Accepted: 24/11/2022. Effective: 24/11/2022.

# ANGLICAN DIOCESE OF ARMIDALE

# DIOCESAN DEVELOPMENT FUND

# IDENTIFICATION STATEMENT

## 1. Introduction

This Identification Statement for The Corporate Trustees of the Diocese of Armidale as trustee for the Diocesan Development Fund (DDF) sets out information required by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. It incorporates all the relevant matters set out in Table 2 of paragraph 87.48 of Regulatory Guide 87 issued by the Australian Securities and Investments Commission (ASIC) in September 2016.

## 2. Identity

The identification information required for the DDF is as follows:

(a) the full name of the charitable investment fundraiser is The Corporate Trustees of the Diocese of Armidale [ABN: 64 984 070 512] as trustee for the Diocesan Development Fund. The "Diocesan Development Fund" is a business name of the DDF and has a separate ABN [ABN: 81 462 509 988].

(b) The Corporate Trustees of the Diocese of Armidale is a body politic and corporate established by the *Anglican Church of Australia Trust Property Act 1917* (NSW);

(c) The Diocesan Development Fund was established by the Diocese of Armidale in 1992 and is governed by the *Diocesan Development Fund Ordinance 2017-2021*. This Ordinance replaced the *Development Fund Ordinance 1992 and 2014.*

(d) The address of the DDF is:

Postal: PO Box 198
Armidale, NSW, 2350

Street: 118 Rusden Street
Armidale, NSW, 2350

## 3. Compliance

From 1 January 2018, the DDF will rely on the exemption set out in section 5(1) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* (**ASIC Instrument**). Specifically, the DDF does not have to comply with Parts 6D.2 and 6D.3 of the *Corporations Act 2001* (Cth) (**Act**) in relation to the offer or issue of a debenture and is not required to enter into a trust deed under section 283AA of the Act.

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The following table provides information necessary to satisfy the conditions required by this exemption:

| Condition number | Conditions in ASIC Instrument 2016/813 | Response of DDF |
|---|---|---|
| 3(a) | An Identification Statement in relation to the charitable body has been accepted by ASIC and ASIC has not revoked the acceptance. | This Identification Statement for the DDF was lodged with the Australian Securities and Investments Commission (ASIC) on 18 December 2017 and advice of the acceptance of this Statement was received from ASIC on 18 December 2017. |
| 7(2) | The Identification Statement includes the following information and statements :<br>(a) the identity of the charitable investment fundraiser;<br>(b) information identifying the exemptions under section 5 on which the charitable investment fundraiser relies;<br>(c) whether the charitable investment fundraiser will issue debentures or interests in a managed investment scheme or both;<br>(d) the financial year for the charitable investment fundraiser;<br>(e) whether the charitable investment fundraiser is or will be required to hold an Australian financial services licence;<br>(f) the charitable purpose of the charitable investment fundraiser etc;<br>(g) the key terms and conditions of the offer of debentures including how certain matters will be determined;<br>(h) to whom and through what means the debentures will be offered including to certain classes of investor;<br>(i) whether the charitable investment fundraiser will be required to lodge with the ACNC audited financial statements for the fundraiser;<br>(j) if a person other than the charitable investment fundraiser will provide a guarantee – the identity of that person and a description of the guarantee;<br>(k) the types of assets that the charitable investment fundraiser will hold and certain particulars in relation to those assets; | [Where this information appears in this Identification Statement]<br>(a) see section 2 (above);<br>(b) see this section 3 (above);<br>(c) see section 7 (below);<br>(d) see section 4 (below);<br>(e) see section 5 (below)<br>(f) see section 6 (below);<br>(g) see section 8 (below) for the key terms and conditions of the debentures;<br>(h) see section 9 (below);<br>(i) yes - see section 10 (below);<br>(j) no – see section 11 (below);<br>(k) see section 12 (below);<br>(l) not applicable; |

| Condition number | Conditions in ASIC Instrument 2016/813 | Response of DDF |
|---|---|---|
| | (l) statement identifying any sponsor. | |
| 7(3) | Maintain a website on which this Identification Statement is made readily publicly accessible for the requisite time period. | See section 13 (below).<br>The Identification Statement will be available at: http://www.armidaleanglicandiocese.com/invest-with-us/ |
| 7(4) | The charitable investment fundraiser must take all reasonable steps to ensure that the information in the Identification Statement is up to date, complete and not misleading at all times. | The DDF will lodge with ASIC further Statements or another Identification Statement the effect of which is to rectify any false or misleading material statement in, or any material omission from, the Identification Statement, if required, as soon as practicable after the DDF becomes aware that the Identification Statement is false or misleading or that there is a material omission.<br>The DDF will have processes in place to monitor and oversee the ongoing accuracy of this Identification Statement. |
| 7(5) | On or after 1 January 2017, the charitable investment fundraiser has not issued any 'short-term investment products' to any person as a retail, non-associated client.<br><br>On or after 1 January 2018, no person will hold a 'short-term investment product' that is issued by the fundraiser and, if it were issued on or after that date, would be issued to the holder as a retail, non-associated client. | The DDF confirms that it has not issued any 'short- term investment products' to any retail, non-associated clients during 2017.<br><br>The DDF confirms that by 1 January 2018 no person will hold a 'short-term investment product' that is issued by the fundraiser and, if it were issued on or after that date, would be issued to the holder as a retail, non-associated client. |
| 7(6) and 7(7) | The charitable investment fundraiser must ensure that all debentures are held on terms that they may only be paid or redeemed if it is satisfied as to certain matters as set out in Condition 7(6). | The DDF has revised its terms of offer to address condition 7(6) and will only repay or redeem a debenture if it has reasonable grounds to believe that the relevant conditions are satisfied. |
| 7(8) | The charitable investment fundraiser must ensure that an entitlement of a person as a retail, non-associated client to be paid or repaid an amount in relation to a debenture may only be discharged by:<br>(a) a transfer to an account of the person with an Australian ADI; or<br>(b) a cheque payable only to the person. | The DDF confirms that this is correct and it has procedures in place to ensure that such a client will not be paid or repaid an amount in any other way. |
| 7(9) | A retail charitable investment fundraiser must not refer to a debenture as being 'at call' or on 'deposit' or any other word or expression that is of like import to those terms. | The DDF confirms that references to investment products being 'at call' or on 'deposit' or similar have been removed. The product previously referred to as being 'At call [31 day investments]' is now referred to as the "Monthly Saver Account" and the terms and conditions have been amended accordingly. |
| 7(10) | The charitable investment fundraiser does not cause, authorise or permit the issue of any promotional material or offer | The DDF confirms that all promotional material and offer documentation contains no such statements or implications. |

| Condition number | Conditions in ASIC Instrument 2016/813 | Response of DDF |
|---|---|---|
| | document that states or implies that any of the following has been approved or examined by ASIC:<br>(a) the charitable investment fundraiser;<br>(b) the debentures;<br>(c) any promotional material or offer document. | |
| 7(11) | The charitable investment fundraiser has disclosed in writing to its investors:<br>(a) how the funds will be used to support its charitable purposes;<br>(b) where the Identification Statement may be viewed;<br>(c) that it is required by law to notify investors that the debentures and their offering is not subject to the usual protections for investors under the Corporations Act or regulation by ASIC;<br>(d) that it does not hold an Australian financial services licence. | The DDF confirms this information has been disclosed in writing to investors. |
| 7(12) | The charitable investment fundraiser ensures that each offer document and all promotional material that it provides to a person as a retail client in connection with the issue of a debenture contains a prominent statement that it is required by law to notify investors that:<br>(a) the investment is only intended to attract investors whose primary purpose for making their investment is to support the relevant charitable purpose;<br>(b) investors may be unable to get some or all of their money back when the investor expects or at all;<br>(c) the investment is not comparable to investments with banks, finance companies or fund managers. | The DDF confirms that these statements appear prominently in each offer document and promotional material, as required. |
| 7(13) | The charitable investment fundraiser must not:<br>(a) issue a debenture to a retail, non-associated client; or<br>(b) accept an additional investment from a retail, non-associated client;<br>unless that person has signed and provided a separate statement stating that the person understands the disclosures required by subsections 7(11) and 7(12). | The DDF confirms that it will vary its account opening procedures and its transaction arrangements to ensure that such statements are provided by retail, non-associated clients so as to comply with this requirement. |

## 4. Financial Year

The financial year for the DDF is from 1 July to 30 June in the following year.

## 5. Australian Financial Services Licence

The DDF is not a wholesale charitable investment fundraiser.

The DDF intends to offer and issue debentures to retail and wholesale clients, including to retail, non-associated clients from 1 January 2018, but it will do so only as permitted under the ASIC Instrument and applicable exemptions in the Act and regulations made under the Act, including section 766C(4) and regulation 7.1.33H.

The DDF does not hold an Australian Financial Services Licence (**AFSL**) and will not be required to hold an AFSL while it satisfies the requirements for the statutory exemptions referred to above.

## 6. Charitable Purpose

The charitable purpose of the DDF is to advance the mission of the Anglican Diocese of Armidale. The investment products that will be issued by the DDF will raise funds to enable the DDF to fulfil its purpose of advancing the mission of the Diocese by enabling the DDF:

(a) to make loans to entities operating within the Diocese for buildings and for other purposes;
(b) to make loans to clergy and staff of the Diocese and its entities and agencies for the purpose of purchasing a home;
(c) to make loans to clergy and staff of the Diocese and its entities and agencies for the purposes of personal expenditure;
(d) to borrow funds as necessary and prudent to support the provision of loans; and
(e) to make grants to the Diocese out of the surpluses from its operations for use by Diocesan Council for such purposes as the Council may determine.

## 7. Methods of Fundraising

The DDF receives funds from a range of investors.
The Act defines a **debenture** as a chose in action that includes an undertaking by the borrowing entity to repay, as a debt, funds invested with or lent to the borrowing entity. Consequently, the investment products offered by the DDF are debentures. The DDF undertakes to repay those funds in accordance with the terms and conditions of the investment product chosen by the investor. The funds which are invested for any or all of the purposes of the DDF will receive interest on those funds at rates which will be determined from time to time by the DDF Board.

## 8. Key Terms for Investment Products

The DDF will offer the following investment products from 1 January 2018 only:

| Type of product | Description | Investors | Interest rates** | Repayable |
|---|---|---|---|---|
| Monthly Saver Account | Suitable for short term investments of a month or more | Parishes<br>Diocesan agencies<br>Schools<br>Associates<br>Parishioners who satisfy investor | Investor receives 2.80%. p.a.<br>Interest rate is variable, as determined by the Board | On a minimum 31 days' written notice*<br><br>For other investors |

| Type of product | Description | Investors | Interest rates** | Repayable |
|---|---|---|---|---|
| | | criteria – see section 9 | from time to time.<br>DDF donates additional 0.40% p.a. from its own funds to investors' preferred Anglican Parish or Diocesan agency or project. | repayable in accordance with client's instructions on reasonable notice. |
| Community Saver Account | Higher interest investment with a bonus donation to support the Diocese or Diocesan agencies nominated by the investor | Parishes<br>Diocesan agencies<br>Associates<br>SMSF of Associates<br>Parishioners who satisfy investor criteria – see section 9 | Investor receives 2.80%. p.a.<br>Interest rate is variable, as determined by the Board from time to time.<br>DDF donates additional 0.40% p.a. from its own funds to investors' preferred Anglican Parish or Diocesan agency or project. | On a minimum 31 days' notice for retail, non-associated clients*<br><br>For other investors repayable in accordance with client's instructions on reasonable notice. |
| Term investments | Higher interest investments | Diocesan agencies<br>Schools | Investor receives 2.80% p.a.<br>Interest rate is fixed for the term. Withdrawals before the maturity date will incur a 50-basis point reduction on agreed rate.<br><br>Applicable rate is determined by the Board from time to time. | On maturity<br><br>All Term investments must exceed 31 days |

Notes: *From 31 December 2017 any existing accounts (see previous Identification Statement dated 26 October 2017) will be converted to accounts which will require retail, non-associated clients to provide a minimum 31-day notice period for repayment. No retail, non-associated client will hold a short-term investment product after 31 December 2017.
**Interest rates stated are those applying to new investors. Existing investors may have different rates which apply to them.

As noted above, the rates of interest paid on each of these products are set by the Board of the DDF, based on the consideration of such factors as the rates of interest offered in the market, market conditions and the cash rate determined by the Reserve Bank of Australia.

The DDF does not impose any fees or charges on investments or transactions by the investors. However, if a Term Investment is withdrawn before the maturity date a 50-basis point reduction will be applied to the agreed interest rate for that investment.

## 9. Investors

From 1 January 2018, the DDF will offer its investment products to **associates**, namely:

(a) parishes and ministry units, which are bodies constituted by or under the authority of a decision of the Diocese;
(b) the Diocese, Diocesan agencies and schools, which are bodies constituted by or under the authority of a decision of the Diocese and created by way of Ordinance;
(c) persons acting as trustees of the Corporate Trustees;
(d) a member of the clergy, employee or voluntary staff member who works for any of the above bodies; and
(e) trainee clergy who receive money or money's worth from a person or entity mentioned in any of the paragraphs (a) to (c) above.

For the purposes of paragraph (d) above, the following criteria will be applied in determining if a person is to be treated as a voluntary staff member for the purpose of relying on that person being an associate:

- a person who is a member of the governing body of the Diocese, a Diocesan agency, school or parish or other ministry unit;
- a person who is a member of any committee established by the Diocese to further the work of the Diocese;
- a person who works on a voluntary basis for at least 40 hours a calendar month in a business operated by a parish or Diocesan agency;
- a person who works on a voluntary basis for at least 40 hours a calendar month in a Diocesan charitable program (for example, on a program which assists vulnerable members of the community by providing support such as counselling and low or no cost food and other household goods and services).

The investment products will also be offered to a class of parishioners who are **retail, non-associated clients** where doing so complies with the self-dealing exemption under section 766(4) of the Act. This class of parishioners must satisfy the following criteria:

- they are 18 years of age or more;
- they have primarily and usually attended services of public worship for a period of no less than three (3) months in a parochial district of the Anglican Diocese of Armidale prior to signalling their intention to invest in the DDF; and
- they are not a member of any other Christian denomination.

Except as identified above the investment products will not be offered to any other person.

The investment products will be offered to the investors by means of marketing material and will be available at the premises of parishes, ministry units, Diocesan agencies, and schools.

## 10. Financial Reports

The annual financial reports for the DDF are audited by an appropriate independent auditor and these reports are lodged with ACNC, ASIC and the Anglican Church of Australia's Diocesan Financial Advisory Taskforce.

## 11. Guarantee

The DDF is guaranteed by The Corporate Trustees of the Diocese of Armidale by virtue of section 27 of the *Diocesan Development Fund Ordinance 2017-2021*. The Corporate Trustees of the Diocese of Armidale guarantees any obligation of the Fund's Trustee in relation to any payment to an investor of any part or the whole of an investment made by the investor into the Fund, this being subject to, and limited by, the terms and conditions applicable to the investment.

## 12. Asset Types

Primarily the types of assets the DDF will hold are as described in section 6 (a)-(c) above. However, any surplus funds may be invested consistent with the investment policy under which the DDF operates.
The investment policy provides that the DDF can invest in cash, interest-earning securities, equities and managed investment funds. Further, the DDF is able to invest in secured Anglican retail loans, secured Anglican entity loans and unsecured loans.

As at the date of this Statement, the classes of assets held by the DDF were:

- loans as described in section 6 (a)-(c) above, including secured Anglican entity loans and secured Anglican retail loans;
- cash or term deposits with ADIs with an appropriate credit rating; and
- interest-earning securities.

The DDF does not hold any assets outside Australia.

## 13. Website

At this time, the DDF does not maintain a website. As a result, this Identification Statement will be publicly available on the website of the Anglican Diocese of Armidale:
http://www.armidaleanglicandiocese.com/invest-with-us/

The DDF will ensure that this Identification Statement will remain publicly accessible on the Diocesan website for five years after the last time the DDF relies on ASIC's acceptance of this Identification Statement for the purposes of ASIC Instrument .

## 14. Currency of Identification Statement

This Identification Statement has been lodged with ASIC and accepted by it.

The DDF will take all reasonable actions to ensure, at all times, that the information in this Identification Statement is up to date, complete and not misleading.

Accepted: 24/11/2022. Effective: 24/11/2022.

## 15. Consent

The DDF consents to allowing a person to examine this application for exemption on request to ASIC.

Rev. Christopher Pears
Executive Officer
Diocesan Development Fund
23 November 2022