

Collector Wind Farm Community Trust

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Advisory Committee rules

1. Background

Collector Wind Farm Pty Ltd (**CWFPL**) is the developer and infrastructure operating company for the Collector Wind Farm project (**the Wind Farm**) located in the area of Collector in the Southern Tablelands of New South Wales. The Wind Farm is anticipated to commence commercial operation in early 2021, with an operational life expectancy of 25 years.

Following agreement between CWFPL, Upper Lachlan Shire Council (**Council**) and the NSW Government, there are two community enhancement funds associated with the project.

Council will manage one fund via a Section 355 committee. The Collector community will manage the second fund, with assistance from CWFPL, through the Collector Wind Farm Community Trust (**the Fund**)

This Fund is not only a vehicle for corporate philanthropy, but also as a means to invest in the local community and share the benefits of the operation of the Wind Farm with the local community.

This document provides background for the Advisory Committee who will assist the Trustee in the administration of the Fund, including the Advisory Committee Rules and other initial directives from the Trustee.

2. Establishment of the Collector Wind Farm Community Trust

On 5 November 2020 CWFPL settled the Collector Wind Farm Community Trust (**Trust**), and has appointed Collector Wind Farm (Holdings) Pty Ltd as the Trustee of the Trust (**Trustee**).

2.1. Trustee

The Trustee:

- has ultimate responsibility for probity and financial management of the Trust and the Fund;
- has powers under the Trust to establish advisory committee(s) to drive day to day management and decision making;
- undertakes its duties on a voluntary basis, and is able to claim reimbursement of reasonably incurred expenses for the purposes of administering the Trust; and
- if required, may arrange an annual independent review of the Trust's financial records.

2.2. Advisory Committee

The Advisory Committee is provided with broad autonomy to recommend how the Fund will be awarded to Eligible Projects. It is then the Trustee's role to confirm the decisions of the Advisory Committee and

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administer the award of financial support, unless the proposed project does not comply with the Objects of the Trust or adversely impacts RAC's business practices or reputation.

Further information regarding the framework for the Advisory Committee is provided at Section 3.

The Trustee may appoint further advisory committee members as it sees fit, however the Trustee seeks to minimise the use of resources on the administration of the Trust and the Fund, to maximise resources available to fund eligible community projects.

The opinion or decisions of the Advisory Committee are recommendations only and do not bind the Trustee in any way.

2.3. Financial management

It is anticipated that RATCH-Australia Corporation Pty Ltd (the ultimate holding company of the Trustee) (**RATCH**) may assist the Trustee where required in the preparation of financial reports or processing of payments associated with the Trust.

The Secretary of the Advisory Committee will be responsible for collating financial information, keeping minutes of Advisory Committee meetings, secretariat/treasurer duties, collecting receipts of payments made by the Fund, and communicating progress of actions to the Trustee. The Secretary of the Advisory Committee will be an employee or contractor of RATCH-Australia Corporation Pty Ltd.

2.4. Structure of the Trust – long term strategies

The Trust is

- a *self-assessed income tax exempt entity* – lower administrative burden, only requires compliance with Trust Objects, cannot issue tax deductible receipts; and
- *not a charity, not a deductible gift recipient* – does not require endorsement or registration, cannot issue tax deductible receipts.

3. **Advisory Committee¹**

3.1. How is the Committee comprised and what role does the Committee play in administering the Fund?

In the spirit of community empowerment, most administrative and decision making functions for the Fund will be led by the Advisory Committee made up of local community members. The Fund will be guided and advised by a local voice, in tune with local and regional issues that require support from initiatives such as this Fund.

The Trustee will provide oversight in the management of the Fund to ensure that the Fund is managed in accordance with the Objects of the Trust and in accordance with Australian laws. The Trustee will have an ultimate right of veto in the event that the Advisory Committee agrees to support a project that the Trustee decides is not eligible or not appropriate for funding by the Fund.

The Advisory Committee roles are not remunerated and are appointed on a voluntary basis. If required, the committee members may be eligible for reimbursement of pre-approved, reasonably incurred expenses relevant to their duties on the committee, at the discretion of the Trustee.

The Trustee reserves the right to appoint its own representative in the Secretary role. The purpose of allocating a committee member to the role of Chairperson is to provide a casting vote in the event of a decision making deadlock within the Advisory Committee.

¹ This document may be amended over the anticipated 25 year operation of the Fund to reflect any changes in circumstances. In the event of inconsistency between this section 3 and clause 6 of the Trust Deed, the provisions of the Trust Deed prevail.

Prior to commencing as a member of the Advisory Committee, members are required to complete a **volunteer agreement**.

3.2. Committee responsibilities

The Advisory Committee is responsible for:

- advising on promotional material and advertising or appropriate communication streams for the community;
- assessing applications for funding, to ensure that Fund resources are allocated in accordance with the Objects of the Trust;
- objectively review the effectiveness of previous funding allocations in line with funding guidelines;
- guiding the administration of the Fund to maximise benefits for the Collector Community;
- providing recommendations to the Trustee, as the local voice, to guide the Fund's support of eligible projects; and
- where required, reporting and complying with the reasonable directions of the Trustee.

3.3. Advisory Committee roles

The Advisory Committee shall comprise of the following:

Committee Member 1:

- will be a Community Member;
- will have a three (3) year term;
- will serve as the Chairperson of the Advisory Committee for a minimum of 12 months;
- as Chairperson shall preside at all Advisory Committee meetings at which the Chairperson is present; and
- after the first 12 months as Chairperson, the Advisory Committee may confirm or discuss whether the role of Chairperson is passed on to another Committee Member.

Committee Member 2:

- will be a Community Member;
- will have a three (3) year term.

Committee Member 3:

- will be a Community Member;
- will have a three (3) year term.

Committee Member 4 (Secretary):

- a representative from RATCH, or any other delegated person representing this interest, as nominated by a majority of the Board of Directors of RATCH;
- the term of the Secretary will be determined by RATCH, at its discretion; and
- is responsible for keeping minutes of each meeting.

With the exception of the Secretary, no member can be reappointed immediately following the completion of their three (3) year term, unless otherwise determined by the Trustee.

No member can be eligible for appointment if they are:

- also a current member of the section 355 committee established to administer funds from Collector Wind Farm;
- a current Councillor of the Council or of any other local council;
- a landowner who owns any land used for the Wind Farm and all associated and ancillary purposes or associated and ancillary infrastructure for the Wind Farm; or
- other than the Secretary, a person who receives financial benefit from RATCH, CWFPL, the Trustee or a landowner (whether directly or indirectly, for example a family trust).

3.4. Holding Advisory Committee meetings

The Advisory Committee must meet at least twice a year or as otherwise directed by the Trustee. Meetings of the Advisory Committee shall be held at such times and places as the Advisory Committee determines, subject to notice of the agenda to be issued 14 days before the meeting date.

An Advisory Committee meeting may be attended by:

- the committee members; and
- any person that the Advisory Committee invites to attend an Advisory Committee meeting.

A committee member may apply to the Chairperson to have an item placed on the agenda.

3.5. Quorum and voting

No business shall be transacted at any meeting of the Advisory Committee unless at least a quorum of committee members is present for the whole time during which the business is transacted.

At a meeting of the Advisory Committee:

- at least two (2) of the three (3) committee members and the Secretary form a quorum; and
- every question before the Advisory Committee must be determined by a majority of the votes of the committee members present and voting on that question.

In the event of a deadlock, the Chairperson of the Advisory Committee shall have the casting vote.

The Secretary does not have voting rights.

3.6. Nomination of proxy

In the event that a committee member is unable to attend, that member may assign their right to vote to a proxy, and that proxy must be a current committee member and must vote in accordance with the member's instructions. The committee member's assignment of a proxy for a meeting must be submitted in writing 24 hours before the relevant meeting.

3.7. Declaration of interests

The Trustee recognises that advisory committee members may also be members of organisations applying to the Fund for grants. In the interest of transparency, advisory committee members must declare any such interest at the start of the meeting when the application will be discussed.

Unless the committee member, or a member of their immediate family, will derive a direct financial benefit from the application, they are not precluded from discussing the application or casting a vote in relation to the application.

Example 1

If a committee member has children enrolled at a school which applies for a grant for improvements to facilities on school grounds, the committee member must declare this interest, but does not derive a financial benefit from this grant being awarded, and is **not precluded** from discussion or voting on the application.

Example 2

If an organisation seeks to establish a scholarship fund for children enrolled at a local school to access higher education and a committee member has a child enrolled at the school who would be eligible to receive the scholarship, they or an immediate member of their family could potentially derive a financial benefit and would therefore **be precluded** from discussing or voting on this application.

Example 3

If a committee member is also an unpaid member of a local sports club which applies for a grant for a new lawnmower, they derive no direct financial benefit from this grant being awarded, and should **not be precluded** from discussion or voting on the application.

Example 4

Using the same scenario as example 3, if a committee member is involved in the supply of lawnmowers on a commercial basis, they could potentially expect to derive a financial benefit from the award of this grant and **are therefore precluded** from discussing or voting on the application.

Example 5

There may be cases where all committee members could potentially derive financial benefit from grants being awarded. If it is clear that the application is predominantly for the benefit of the wider community and committee members are not the sole beneficiaries, then they should not be precluded from discussion or voting on these applications.

If an organisation applies for a grant to establish a fund to be used for the installation of energy efficiency measures at properties within the qualifying area, which would have the effect of reducing power bills, committee members could potentially derive direct financial benefit. However, as all properties in the community could potentially benefit, committee members should **not be precluded** from considering this application.

3.8. Minutes

The Secretary is responsible for keeping minutes of each meeting. Following each meeting:

- the minutes of the previous meeting must be distributed to each committee member;
- if necessary, the minutes may be amended;
- the minutes must be approved by the Chairperson confirming the minutes as a true record of the proceedings; and
- the minutes will be published on the Collector project website.

3.9. Recruitment of future committee members

It is proposed that the Advisory Committee will seek to arrange recruitment of candidates to become the next committee members approximately 2 years into the current Advisory Committee term. It is proposed that the incoming committee members then shadow the existing committee member over the last six (6) months of their term to enable adequate handover.

3.10. Advisory Committee conduct

Guidance

Please refer to clause 6 of the **Trust Deed** and this section 3 regarding the governance of the Advisory Committee, and the terms of the **volunteer agreement**.

Further guidelines (developed in conjunction with the Advisory Committee) may be issued by the Trustee to assist in assessing applications for funding from the Fund. Please also refer to the proposed calendar for the Fund and proposed meeting dates at Section 5 below.

Volunteer agreement

Prior to commencing as an Advisory Committee member, the member must sign a **volunteer agreement**. The Trustee must also ensure that the volunteer agreement is completed by the incoming member prior to that member commencing their term.

4. What type of projects can the Fund support?

4.1. Objects of the Trust

The Objects of the Trust inform the long term governance of how the Fund is able to be applied. Please refer to clause 2.4 of the **Trust Deed** which is reproduced below.

The Trust Fund will be applied by the Trustee in the Trustee's absolute discretion in accordance with the terms of this Deed in carrying out the following objects (which are not listed in order of priority):

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- *providing assistance in whatever form to persons, schools, universities and other registered training organisations within the Collector Community, to enable students to develop the knowledge and skills in life to be self-sufficient;*
 - *providing assistance in whatever form to persons, schools, universities and registered organisations to make education more accessible to the Collector Community;*
 - *promoting awareness and respect in the Collector Community of the art, culture and history of Indigenous people within the Collector Community who have a cultural connection to the land;*
 - *promoting awareness and respect in the Collector Community of the art, culture and history of the Collector Community;*
 - *providing infrastructure and other facilities to the Collector Community to build community resilience and to provide additional resources to assist with improving the Collector Community's social wellbeing;*
 - *providing financial assistance to the Collector Community to allow investment in medical facilities and hospitals located within the Collector Community;*
 - *providing assistance in whatever form to the Collector Community to promote, encourage, allow or carry out environmental or sustainability initiatives within the Collector Community;*
 - *providing assistance in whatever form to the Collector Community to enable the provision of Community Respite²;*
 - *engaging in any other ancillary activities which benefit the Collector Community and enable the Trustee to fulfil the Trust Objects listed above; or*
 - *all such other things that are incidental, ancillary or conducive to furthering the purposes of the Trust set out above.*

4.2. Example of eligible projects

The Fund can support the Collector Community by way of Eligible Projects that may include, but are not limited to projects listed below, so long as the project complies with the Objects of the Trust:

- funding for scholarships for students from the Collector Community to attend school, TAFE, registered training organisations, college or university;
- provision of educational short courses, such as first aid courses, that would be of benefit to the Collector Community;
- grants for equipment for local emergency services organisations;
- grants for sporting, musical or educational equipment for schools and colleges located in the Collector Community;
- support of sporting or other clubs and associations located in the Collector Community;
- support of local festivals, fetes or events located in the Collector Community; or
- grants for community projects located in the Collector Community.

Should the Advisory Committee require guidance as to whether a project meets the Objects of the Trust, please do not hesitate to communicate the query to the Trustee via communityfund@ratchaustralia.com.

4.3. Examples of ineligible projects

The Fund has not been established to support, and will not accept applications from or provide funding or grants for:

- (a) projects that, in the opinion of the Trustee, are the responsibility of Federal, State or local government;
- (b) individuals seeking support for overseas travel for any purpose;
- (c) covering the costs of alcohol, drugs and gambling;

² As defined in the Trust Deed, **Community Respite** refers to emergency respite or community respite care and specifically, to a situation where a member, or group of members, of the Collector Community require relief, financially or otherwise, where assistance is not available from established programs, as determined by the Trustee in its discretion.

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- (d) covering the costs of illegal or unethical activities;
 - (e) political organisations or campaigns;
 - (f) fundraising events such as raffles;
 - (g) religious organisations for religious purposes; (defined as a purpose directly connected with religious worship, teaching, or service);
 - (h) organisations seeking funds to cover salaries;
 - (i) applications seeking retrospective funding i.e. for costs already incurred before approval of funding is given;
 - (j) previously successful organisations who have failed to implement their program prior to the current round of funding; or
 - (k) projects that, in the opinion of the committee and/or Trustee, are environmentally, socially or economically unsustainable.

5. Proposed calendar of Fund

To minimise the administrative requirements of the Fund, disbursement of funding may occur on a biannual basis for the first two years. Depending on the level of interest in the Fund after the first two years, the Advisory Committee may consider reverting to a single round of funding per year.

6. Useful references

The following documents may be helpful for committee members when assessing applications for funding:

- Document C: Guidelines: Terms and Conditions for eligibility for funding;
- Application Form; and
- Code of Conduct.