

Resolutions for changes to banking arrangements

Preamble

Over the years many Goolawah members have expressed a preference for using Credit Unions and Customer Owned Banks rather than the four major banks and their subsidiaries. Some members also use these for their personal banking. The profits generated by Credit Unions and Customer Owned Banks provide benefits to their members in the form of higher interest on deposits and lower interest on loans because they do not have to provide a return to external shareholders.

Our main operating account

As well as being a Customer Owned Bank, the choice of Bank Australia in 2015/16 as our main operating account was influenced by their commitment to 'Responsible Banking' including their environmental values.

It is a requirement of our rules that all payments from our bank accounts be signed by two authorised persons. Our main operating account with Bank Australia has only two authorised signatories so if either one is unavailable we are unable to make any payment from this account. After considerable effort we have been unable to add signatories to this account for two main reasons:

- The Know Your Customer (KYC) Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) requirements imposed on banks by the Government's Australian Transaction Reports and Analysis Centre (AUSTRAC) have become increasingly stringent.
- Bank Australia does not have a branch readily accessible for Goolawah directors/signatories to visit and provide the necessary identification.

The following resolutions are intended to remedy this situation and ensure that we are always in a position both to pay our bills on-time and to maximise interest income from our savings.

The Financial Claims Scheme

The Financial Claims Scheme (FCS) is an Australian Government scheme, administered by the Australian Prudential Regulation Authority (APRA), that provides a government-backed safety net for deposits of up to \$250,000 per account holder per authorised deposit-taking institution (ADI) in the unlikely event that one of these financial institutions fails.

While we are accumulating funds for Nevertire Road Upgrade Stage 2 our total bank balance will be well above the \$250,000 FCS limit and it is therefore prudent to have accounts with more than one bank or credit union.

Resolution 1

To open a new transaction account with Coastline Credit Union in Kempsey using the signatories already registered with them for our existing eSaver account. This account to be our main operating account into which members pay their levies and from which we pay suppliers and transfer funds to and from our savings accounts to maximise interest.

Rationale

Coastline Credit Union (CCU) is based in Kempsey and is readily accessible if it is necessary to visit the branch for any reason such as opening the account or changing signatories. We already have four signatories registered and, due to our existing relationship with CCU it is a simple matter to add this account. The necessary paperwork has already been provided. It will also be necessary to change the banking details on the Invoice/Statement sent to members and allow time for members to establish this as their normal payment method. Once the flow of all levy payments into this account has been established (which may take some time) the Bank Australia account can be closed.

Proposed: John Tennock

Seconded: Wayne Skinner

Resolution 2

To open a new 'Savings Booster' account with Regional Australia Bank with authorised signatories to be nominated by the meeting.

Rationale

This additional savings account will enable us to limit our deposits with any one financial institution to the \$250,000 limit of the Financial Claims Scheme. Regional Australia Bank (RAB) is a customer owned bank based in Armidale and has branches in Kempsey, Port Macquarie, Wauchope and other locations in our region. Opening this account will require compliance with the bank's KYC requirements detailed in their 'Co-operative membership and account application form' which can be submitted through their Kempsey branch. At the time of writing the 'Savings Booster' account earns 5.00%p.a. interest provided we deposit at least \$100 and don't make any withdrawals through the month.

With both the CCU and RAB savings accounts above, funds are available at call which provides flexibility to pay for Nevertire Road Upgrade in smaller stages, negotiated with the contractor, as funding is available which will help keep the project within budget in the face of rising costs.

Proposed: John Tennock

Seconded: Wayne Skinner

John Tennock

Treasurer

15/01/2024