 40 Class:

At last real progress is being made on the 40 class with the factory recently sending paint samples for checking. Long lead time items such as motors and gears have been prepared. The factory has suggested a delivery date of November this year and whilst this is probably a date to be late, the actual delivery should not be far beyond this.



VR/SAR Bogie Open/Flat/Oil Tank wagons: The NSW Bogie Tank Wagon:



Assembly of the VR E wagon variations and the NSWGR bogie tank cars are underway. The factory intends delivering the NSW petrol tankers and VR oil tankers together in November/December. The E variation open and flat wagons are expected to follow eight weeks later.

Progress at the New Factory.

In a sight for sore eyes the two accompanying photos show tooling for the 620/720s and the LCH/CCH being unloaded at the new factory after being retrieved from the old factory. This is a major step forward in the re-run program for these projects.



Whilst on the subject of progress one often fails to appreciate the problems that manufacturers face as part of their daily experience especially in China. The impact that some of these problems can have was brought home to us on a recent visit to the factory. The principal of our manufacturer resides in Hong Kong so as usual dinner was arranged on a Friday night at a favorite local restaurant. During the course of the evening our visit to the factory in the coming week was mentioned to which we received the advice not to come on Monday, Wednesday or Friday. When we asked why not these days we were informed that

there was no power on those days for the eight weeks of summer. The factory has its own generators for lighting but the heavy injection machines could only be operated on Tuesday and Thursdays. In effect the factory operates at only 40% of capacity for the summer peak. There are over 100 million air-conditioners in China and it gets very hot in summer. When the temperature goes up on go the air-conditioners and down goes the power grid. “How does one run a business like that?” Answer: “With great difficulty”.

**RSH /LCH/CCH:
620/720 2 Car Diesel re-run:
38 Class re-run:**

With tooling now retrieved these three projects will get underway again and all three projects have target delivery dates in 2013. More details in future *Eureka Times*.



W44: Now for Something to go Behind those Double Garratts:

The next rolling-stock project by Eureka will be delivered in two parts and will feature two different types of Bogie Open Wagons which each at different times (steam and diesel era) made up W44, the ore train which ran regularly between Broken Hill and Cockle Creek.

Eureka’s steam era W44 will feature the first dedicated ore carrier, the GC which ran as a block train of sixteen wagons, with a loaded weight of 1020 tons, hauled by two AD60 class Garratts between Molong and Orange. This train was a favorite of photographers and many stunning shots exist of this movement.

Drawings for the project have been completed and the target delivery date is mid-2013. It is anticipated that four packs of 5 wagons will be available in both weathered and non-weathered schemes. Order forms are enclosed.



Drawings of the GC showing Eureka’s usual high level of detail.

The 12 Wheeler Project – The NCR Set – The First Step

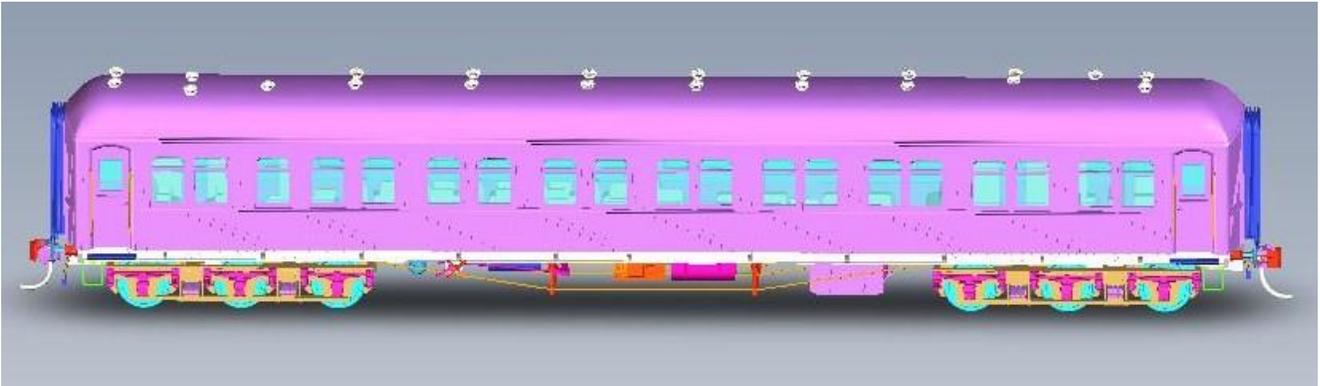
A major undertaking by Eureka has commenced with the start of what we are calling the “12 Wheeler Project”. The first step in the project is the NCR set consisting of four cars,

these being HCV, BV, RFV and HFV.

The project has been undertaken with the aim of producing as many of the 12-wheel, bogie coaching stock in multiple variations (i.e. with and without crown lights) as is economically viable. Provision for these later items is being incorporated into the design process from the start and it is anticipated that by using two common under-frames it will be possible to produce variations that would otherwise not be viable.

The program at this stage, in no particular order, includes the following cars: ACS, MAL, AB, TBC, TFX, RFX, CS, TAM, MFE, MBE, KAM, MAM, TAM and as a set the Commissioner's cars.

Order forms for the NCR set will be available with the next edition of The Eureka Times which is planned for November.



And lastly the DEB set:

This project has been in the planning stage for nearly five years and at recent meetings at the factory a concerted effort to get the project moving has been made. Some progress has occurred and the project has been given a target delivery date of early 2014. This will be an expensive project as both a three and four car sets will be available to be combined into a seven car set by those who want to run the full set. Order forms will be made available before the end of the year to allow plenty of time for those who wish to pay them off prior to delivery.

Postage:

Our charge for registered post has always been a flat rate of \$10 anywhere in Australia. Over the years we have absorbed several Australia Post increases in charges but the most recent general increase in postage rates has meant that it is time for our flat rate to increase also. For all orders received after the 30th of July, 2012 the rate for registered post will increase to \$15 per package (not per model).

All existing orders on which postage has been paid will remain at the old rate.

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