MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WA INSTITUTIONS RECONCILIATION TRUST
THURSDAY 13 MAY 1999 AT 8.00AM
6TH FLOOR 216 ST GEORGE'S TCE PERTH

PRESENT: Mr Barry MacKinnon (Chairman)
Ms Carol Bahemia
Mr Peter McGowan
Mr Hayden Stephens
Ms Andrea Lace (Manager)

APOLOGIES: Mr Dalton Gooding

ITEM 1 MINUTES
The Minutes of the meeting of the Trustees held 4 February 1999 were confirmed as a true and correct record of that meeting.

ITEM 2 MATTERS ARISING FROM THE MINUTES

ITEMS 2.1/2.2 SUBMISSION TO THE CHRISTIAN BROTHERS/ OPINION OF RENE LE MIERE QC

The Trustees noted:
➤ The Submission made to the Christian Brothers with respect to the use of the surplus funds on winding up; and
➤ The Opinion of Rene Le Miere QC which, succinctly, was that the surplus funds must revert to the Christian Brothers on the winding up of the Trust.

ITEM 2.3 DECISION OF THE CHRISTIAN BROTHERS

By facsimile transmission received 11 May 1999 addressed to the Chairman, Br Shanahan advised, on behalf of the Australian Province Leaders of the Christian Brothers, as follows:

"We have considered closely the submission made to us by you and the other Trustees in regard to the funds remaining in the Trust. We wish to advise the Trustees that our intentions for the remaining funds are as follows:

• That the Trust be wound up as foreshadowed on 30 June 1999, at which point the funds remaining in the Trust are returned to the Founder in accordance with the Trust Deed.

• Of the remaining funds, $85,000.00 is to be set aside in some form of Trust to cater for the ongoing medical and treatment needs of those men specified by the Trustees. The precise details of how this Trust arrangement will work can be the subject of further discussions between us.

• $105,000.00 will be paid by us to the seven beneficiaries of the Trust about whose cases you came to speak with me in late 1997. These were men who, in the judgement of yourself and Jack Rush QC, could have qualified for a
$25,000.00 payment under the sexual abuse clauses of the Trust except that the terms of the Trust allowed for only 30 such payouts.

- We propose to pay each of these seven men $15,000.00 in accordance with the representations you made in late 1997.
- The balance of the funds to be distributed equally amongst all participants in the 1996 settlement. These payments would be accompanied by a brief covering letter from ourselves indicating the Trust had been wound up and that we were distributing the surplus funds in accordance with the recommendation of the Trustees."

In conclusion, Br Shanahan stated:

"We believe that this use of the remaining funds of the Trust is the one most in keeping with the intended spirit in which the Trust was set up and in which it was operated."

Br Shanahan also requested a meeting with the Chairman to discuss the practicalities involved, particularly the best arrangement for the administration of the $85,000.00 to be set aside for future medical expenses, and the possibility of using the Trust's administrative infrastructure and data base for the distribution of funds to the beneficiaries.

ITEM 2.4 PRACTICAL IMPLEMENTATION OF THE WINDING UP PROCESS

THE NEW TRUST

Peter McGowan and Hayden Stephens confirmed their prior agreement to join the Chairman as trustees of the new trust. Neither required to be remunerated for his services.

It was decided by the Trustees:

➢ It was appropriate that Phillips Fox be instructed to draft the trust deed for the new trust and to make application to the Australian Taxation Office for a tax file number and charitable trust status.

Peter McGowan pointed out that the instructions to Phillips Fox would have to be given by the Christian Brothers.

➢ That the fees charged by Phillips Fox should be paid by the WA Institutions Reconciliation Trust.

➢ That the Christian Brothers and/or Phillips Fox name the new trust but it be recommended that "Christian Brothers" not be included in the name.

➢ That administration of the new trust be attended to by the Chairman and his staff. That the Chairman be remunerated for his services at the hourly rate of $100.00 plus reimbursement of the cost to him of secretarial/support services and disbursements.

➢ As a prerequisite to becoming beneficiaries of the new trust, proposed beneficiaries must provide written consent for the handing over by the WA Institutions Reconciliation Trust of their personal files/confidential material to the new trust.
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VARIATION OF TRUST DEED
It was agreed by the Trustees that the Manager instruct Phillips Fox to draft a Deed of Variation to record the variations made by the Trustees to the Trust Deed for the WA Institutions Reconciliation Trust, during the course of the operation of the Trust.

DISTRIBUTION OF SURPLUS FUNDS/ADVICE TO THE BENEFICIARIES
It was decided by the Trustees that the following matters should be discussed at the meeting requested by Br Shanahan with the Chairman and the Manager:
- The withholding of funds to cover future expenses of the WA Institutions Reconciliation Trust and the closure of the Trust's bank account;
- Transfer of the surplus funds to the Christian Brothers;
- Distribution of the surplus funds through the Trust's administrative infrastructure;
- The form and wording of notification to all beneficiaries regarding the distribution of the surplus funds and what is to happen to their files/confidential material.

LOANS GRANTED BY THE TRUST
The Manager advised that two loans granted by the Trust remain outstanding.

The first was the loan granted to [REDACTED] in the amount of $9,800.00, to enable him to establish a security card business.

The Manager reported there had been no contact from [REDACTED] since the funds were advanced to him.

The Trustees instructed the Manager to write to [REDACTED] reminding him that the loan is repayable in full on 30 June 1999; but not to advise that should the loan not be repaid, there would be no follow-up action by the Trust.

The second was the loan granted to [REDACTED] in the amount of $13,582.00, to enable him to establish an exotic bird breeding business. Repayment of the loan was considered under Item 9.

CLOSURE OF THE TRUST'S OFFICE
The Manager advised:
- The Trust's office would have to remain in tact until after examination of the Trust's records and files by the auditors.
- Thereafter Compu-Stor would be asked to collect files for storage.
- Dalton Gooding has agreed to store accounting records needed for finalisation of the audit.

DISPOSAL OF OFFICE EQUIPMENT
The Manager advised that she and her assistant wished to exercise first option, granted by the Trustees at their meeting on 19 November 1998, to purchase various plant and equipment from the Trust.

The Trustees asked that the Manager and her assistant submit offers for consideration.
ITEM 3  **FINANCIAL STATEMENTS**

The Trustees noted:

- Balance Sheets for February to April 1999
- Profit & Loss Statements for February to April 1999
- Trial Balances for February to April 1999
- Schedule of Payments to Beneficiaries to 30 April 1999

Peter McGowan enquired as to why the same amount appeared for trade creditors in all balance sheets. The Manager said she believed the figure was carried over from the 1997/98 end of financial year adjustments because the monthly entries made by her related only to payments made and income received. The Manager undertook to seek clarification from Gooding Pervan.

ITEM 4  **REDACTED**

At their meeting on 22 October 1999, the Trustees agreed to advance up to $10,000.00 as a deposit for the purchase of a residential property by **REDACTED**.

In the intervening period:

- **REDACTED** obtained advice from University Building Society ("UBS") that he qualified for a housing loan of $24,000.00, inclusive of a legal fee allocation of $2,000.00. Monthly payments would be in the order of $275.00. **REDACTED** current rent is $433.33 per month.
- On 6 April 1999, **REDACTED** made an offer of $55,000.00 to purchase a property at Spencers Brook. The offer was accepted on 7 April 1999, subject to finance from UBS and the Trust.
- On 14 April 1999, accepted the same day, **REDACTED** made an offer of $36,000.00 to purchase a property at Northam, subject to finance from UBS.

**REDACTED** advised the Manager that he would like to be in a financial position to proceed with the purchase of the Northam property.

The Trustees confirmed their prior decision to offer up to $10,000.00 only by way of deposit.

ITEM 5  **REDACTED**

Initially, **REDACTED** asked that the Trust contribute to the cost of his wedding in May 1999, estimated by him at $3,000.00. After receiving advice from the Manager that the cost of a wedding did not fall within any of the categories of benefit prescribed by the Trust Deed, **REDACTED** changed his request to a contribution of $510.00 towards the cost of the removal of his household contents, and those of his fiancé, to their mutual residence after their wedding.

As **REDACTED** did not establish need, his request was refused by the Trustees.

ITEM 6  **REDACTED**

**REDACTED** asked the Trust to pay $750.00 for another Family of Origin Programme and $93.00 to repeat a computer course at TAFE.

Both requests were granted by the Trustees.
ITEM 7

REDACTED asked that the Trust pay the cost of $440.00 for treatment to control white ants, which had been found at his residence.

REDACTED request was granted by the Trustees.

ITEM 8

REDACTED asked the Trust to pay the cost of a correspondence course, in the amount of $2,685.00, to study for a Diploma in Counselling.

In support of past requests, REDACTED had provided the Trust with a report from a psychologist, dated 29 December 1998, in which it is stated, inter alia, that REDACTED remains deeply emotionally troubled and evidences episodic depression secondary to unresolved trauma.

As REDACTED does not demonstrate the capacity for study or to be able to counsel others, his request was refused.

ITEM 9

REDACTED made a number of requests.

The first was for the cost of a replacement motor and gear box for his car. The second was for the cost of a computer, desk and chair as he is looking to study a Diploma of Technical Analysis and for use by his daughters who are in early primary school. The third was for the cost of additional tattoos.

REDACTED will share in the equal distribution of funds to all beneficiaries. He has already been helped under the category of employment with the loan of $13,582.00. The cost of tattoos has twice been considered by the Trustees.

REDACTED requests were refused, but repayment of the loan of $13,582.00 was forgiven.

THE MEETING CLOSED AT 8.50am.