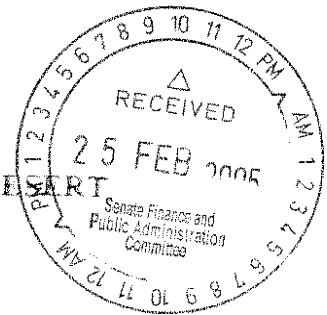


MINUTES OF THE SPECIAL COMMITTEE MEETING OF BEAUDESERT
RAIL HELD 30 APRIL 2003.



Welcome:

President Robert Cawley opened the meeting at 6.40pm and welcomed all present.

Present:

Committee - Robert Cawley, Joy Drescher, Doug Drescher, Darren Lee, Alan Robert, Ian Walker.

Visitors - Ken Devencorn, Rick Gillow, Norm Johnston.

Apologies:

Apologies from Percy Forrester and Peter Gough were accepted on the motion of Doug Drescher, seconded by Joy Drescher and carried.

Correspondence:

Inwards correspondence considered at the meeting was limited to a letter from Jim Daynes and a letter from Slingsby's solicitors.

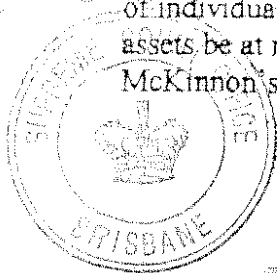
Outwards correspondence considered was limited to a letter from Alan to Terry McKinnon and a letter to Brian Gassman.

Business arising from the correspondence:

Refer to general business

General Business:

- The purpose of the meeting was to consider a further report from Terry McKinnon regarding ongoing support for Beaudesert Rail. Robert advised that in a discussion with Slingsby's Solicitors, Marie Slingsby had advised that she understood Terry would not be attending and that a fax would be sent explaining his position. Liquidation action due from Logan Village Hardware on Thursday was the catalyst for tonight's meeting with Terry who advised that he would contact Logan Village Hardware on Thursday morning. Terry's non attendance was interpreted as meaning that no support was forthcoming from his group.
- Robert explained that in a conversation with Brian Gassman of ACC earlier in the day, Brian had indicated that ACC could do no more for BR.
- Alan explained that Jim Daynes had written a personal letter on a BR letterhead to Brian Gassman and Kay Elson. The letter had upset Brian, Kay and Terry McKinnon who phoned Alan and demanded that a letter of apology be sent to Brian Gassman and that Jim be summarily dismissed as a condition of him attending the meeting tonight and offering further support to BR.
- After consultation with Committee, Alan wrote the letter but also contacted Jim who advised that he was tendering his resignation from BR anyway.
- Alan read the letter of resignation from Jim. It was unanimously agreed that BR would not have become operational without Jim and that we can ill afford to lose his services, knowledge and expertise and that every effort must be made to retain his interest.
- Robert had contacted Slingsby's Solicitors with a view to ascertaining the position of individuals on the BR Committee should liquidation occur, ie. would individual assets be at risk. Robert supplied copies of the Gold Group report and Terry McKinnon's report after receiving permission from Brian Gassman to do so. A



letter received from Slingsby's advised that based on the information received, BR had no alternative but to enter into provisional administration.

- Alan suggested that a possibility might be to approach QR for a rescue package.
- Rick Gillow rang Lachlan McIntosh who agreed that we should appoint an Interim Administrator or Provisional Liquidator tonight in order to give BR a chance of survival and to head off action by Logan Village Hardware tomorrow.
- Ian Walker moved and Doug Drescher seconded the motion that:
"the BR Committee resolves to apply to the Supreme Court of Queensland to appoint Lachlan McIntosh as Provisional Liquidator of Beaudesert Rail"
The motion was carried unanimously.
Committee desires to work with the Provisional Liquidator to complete the project and ensure the success of the Railway.

- It was moved by Joy Drescher, seconded by Darren Lee that Ken Devencom be appointed interim General Manager – carried unanimously.
- Ken will arrange meetings with QR re mortgage issue and QT re SMS responsibility
- Darren will arrange the roster for this week-end
- Doug will ensure that staff continue work as usual

Meeting closed 10 pm. Next meeting Thursday 1st May 2003 at 6 30 pm



30th May 2003

The Secretary
Beaudesert Shire Railway Support Group
P O Box 256
Beaudesert 4285.

Dear Alan

Firstly I apologise for causing the committee a bother by placing a letter submitted by myself to Brian Gassman and Kay Elson on a Beaudesert Rail letterhead.

Even though the letter was submitted by myself, it was sent in defence of the BSRSG group in the advent of the Senate Enquiry alluded to by the ACC representative Anne Norton Knight last Thursday evening. The letter was not to create a lack of blame to the group but to put others on notice that some of our concerns had gone unheeded.

On the strength of the ire that this communication has created and in the interests of not wanting to be responsible for any reason why a rescue package is not forthcoming for the Beaudesert Rail project I have vacated my desk and will no longer involve myself in any activities associated with Beaudesert Rail from this day.

I have submitted invoices to the Treasurer for some compensation for the time I have put into Beaudesert Rail. These claims are far below actual costs to myself, my wife and my business.

I am aware that there are to be sacrificial lambs but I doubt whether my departure will create a more positive direction without huge additional costs to BR from the people who will be needed to replace me.

With my departure you should be aware of the following;

The safety Regulator needs to be advised of the new 'responsible' person for the SMS.

The track gang need to be advised of the daily work for the safe maintenance of the rail infrastructure.

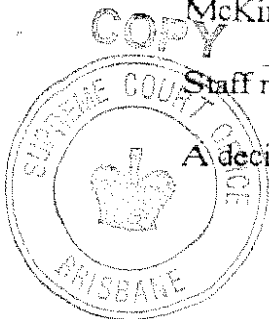
A new contact needs to be appointed as the representative for the CJP programs with the State Department of Employment etc.

Wages for this week must be authorised for payment. Cheques need to be signed

A load of coal has been ordered as it was submitted in the month expenses to Terry McKinnon.

Staff needs to be advised as to their further roles and to the security of their position

A decision needs to be made if trains are to run this weekend.



A cheque is to be issued to Neil Linehan \$75.00 and Roy needs petty cash for screws to finish the temporary repair on 1105.

Roy needs a decision with regard to Grants Engineering assisting in the completion of the brackets for the intercarriage connections. Grants have been told it must be on a prior payment agreement and they have quoted \$627 for the job

The STAs for access into Bethania for May are under negotiation and need to be finalised.

The viability of operating into Bethania needs to be looked at seriously.

The issue with the Main Roads and the Bethania road bridge need to be finalised.

Leases for tenants on BR land need to be looked into. Normal leases are not acceptable as the lease needs to protect the State Government.

Leases for the advertising sign land needs to be reviewed

A final audit on the Commonwealth funding needs to be addressed at some time as part of the Deed of Conditions.

All outstanding issues for Rollingstock registration must be finalised.

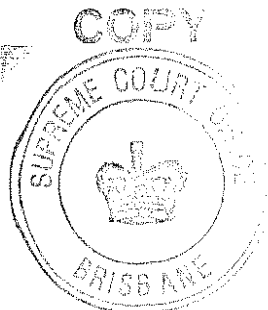
Regular inspections of Rail Infrastructure must be arranged. Currently I do this from the locomotive cab and report back to the track gang who then undertake the work.

Locomotive crew qualification must be looked at. I personally do not think persons who do not comply with the BR recommended qualification standards should not be rostered on in charge of a locomotive. The alternative is for the committee to lower or change the standard required. I particularly refer to Ted Hancox.

There are numerous other issues but I am sure there will be a competence in the present or incoming representatives of Beaudesert Rail to sort these things out.

Jim Daynes

P S I just got a phone call from warren on 08 8952 3911 saying that W924 is up for grabs and Mainline steam have approached them but they considered that BR has first option.



MINUTES OF THE BEAUDESERT RAIL MANAGEMENT COMMITTEE
MEETING HELD 9 JANUARY 2003.

Opening and welcome:

-President Robert Cawley opened the meeting at 6.40 pm and welcomed all present and especially visitor Kay Elson.

Present:

Robert Cawley, John Davis, Doug Drescher, Joy Drescher, Percy Forrester, Darren Lee, Alan Robert, Mike Steindl, Jim Daynes and Kay Elson.

Apologies:

An apology from Peter Gough was accepted on the motion of Percy Forrester, seconded by Darren Lee and carried.

Address by Kay Elson:

Acting General Manager Jim Daynes advised that he and Kay had discussed our financial position which revealed that although we are now operational, we have debts of close to \$500,000, with the steam loco still not complete. Bookings are building up for steam hauled trips. Do we continue to trade or not?

Kay replied as follows:

- The steam loco must be completed to fulfil our grant requirements and complete the project.
- If the project collapses the Government will require the dollars back and will close us down with creditors having little chance of receiving payment.
- The project is not complete and has not been handed over to BR. We therefore have no assets until that time.
- Kay has written to several Ministers including the Minister for Tourism asking for assistance.
- Kay is seeking funds from the Prime Minister's discretionary fund.
- Could Beaudesert Shire Council loan BR the dollars to complete the loco?
- Kay will ask the State Government for assistance.
- If the Feds see support from the State, they will be more likely to assist.
- We should be up-front with our creditors, including QR and advise them of the situation.
- Try and arrange to "drip feed" creditors.
- Try and obtain a loan.
- Do not allow creditors to attempt foreclosure as this will precipitate Government action from which all will lose, particularly the creditors.
- Kay is investigating the public liability insurance issue.
- Kay will assist with the Bethania access and insurance issue.
- Kay suggests an official opening in March, by the PM or Treasurer, would create enormous publicity.
- Kay suggested writing a letter to the Beaudesert Times Editor explaining the enthusiasm for the project, the build up in bookings and the unfortunate delay and extra costs incurred in completing the steam loco.
- It is likely to be 2 weeks until an outcome from Kay's approaches are known and another 4 weeks before funds are available, if any.

Robert thanked Kay for her attendance, her concern and interest in the project and for her ongoing efforts to assist us at this critical time.

Discussion:

Following Kay's presentation, the following was agreed:

- The steam loco must be completed ASAP with the aim of it being operational for Australia Day.
- Mike Steindl's suggestion of applying for a \$40,000 interest free loan from Council be acted upon immediately.
- A meeting be held ASAP to agree upon a common approach to our creditors.

Jim advised as follows:

- We cannot operate without public liability insurance and we can afford to pay one month's insurance of \$10,000. It was moved by Percy Forrester, seconded by Joy Drescher that BR pay insurance for one month - carried.
- Staffing - the track crew are on notice and may have to be stood down although provision for track inspection must be made. Doug Drescher will contact Neville Luepon (retired track inspector) and check his availability.
- Roy Turner and Trevor Hall must be retained for servicing and inspecting carriages and locos.
- The main outstanding items limiting operations are the steam loco and carriage inter connections.

Minutes:

The minutes of the meeting of 12 December were accepted as a true and correct record on the motion of Joy Drescher, seconded by Doug Drescher and carried. The minutes of 19 December were accepted as a true and correct record on the motion of John Davis, seconded by Doug Drescher and carried.

Business arising from the minutes:

Doug and Peter visited Topline Machinery to discuss the sale of the mobile crane, no action or outcome to report at this stage.

Correspondence:

The list of correspondence is attached and forms part of these minutes. The inwards correspondence was accepted and the outwards endorsed on the motion of Doug Drescher, seconded by Darren Lee and carried.

Business arising from the correspondence:

- Secretary to write a letter of thanks to Dave Gatehouse for his great assistance during the commissioning phase of the rollingstock
- Secretary to reply to Betty Milne-Ward's letter. Robert advised that he had spoken to Betty regarding her concerns that the Committee needs an organisational manual and a Mechanical Engineer - Committee has both.

Reports:

Membership - no report.

Finance

- * It was moved by Joy Drescher, seconded by Percy Forrester that we apply to Council for an interest free loan of \$40,000 to be repaid over several years - carried.
- * Joy and Robert advised that a visit to the banks had revealed they are not interested in making loans available against the security of rollingstock, they want bricks and mortar.
- * Joy advised that we must decide whether or not to sponsor a race meeting this year - resolved to not proceed, Joy to advise Mike Morgan.

Rollingstock

Secretary to write to Collie Shire Council, WA concerning steam locos at Collie.

Meetings

Jim to attend a meeting at A.J. Bush on Friday 17 January with Annie Norton-Knight of the ACC.

Robert and Alan to attend the Australia Day dinner at Beaudesert Leagues Club on Wednesday 22 January as guests of Council. Committee and others are welcome to attend at a cost of \$20.

General Business:

Operations

Jim outlined a comprehensive plan for running on Australia Day. The day's running will be given a tremendous boost if the steam loco can be operational by then.

Infrastructure

Percy will check reports of a turntable at Coolah

Meeting closed 11.00pm. Next Meeting Thursday 23 January 2003.