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Minutes
Thursday 30th April 2020
By Zoom Video Conference

1. Opening Meeting opened at 9.03am
2. **Attendees:** Mr David Ford (Chair), Mr Phil Crandon, Mr Ted Clarke,
Mr John Adlington,
Bishop Murray Harvey joined the meeting at 9.16am

Non-members: Mr Chris Nelson, Mr Blaine Fitzgerald,
Mrs Annette Dent

All participants were joined by Zoom video conference.

Apologies: Mr Gary Boyd

3. **Prayers and Acknowledgement of Country**

The Chair opened the meeting with prayer and Acknowledgement of Country as printed in the meeting agenda and Mr Chris Nelson said the opening prayer.

4. **Conflict of Interest Declarations**

The current standing register of interests as follows was noted:

- Bishop Murray Harvey – involved on various Diocesan boards and committees
- David Ford – Chair of Bishop Druitt College (BDC) Council and member of Bishop-in-Council.
- Ted Clarke – Agreement with Clarence Valley Anglican School
- Chris Nelson – involved on various Diocesan boards and committees.
- Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA)

5. Confirmation of Minutes

That the minutes of the meeting of 13 February 2020 be accepted as true and correct

Moved: Mr John Adlington

Seconded: Mr Phil Crandon

Carried

That the minutes of the special meeting of 3 April 2020 be accepted as true and correct

Moved: Mr Phil Crandon

Seconded: Mr John Adlington

Carried

6. **Call for additional Agenda items and close of Agenda**

There were no additional agenda items. A late paper email forwarded by Mr Chris Nelson from Mr Blaine Fitzgerald Head of AFSA dated 29/04/2020 in response to correspondence dated 23/04/2020 – AFGD Expanded Service Agreement was submitted as part of existing Agenda item 8.e AFGD-AFSA discussions – an update and Agenda item 10 Correspondence In.

7. **Financial and Performance Reports**

a. **Finance Reports**

The finance reports were considered. Mr Blaine Fitzgerald spoke to the reports and advised that for the first three months of 2020 the budget to expense lines have been well managed and forecast to

budget tracking ok. Due to COVID-19 the fund may experience stress towards the middle & back half of the year however the fund is maintaining liquidity at this stage. 31 March 2020 accounts look normal at this stage. Mr Chris Nelson commented that it shouldn't be expected that income from loans is affected short term however as some of these facilities are moved away from AFGD these income lines will be affected. Mr Blaine Fitzgerald raised a question in regards the Ord Minnett portfolio and the potential for significant change. Mr Blaine Fitzgerald recommended asking for Ord Minnett to provide a 'credit worthiness' report on holdings.

Mr Ted Clarke asked for the P&L statement to have a heading of actual for the reporting period e.g Jan-Mar 2020.

That the AFGD Board receives the financial reports for the period to 31 March 2020.

Moved: Mr Ted Clarke

Seconded: Mr Phil Crandon

Carried

b. Audit Update

The 31 December 2019 Audit Management Letter that was presented was noted. Mr Chris Nelson provided commentary in regards to the Audit Committee Meeting held on 28 April 2020 and noted the audit reports were all approved with no qualifications so a clean audit in that respect. Mr Chris Nelson noted compliments to the staff involved in the audit, that it was the most advanced audit program and shortest audit committee meeting in a number of years. Overall good results were noted for the audit. An 'emphasis of matter' was listed for each of the reports by the auditor which is not a problem but highlighting COVID-19 as an issue in the environment which creates a certain amount of uncertainty about audit results. For the AFGD statement in regards to COVID-19 there has been some affect on the business but it is on the watch list and there is sufficient liquidity other mitigating activities mean that AFGD should be able to get through quite stably. IT & Disaster Recovery is being worked on as a whole office matter and pandemics will be included in this work. Mr Blaine Fitzgerald advised that BCP is included in the AFSA policies and Grafton are welcome to use this to assist in development Grafton policies. Statements are reserved until the day of signing which is scheduled for 11 June 2020.

8. Matters for Discussion and or Decision

a. AFSA/AFGD Service Agreement Update

Mr Blaine Fitzgerald provided an update on various administration and support provided to AFGD as part of the Service Agreement. The report covered the topics of:

- Overarching strategy with Westpac update
- Schools updates
- Liquidity
- Capital Adequacy

Mr Blaine Fitzgerald is working with the schools & Westpac towards shifting certain facilities from AFGD to Westpac. Mr Blaine Fitzgerald noted that previous work on pari passu agreements took longer than expected to finalise the documentation. Mr Blaine Fitzgerald advised the Westpac timing is 1. LAGS, 2. SCAS, 3. BDC and 4. EAC. Mr Blaine Fitzgerald has advised that Mr Jay Clowes is aware of deadlines however he will follow up in writing to confirm timelines. Mr Blaine Fitzgerald noted email correspondence between himself and Mrs Kelley Malaba from EAC, with further work in regards to increase to borrowings to be completed and that no decision needs to be made by the AFGD Board today.

Mr David Ford spoke in regards to the announcement of the new Principal for CVAS Mrs Karin Lisle. It was also discussed that due to COVID-19, school government funding is due to be released early with 50% in May and 50% in June (this funding is usually received by the schools in July) which will be factored into analysis of liquidity requirements and potential release of Corporate Trustee funds.

b. Lending and deposit rate reviews

Mrs Annette Dent spoke to the 'Interest Rate Risk Management Quarterly update as at 31/03/2020' report presented. The AFGD Board discussed the report further and resolved the following.

That the advertised rate for Cash Management Account types be reduced from 1.00%p.a. to 0.75%p.a effective 30 April 2020

Moved: Mr Phil Crandon
Seconded: Mr John Adlington
Carried

That the advertised variable AFGD Anglican Business Reference Rate (ABRR) be reduced from 5.85%p.a. to 5.65%p.a and that the advertised variable AFGD Anglican Parish Reference Rate (APRR) be reduced from 4.85%p.a. to 3.85%p.a. effective 30 April 2020

Moved: Mr Phil Crandon
Seconded: Mr John Adlington
Carried

c. COVID-19 and affect on AFGD activities including adjustments to staff and office arrangements; any changes to customer activity.

Mrs Annette Dent spoke to this agenda item and advised that to date the workload had not reduced as a result of COVID-19. Due to DataAction (DA) not being able to provide additional 'Remote Access' logins, Ms Linda Butler's AFGD work tasks have been limited to functions which do not require access to the DA system. There has been a significant increase in new participants of 'Parish Provider'. Mrs Annette Dent also advised she had spoken to a number of clients (individuals & Parish) who had made enquiries in regards to existing Term Investments and short term cash requirements but to date there have been no requests for early redemption. A number of clients have requested closure at maturity of existing Term Investments and so far this has been managed within normal cashflow. Mrs Annette Dent also advised she is working through school requirements in conjunction with Mr Blaine Fitzgerald in regards short term cash requirements and the shift of some facilities to Westpac.

d. Bishop-in-Council decisions regarding COVID-19, assisting parishes and accessing government assistance (inc Jobkeeper).

Mr Chris Nelson spoke to this agenda item and provided a summary of the current initiatives to support parishes during this period including waiver of Parish Pledge, Clergy Removal & Cathedral Maintenance and a reduction in monthly payroll with 55% being covered by the Diocese. Mr Chris Nelson also advised that the Diocese is applying for government assistance in the form of 'JobKeeper' on behalf of eligible employees and will apply those funds towards the payment of those employees. The Diocese will also access other government COVID-19 assistance and allocate those funds to the COVID-19 Support Fund to offset some of the gap between employment costs after accounting for 'JobKeeper' and the reduced level of parish contribution. Mrs Annette Dent also discussed 'JobKeeper' and confirmed that she had completed the employee form so that the Diocese as the employer can include her as an eligible employee participant. Mrs Annette Dent also noted that she had been advised by the Diocese that the payroll expenses for AFGD would not be adjusted as a result of 'JobKeeper'.

That the AFGD Board acknowledges that the JobKeeper payments related to AFGD staff will be retained by the Diocese for the support of continuing employment within the Diocese.

Moved: Bishop Murray Harvey
Seconded: Mr Ted Clarke
Carried

e. AFGD-AFSA discussions – an update

That the AFGD Board ratifies the Chair's correspondence to AFSA dated 23 April 2020 and the email response from Mr Blaine Fitzgerald dated 29 April 2020 in regards clause 7a of the Expanded Service Agreement and confirms a delay of three months as a result of COVID-19.

Moved: Mr Ted Clarke
Seconded: Mr John Adlington
Carried

f. Corporate Trustee Funds on Deposit with AFGD

The AFGD Board noted the Corporate Trustee resolution of 23 April 2020 in regards to withdrawal of Corporate Trustee funds held with AFGD commencing May 2020. Mr Blaine Fitzgerald and Mrs

Annette Dent were asked to complete further analysis on expected cashflow requirements and liquidity and then advise the AFGD Board by week ending 8 May 2020 so that a decision can be made by the AFGD Board via flying minute. To support the analysis Mr Blaine Fitzgerald was also asked to contact the schools requesting a detailed forecast of inflows and outflows for the following 60 days.

9. Matters for noting and status updates

a. RBA Governor Phil Lowe speech – Building bridges – notes from Escala 19 March 2020

The Chair noted the item as presented.

b. Resolution – Corporate Trustee Meeting 27 February 2020

The Chair noted the resolution as presented.

10. Correspondence

In:

- 27 February 2020 - AFSA/AFGD Discussions from Kevin Stracey & Blaine Fitzgerald AFSA
- 10 March 2020 email – Market Update from Alison Perrott Ord Minnett
- 19 April 2020 (dated 10 April 2020) – from South Grafton Anglican Parish – Request to Suspend Mortgage Payments and Capitalise Interest.
- 29 April 2020 email – re AFGD Expanded Service Agreement from Blaine Fitzgerald - acknowledgment and response to AFGD corro 23/04/20.

Out:

- 20 February 2020 email – to Kevin Stracey AFSA from Chris Nelson AFGD and AFSA Discussions
- 3 April 2020 – to Andrew Davis Westpac from Chris Nelson and David Ford - strategy position of the Diocese and AFGD to ensure the schools are adequately supported through the COVID-19 Pandemic.
- 23 April 2020 – to Kevin Stracey AFSA from David Ford re Service Agreement clause 7A.

That the inwards correspondence be received and that the outward correspondence be endorsed.

Moved: Mr John Adlington

Seconded: Mr Phil Crandon

Carried

11. Next meeting – after discussion it was confirmed that the next meeting is scheduled for 11 June 2020 as a joint meeting with The Corporate Trustees of the Diocese of Grafton.

12. Meeting close –the meeting closed with Prayer from Bishop Murray at 11.08am

CONFIRMED as true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 30 April 2020



Chair – David Ford