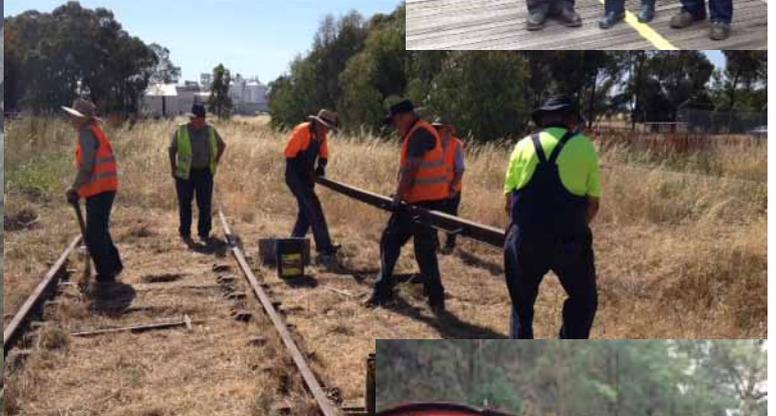
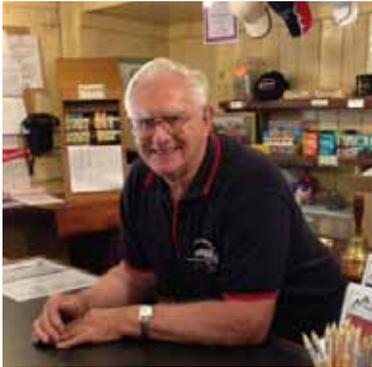




Annual Report 2013



Walhalla Goldfields Railway Inc.
Walhalla Station, WALHALLA VIC 3825
A00226304V ABN 50 866 279 186
www.walhallarail.com.au

Returning Officer's report:

No election required this year due to exact number of candidates for vacant positions. The positions of President, Secretary and three ordinary positions were filled as follows:

President: Michael Leaney

Secretary: Graeme Skinner

Three ordinary board members: Michael Fozard, Phillip Kamay and Graham Vallance.

Note: Re-printing error in AGM report. Candidates show Derek Kypriotis instead of Michael Fozard.

Outgoing Board member Bob Scorse was thanked for his service on the WGR Board over several years and new member Graham Vallance was welcomed to his new position on the board.

Special mention was made regarding the sad passing of Steve Bell on Monday 17th of September, 2012. Steve was very active in bridge construction on the Thomson-Walhalla section.

Member Andrew Stephens paid tribute to Steve's service to the WGR.

Life Memberships:

These were presented to long standing members Bill Ferris and Dick Sibly for their significant contribution to the WGR over many years.

Legal Report by WGR Barrister Ingrid Braun.

Motion:

Ratification of Board decision to accept Plaintiff's offer to withdraw from legal action and be reinstated as WGR members.

Moved Geoff Anderson Seconded Tony Gilbert Carried

Meeting Closed: 1450Hrs.

Annual General Meeting

Walhalla Goldfields Railway Inc

President's Report

Year ending 30 June 2013

Like all years, 2012-13 has been a particularly busy and productive time for the Walhalla Goldfields Railway, punctuated by yet more adverse weather events such as fire and storms. Fortunately, WGR suffered no direct damage to its track, bridges and buildings apart from fairly routine (by our standards) impacts on the track and drainage. However, we were seriously impacted by the presence of the significant Aberfeldy fires in the second half of January which came quite close to the eastern side of Walhalla. The town was closed to the public for two weeks and after the fires had been controlled, visitor numbers were greatly down for a considerable period afterwards, with a substantial negative impact on the Walhalla & Mountain Rivers local economy. I would like to thank all the members who assisted with the fire effort and especially Mal Gibson, Scott Burrows, Ken Wilson and Ian Ipsen who braved the night standing "just is case" on one of the red-alert days of the bushfire. Luckily, the only loss encountered was a night's sleep.

Close attention has been given to the operational infrastructure, with the largest project being the replacement of three condemned bridge piles on Bridge No. 6 in May. These works were funded by a grant from the Department of Transport and contracted to our colleagues at the Puffing Billy Railway, with John Shaw and his crew ably supported by WGR personnel. Bridge No.6 is a particularly difficult place to access and I'm pleased to report that everything worked out very well.

Our rollingstock and track/bridges have all been well maintained, with particular effort given to upgrade our fleet of trollies and plan for additional locomotive capacity. MTV3 has been completely rebuilt to a very high modern standard and now features an engine with an electric start! Early in July 2012, we acquired a second DH class loco from Queensland Rail which will eventually be regauged and rebuilt to provide higher capacity – and for the first time, two identical units with common servicing and maintenance regimes. Thanks to the generosity of the State Government, surplus rail has been donated from the closed Wahgunyah railway in the north east of the State. There have been several visits to the area by WGR crews, who have dismantled the track in preparation for transport back to Walhalla. This track is an important piece of the puzzle of extending the line towards Erica. Without the basic element of having rail to lay, we would have zero possibility to fulfilling this long held dream. Some of these track fittings will be stored at a new secure storage area at Erica which we are particularly thankful to Baw Baw Shire Council for providing. Thank you to the dedicated team who have made the long journey to Wahgunyah several times to cope with heat, snakes, a tornado [true], tyre blow-outs and the constant smell of the Uncle Toby's factory! The WGR is also very grateful to be donated a large quantity of narrow gauge trollies and light rail from Orica's now closed munitions factory in Melbourne's western suburbs. One of these Greenbat [battery] locomotives has been restored to operating condition and a trolley has been converted to a track spraying unit.

Despite the impacts of the January fires, ticket income increased over the previous year and the special light Ljusfest light trains operated over three consecutive weekends in August. They were nearly all sold out and made a very useful contribution to the Railway's income over the normally quiet winter period. The success of these trains is a credit to the partnership we have with Walhalla & Mountain Rivers Tourism and the volunteers who make an extra special effort.

There has also been ongoing promotion of the Railway to local Members of Parliament, Baw Baw Shire Council and a wide range of tourism interests.

Given the past three years of distress caused by the ongoing legal challenges of three past members to the Railway, I had hoped to report that all this would have been resolved by now. Unfortunately, this has not been the case and I have to advise this particularly vexatious and confusing matter continues. It has severely impacted on the wellbeing of a number of our people and has contributed nothing positive in any form. The

Cont....

costs run into the tens of thousands of dollars – all of which could have been applied to positive things like the Walhalla Station verandah, for which we have Council Planning approval, but no available funds. 2013 represents the 20th year since the actual reconstruction of the Railway commenced.

To the casual visitor, the trains, tracks and buildings of the Railway look as if they have always been there. However, in the early 1990s there were several years of very active preplanning and lobbying happening to set the scene for the miracle of returning our railway from nothing, despite the doubters who said it could never happen. It is very pleasing to see that we still have a number of people that have been actively involved from the very beginning. After 20 years, WGR relocated its office from Moe to Walhalla and Lynda George was appointed as Office Manager. Thank you to Lisa Prior our former Administration Officer at Old Gippsdown for her hard work and dedication in what was sometimes a challenging time.

It is appropriate to close this message with my greatest thanks to the army of volunteers who keep this great mountain railway alive – you are all hugely appreciated and each one no doubt has a great deal of experiences that make it all stick together. A note of special thanks to our retiring Treasurer, Sue Campbell, and Vice-President, Roger Lindsay. Both have been valued contributors on the railway's board and I wish them well for the future beyond the board table. Finally, I would also like to thank our many partners in government for their ongoing support and assistance and the great number of corporate supporters that provide special deals and donations for things that we otherwise couldn't afford.

Thank you. Michael Leaney.



WGR President Michael Leaney and WGR Office Manager Lynda George accept the railway's "finalist" award from Phoebe Honey and Andrew Wilson of Destination Gippsland at the Latrobe City Business and Tourism Association's "People's Choice" Awards in June 2013.

Treasurer's Report

Year ending 30 June 2013

HIGHLIGHTS

- Increased ticket sales over previous year despite service suspension during January 2013 bushfires. Passenger numbers for year – 26645 compared with 26800 in 2011/12
- WGR office now directly run from Walhalla and Lynda George appointed as office manager
- Government grants received to repair damaged drystone wall and replace three piles in Bridge 6 – all work successfully completed
- Locomotive DH72 purchased from Queensland Rail
- Increased income from Ljusfest special light trains
- General trading income (refreshments & souvenirs) remained static
- Net profit overall of \$3587
- Planning approval received from Baw Baw Shire Council for Walhalla Station verandah construction and sealing of platform – but not yet funded

The WGR has had a sound year's trading over the year although a large number of running days were lost in January 2013 due to bushfires.

During the course of the year, WGR terminated its long standing arrangement with Gippsland Heritage Park to provide office and administrative staff facilities. Lynda George has been appointed to the role of office manager on a part time basis at Walhalla station. This arrangement is effectively cost neutral for WGR and far more operationally workable.

A State Government grant provided by Regional Development Victoria and the Department of Transport paid for the flood damaged drystone wall (repaired in the previous financial year) as well as the three replacement piles on Bridge 6. The latter work was carried out in May 2013 by the Puffing Billy Railway's external contracting section. This project was carried out using new piles purchased by WGR some years ago, but deferred due to lack of funds at the time.

In relation to the long-anticipated verandah at Walhalla station, a Baw Baw Shire Planning permit was received in 2012 but was not able to proceed due to WGR's reserve funds being dramatically substantially reduced due to the litigation instigated by three past members. It needs to be made very clear to all WGR members that these legal costs stopped the work from proceeding, which would have provided all weather protection for passengers and also removed the frequently hazardous timber flooring on the platform.

In mid-2013, WGR was advised that it was to receive a bequest from the estate of the late Peter Brumm, which is likely to be in the order of \$25000 (Peter was a WGR train guard for some years). These funds have been partially received and will be used as WGR's contribution for a State Government grant for the verandah and platform construction, the project having been costed at \$80,000. This application is currently in progress.

The Australian Taxation Office has advised that following a review of eligibility for museums to be listed as 'Deductible Gift Recipients', only entities run by Government agencies will retain tax deductible status for donations. This means the various tourist railways including WGR will individually have to make a fresh application to the new Australian Charities and Not for Profits Commission for endorsement under incoming arrangements. Gaining the original tax deductible status back in 1993 was a fraught process – I well recall welcoming two very suspicious staff from the Tax Office who were expecting to see a Museum, but instead saw the Thomson rail bridge half demolished and the station yard looking like a road construction site!

AUDITOR

It is recommended that Aaran Murray & Co of 22 Hazelwood Rd Morwell be re-appointed as WGR auditor for the 2013/14 financial year.

BEHIND THE SCENES

Thanks are once again due to Michael Gerrard, the Railway's bookkeeper who has tirelessly ensured that our financial management and external reporting is right up to date. Michael and Lynda George work very closely on the ever increasing day to day demands of financial administration.

Robert Ashworth
(BA Legal Studies, Cert IV Governance)

Mechanical Manager's Report

Year ending 30 June 2013

The year has been reasonably kind to our Rolling Stock with all vehicles having been available at the busiest times and having suffered no major or expensive failures. Routine maintenance inspections have occurred on time and the maintenance visits have been utilised to incorporate new materials and equipment with the aim of reducing their reliance on frequent recurrent tasks. Since the major manufacturing defects have been overcome, the 10 class locomotive has been available this year on all occasions where 4 carriages were required but still needs more TLC. It has been serviced by commercial companies familiar with the fitted equipment so that the engine and hydraulic transmission have been given a clean bill of health while the transmission control is about to be upgraded to improve reliability. A CCTV unit has been fitted to improve visibility when travelling long-end first. A new more modern compressor is in the process of being fitted.

The Fowler Loco (Loco14):

Our ever reliable workhorse has had a good year and has been rewarded with new brake blocks, spring hangers and new springs which have been fitted to the leading and trailing axles and the newer "old" springs with greater travel have been fitted to the centre axle to achieve better track compliance. We are now reviewing the servicing regime and minor services will be carried out in house from now on.

Kasey:

The Kasey continues to have suspension trouble, however it only requires regular bearing inspections prior to each day's operation. Over the year it's only minor transgression was a broken chain which was replaced within days. It continues in service on days when only 2 carriages are required.

The DH locos 37 and 72:

The Board of PBR has advised that they will allow us to use their Engineering Drawings for the conversion of these locos to Narrow Gauge. DH37 has been fitted with reconditioned batteries from DH 72 and now starts from its own batteries. The batteries removed will be reconditioned for spares and eventual use in DH72. DH72 stored at Loy Yang has been inspected and water has been found in 1 cylinder.

Carriages:

Our carriages are in generally reasonable condition and have received routine maintenance at the usual intervals. A risk Analysis was conducted and submitted to TSV concerning the removal of the so-called "Safety-chains" and fitting of uncoupling rods to improve safety when shunting. TSV accepted the proposal and chains have been removed. Fitting of the uncoupling rods is under way.

Trolleys:

NKs26: NK26 has been fitted with Side rails by its owner Brendan Vosper in response to TSV concerns where it is used for conveyance of passengers, however its general use is for track patrol and track work. NK26 suffered a gearbox failure but was repaired in house and continues as the Works gang's regular "workhorse".

MTV 3:

MTV3 has been stripped and rebuilt to provide an additional emergency rescue vehicle and has been approved by TSV for the conveyance of passengers.

MTV4:

Has been transferred to Rye workshop for upgrade of the traction package. David Bevis has provided a Hydraulic drive system for this unit and a modern 4-stroke engine will be fitted.

Orica Rolling Stock Deer Park

Our Secretary had been in constant correspondence with Orica after finding that they were dispensing of their narrow gauge trolley system. His persistence paid off with Orica donating their entire fleet of 2 Electric power units, 25 trolleys and 3 powerful battery chargers with some light weight track. One power unit is being upgraded for use by the works gang along with 6-10 of the trolleys which are to be used for various maintenance activities.

Workshop upgrade:

A proposal for the upgrade of workshop floor and storage has been prepared and approved by the Board. A working bee successfully cleared the pit road sufficiently for future preparation for concrete, however limited resources and constant demand for track maintenance have stalled any progress to date. We are therefore still trying to arrange a date to start concreting the floor of the pit.

New Mechanical Storage Container: A 40' container has been fitted with shelving thanks to the efforts of the W&W team. Roger has done an excellent job of camouflaging the container with its new coat of green paint.

Access to Baw-Baw Shire Depot Storage Area:

An on site meeting was held at the Baw-Baw shire depot at Erica last Friday. The Shire has graciously offered WGR use of the depot storage space (including some secure under-cover area) for WGR rail (ex Wahgunyah), sleepers and other equipment requiring secure storage and centralised access.

Engineering Manager

Graham Vallance (FIE Aust. CP Eng.)

Station Report

Year ending 30 June 2013

Over the past twelve months we have continued to man the stations on open days.

I find the smaller shop space at Walhalla is bearable and the benefits outweigh the problems. Having Lynda George there has been a benefit for the volunteers, and I am sure the benefits flowed both ways.

The verandah at Walhalla continues to be a concern as do the Toilets at Thomson.

Lynda has been helpful during Jan Wilson's absence in the early part of the year and has suggested several good ideas for sales, and my thanks must go to Jan Wilson for her continued work as purchaser of goods for sale.

Volunteers : The role of the volunteer is quite wide spread. One must be a good ambassador for the Railway, a good salesperson, tourist guide, good general knowledge of the history of the area, and a mathematician, and skilled cleaner and have good knowledge of safe working procedures. AT the same time be a pleasant and diplomatic when dealing with customers. I am extremely grateful to all our volunteers and would like to thank each one of them for their time and effort they contribute to the WGR.

In February 2013, Victoria Whelan and Michael Pridmore were welcomed to our team of Volunteers and in August Dan Beavis and Tom Beauchamps started their training and joined our happy group. Every month I use at least ten volunteers, some of these do several days or more.

In April, Margaret and Richard Ribbans decided to have some time off. Richard went on to have his knee replacement operation in August. We continue to rely on Margaret for her purchase of railway tickets for the station. We are also indebted to Margaret for trading our old Streets Icecream fridges for new ones before she finished her tour of duty.

Margaret, Richard, Leonne, and Owen Brill are the most long serving Volunteers. Other Volunteers are Brian Castle Sue & Roger Lindsey, Derek Kyriotis, Sylvia Giles, and myself, Weenie Wilson.

Russell Wright, Michael Leaney, and Graeme Skinner have all helped out as volunteer station staff. Our thanks to them. I rely heavily on Michael and Russell to fill in those unexpected gaps in the roster.

Weenie Wilson

Training Manager's Report
Year ending 30 June 2013

Starting in February 2013 and on behalf on the WGR I conducted a Guards Training Course. The course was run over a 4 months period with 2 days per month being allocated for the training.

The course was attended by Mr R Henry, Mr D Bevis, Mr M Gibson, Mr G Vallance, Mr T Beauchamp, Mr J Male and 2 other who have since dropped out. The ATR paperwork has been sent to Mr B Coleman who hopefully will be able to qualify them before Christmas and I would like to thanks these members for their interest in becoming Guards on the WGR.

I have also commenced a Guard to Diesel Locomotive assistant course and it is hoped that we will have 2-4 members qualified as DLA's by January.

At this stage I have another Guards Training course penciled in for 2014 with an anticipated start date in late February with the class running for 2 days per mont over a 4 month period. At this stage I cannot give accurate dates for this course due to my employer bringing in a new roster later this year. Once I have some firm dates I will let people know. If anyone wishes to be trained and qualified as a WGR Guard could you please either let me know or contact Lynda in the WGR office.

This year the WGR has sponsored 5 members for their ATR re-exam, with all passing and being re-accredited for another 5 years.

Some of the challenges facing us in the future is writing up proper training manuals for all of the WGR rolling stock including the recently acquired Greenway and Batley battery electric locomotives that where kindly donated to the WGR by Orica at Deer Park. This is not going to easy as I am finding that my spare time these days is not what it used to be.

As always the WGR is looking for more active Volunteers for Train Crew duties (Drivers, second persons and Guards) as well as for Station Duties and Ways and Works Duties. If member would like, or if any member knows of anyone who would like to be trained in any of these areas of operations, then please contact me via Lynda at the Walhalla Goldfields Railway office at Walhalla Station on 03 5165 6280.

Brian Gamble
Training Manager



Guard training in progress in 2013.

WALHALLA GOLDFIELDS RAILWAY Inc.

TRACK MASTERS REPORT 2013.

The Ways and Works team of Engineering Branch consists of eleven regular volunteers, who have contributed in excess of 1400 man days in the previous 12 months. Most of this time has been spent on track work, replacing 170 sleepers and installing 1460 sleeper plates. A number of major projects have been undertaken with the most significant being the replacement of 3 trestle legs under bridge six with our team assisting the Puffing Billy team.

The WGR were successful in obtaining a kilometre of 75 lb. Rail from the branch line to Wahgunya (near Rutherglen). It was expected to take 3 days to lift the rail, so 9 of us ventured to Wahgunya. The heat made the task a lot harder and only 600 metres was unbolted. On the second day we were offered the entire track in the station yard as well, consisting of 5 roads and 7 sets of points. After 3 more trips we have now lifted the entire rail which is awaiting transport back to the WGR.

The WGR has also been successful in obtaining sleeper plates from rail upgrades at Hartwell and East Malvern with the team loading 2 trailer loads from each location.

A 40' foot container was purchased and delivered to Thomson where it has been set as a store for the Engineering branch. The orange box has been painted to blend in with its surrounds.

During April we travelled to Deer Park to inspect Locos and trolleys at the Orica explosive factory that were available. Thanks to Graeme Skinner we now have 2 electric locos, 25 trolleys and a fair amount of 20 lb. rail. One of the locos has been refurbished and is operational.

With the amalgamation of the Ways and Works and the Mechanical branches those on the team with mechanical abilities have been able to assist with locomotive and rolling stock maintenance.

As track master I would like to take this opportunity to thank the team members for their efforts during the past year.

Ken Wilson.

Safeworking Manager's Report

I am pleased to report that the past twelve months have been a much better time for the railway. There have been no major mishaps or safeworking irregularities.

Volunteers are now much more aware of the requirement to report all incidents on the proper paperwork and also their individual responsibility to ensure a safe work place. All volunteers have been requested to have a "Working with Children Check" as this is now a work place requirement.

We are indeed fortunate to have the services of Graham Vallance as our Mechanical Engineer and Graham is overseeing rolling stock maintenance and also assisting with paperwork associated with track maintenance. Dick Sibly still assists with rolling stock maintenance as he has for many years and I am sure his experience and braun is of great help to Graham who lives at Rye.

Graham Vallance and Derek Kyriotis have also taken over the responsibility for all accreditation matters from Roger Lindsay who deserves praise for his considerable time and effort in ensuring we properly review our SMS on a regular basis.

Brian Gamble is doing an excellent job as Training Manager and we have several new recruits in the system training as Guards, Locomotive Assistants and finally Drivers.

I believe the railway is now on a sound, safe and well administered basis and this is indeed reflected in our association with Transport Safety Victoria and their approval of our operational standards.

Graeme Skinner (Safeworking Manager)

AARAN MURRAY & CO.

CHARTERED ACCOUNTANT

22 Hazelwood Road
PO Box 1211
MORWELL VIC 3840

03 5134 2711 BH
03 9796 1615 AH
03 5133 8223 Fax

September 11, 2013

WALHALLA GOLDFIELDS RAILWAY INCORPORATED **INDEPENDENT AUDITOR'S REPORT** **FOR THE YEAR ENDED 30th JUNE 2013**

To the members of the Walhalla Goldfields Railway Inc:

SCOPE

We have audited the attached special purpose financial report of the Walhalla Goldfields Railway Inc for the year ended 30th June 2013, comprising Profit & Loss Statement and Balance Sheet. Committee of management is responsible for the preparation and presentations of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the requirements to the financial statements.

The audit opinion expressed in this report has been formed on the basis

Qualification

Due to the internal recording processes and presentation of the association's business records, it is impractical to verify all monies received by the Walhalla Goldfields Railway Inc. Accordingly, our audit is limited to the amounts recorded.

Audit Opinion

In our opinion, subject to the afore said observation, the financial report present fairly the financial position of the Walhalla Goldfields Railway Inc. for the year ending 30th June 2013, and the operational result for the year then ended in accordance with the Australian Accounting Standards.



A.V. MURUGIAH, F.C.A.
REGISTERED AUDITOR No 10582

WALHALLA GOLDFIELDS RAILWAY INC.**BALANCE SHEET****AS AT JUNE 30TH, 2013****MEMBERS FUNDS:**

	2013	2012
	\$	\$
Retained Earnings	244,706.39	289,967.41
Surplus/(Deficit)	3,587.66	(46,793.02)
	<u>248,294.05</u>	<u>243,174.39</u>

This is represented by :

CURRENT ASSETS:*Bank Accounts*

125314781 Cheque 1201	36,191.70	31,264.61
133215616 Visa card 1605	-	267.87
125314807 Money Extra V501	-	17,060.46
133001008 Emergency Fund 2502	35,790.60	37,032.06
133001065 Investment 2503	11,848.67	11,692.14
133001115 Investment 2504	6,620.26	6,386.27
Undeposited Funds	600.50	268.00
Total bank Accounts	<u>91,051.73</u>	<u>103,971.41</u>

Petty Cash Accounts

Station Float	500.00	500.00
Operations Float	50.00	50.00
Mechanical Float	-	100.00
Crew Roster Float	25.00	25.00
Way & Works Float	100.00	100.00
Thompson Till Float	250.00	-
Thompson Reserve Float	200.00	-
Walhalla Till Float	550.00	100.00
Walhalla Reserve Float	500.00	-
Total Petty Cash Accounts	<u>2,175.00</u>	<u>875.00</u>
Stock on hand	11,756.00	19,705.00
Trade Debtors	1,331.00	4,982.45
Total Current Assets	<u>106,313.73</u>	<u>129,533.86</u>

NON CURRENT ASSETS:

Leasehold Improvements	39,597.82	39,597.82
Less Accumulated Depreciation	(10,370.40)	(8,756.98)
Plant & Equipment	174,293.78	151,886.28
Less Accumulated Depreciation	(53,212.51)	(42,041.91)
Office Equipment	2,027.27	2,027.27
Less Accumulated Depreciation	(2,007.27)	(1,983.27)
Total Non-Current Assets	<u>150,328.69</u>	<u>140,729.21</u>

Total Assets	<u>256,642.42</u>	<u>270,263.07</u>
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CURRENT LIABILITIES:*GST Liabilities*

GST Collected	92.27	(668.87)
GST Paid	(804.62)	(2,746.45)
Total GST Liabilities	<u>(712.35)</u>	<u>(3,415.32)</u>
Trade Creditors	9,060.72	30,504.00
Total Liabilities	<u>8,348.37</u>	<u>27,088.68</u>

NET ASSETS	<u>248,294.05</u>	<u>243,174.39</u>
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IMPORTANT

The preparation of this PDF for distribution online and via electronic means has meant that some formatting changes have been made and scans of some documents have been utilised. This document may not have the same appearance of the Annual Report that was printed and handed out at the AGM however the written content is the same.



Walhalla Goldfields Railway Inc.

Walhalla Station, WALHALLA VIC 3825
R00226304V ABN 50 866 279 186

www.walhallarail.com.au