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Version 2

Questions and Answers relevant to the Gregory Terrace 1987 Class Bursary

1	<p>What is a bursary and what is the purpose of the 1987 Class Bursary?</p> <p>A bursary is a principal capital sum, and the income generated from the sum is expected to support the education of eligible students.</p> <p>The purpose of the 1987 Class Bursary is intended to:</p> <ul style="list-style-type: none">i) fund the education of eligible students (as expressed below in Question 3) at Gregory Terrace (“the College” or “Terrace”) in perpetuity, in the form of a full or partial bursary as required from time to time, to the extent that it is financially viable to do so; andii) be a recognised contribution in the name of the Gregory Terrace 1987 class cohort.
2	<p>What is included in the bursary for eligible student recipients?</p> <p>The key characteristics of the 1987 Class Bursary are:</p> <ul style="list-style-type: none">i) to meet the costs of up to 100% of the annual tuition fee, levies, uniforms, excursions and a reasonable computing device of eligible students. This will not extend to cover extraordinary excursions;ii) the College may provide full or partial bursaries as it sees fit from time to time; andiii) the typical duration period for a bursary is intended to be for a full high school period, currently up to 6 years from Year 7 until Year 12. A bursary for a shorter or longer period may apply at the discretion of the College. <p>If the College’s standard Gregory Terrace Foundation (“Foundation”) bursary inclusions change, then the 1987 Class Bursary inclusions may be changed accordingly.</p>
3	<p>Who is an eligible recipient of this bursary?</p> <p>An eligible student recipient of the 1987 Class Bursary:</p> <ul style="list-style-type: none">i) will successfully complete any selection processes set by the College to ensure that:<ul style="list-style-type: none">(a) they are appropriate to attend the College in terms of financial need;

	<ul style="list-style-type: none"> (b) they will be of excellent character such that they display appropriate personal attributes of a Terrace Gentleman; (c) they will value, respect and benefit from an education at the College, and (d) they demonstrate appropriate overall academic ability, be a good all-rounder, show signs of strong community engagement and/or leadership qualities. <ul style="list-style-type: none"> ii) will not be a bursary based upon academic, athletic, or cultural abilities; iii) will be subject to the standard review processes applied by the school from time to time; iv) will comply with Australian immigration requirements and any Australian Taxation Office requirements with respect to maintaining the tax deductibility requirements of the Foundation; and v) may or may not be a relative of a Terracian.
<p>4</p>	<p>What is the history of the bursary program at Terrace?</p> <p>At the time of writing there are currently 23 student boys in the bursary program at the College although not all are on 100% bursaries, but the majority are totally funded by the Foundation.</p> <p>Throughout Terrace’s history there have been students at the College who have needed financial support. For much of Terrace’s history this support has been provided and supported at the ‘grace of the Christian Brothers’. This support is consistent with the Charism of Edmund Rice who began the Christian Brothers in order that they could provide educational opportunities for students at the margins of society.</p> <p>The creation of the Foundation in 1986 provides the opportunity for contributors to support the education of students at Terrace who may not otherwise have access to such an opportunity. The current bursary program, which commenced in 2008, raised funds from members of the wider Terrace family in order that students could be provided with the opportunity of a Terrace education.</p> <p>The current bursary program has a particular focus, although not exclusively, on supporting Indigenous and Refugee students.</p> <p>Since 2008, there have been 20 graduates with 18 going on to further study, 1 going into the Armed Forces and the other is working.</p>
<p>5</p>	<p>How will the bursary be structured?</p> <p>The Foundation was originally established on 18 September 1986 to support building infrastructure at the College and to also support the education of those in need. The Foundation is a charitable trust for tax purposes.</p> <p>The 1987 Class Bursary will be managed as a separate account within the Foundation’s endowment account and recognised as the “1987 Class Bursary sub-account”.</p>

	<p>The wishes of the contributors, as described in this Q&A, will be given due consideration by the Foundation when managing the capital in the sub-account and providing bursaries to eligible student recipients. The Foundation will have the full discretion to manage the 1987 Class Bursary accordingly.</p>
<p>6</p>	<p>Is a contribution to the 1987 Class Bursary tax deductible?</p> <p>Yes - contributions to the bursary are typically tax deductible for those with a tax obligation in Australia and/or the USA. For individuals with a US tax obligation, donations are made to The Australian Independent Schools USA Foundation and directed to Terrace via www.aisusafoundation.com. More information on this is available upon request.</p> <p>It is recommended that individuals looking to contribute seek tax advice based on their personal financial circumstances.</p>
<p>7</p>	<p>How much is intended to be raised to support the 1987 Class Bursary and when will the bursary actively start funding the education of eligible student recipients?</p> <p>Initial funding will be required to accumulate over several years and will include a combination of contributions and earnings. The intention is to raise as much capital as possible to support one or more full or partial bursaries on an ongoing basis.</p> <p>The initial minimum amount set by the Foundation to support a single full bursary is \$400,000 ("Minimum Full Bursary Sum") and this is the target capital sum objective for this initiative, although it is hoped that more will be raised. The Minimum Full Bursary Sum required is based on the recommendation of the Foundation investment adviser and the Foundation's investment committee.</p> <p>To allow the bursary to deliver a positive impact in the near term, and to put time frames in place that will drive an outcome for contributors and the Foundation, the 1987 Class Bursary will commence on a partial bursary basis, at the earlier of:</p> <ul style="list-style-type: none"> i) the school year following the receipt of enough capital to commence a half bursary equating to \$200,000, or ii) 31 December 2023, at which point if the sum contributed (commitments and received) is greater than \$100,000 then a quarter bursary will proceed (once funds are received by the Foundation) in accordance with the wishes as described in this Q&A. <p>It is important to note that several measures have been agreed with the Foundation to secure the intended status of the bursary surviving in perpetuity. The Foundation may revise and determine a new Minimum Full Bursary Sum from time to time based on the actual cost of a standard bursary at the College, relative to the available funds in the "1987 Class Bursary sub-account" after 31 December 2023. Also, if another similar bursary is established by the Foundation after 31 December 2023, and the capital amount is higher than the Minimum Full Bursary Sum at the time, this will establish a new Minimum Full Bursary Sum and an appropriate pro-rata equivalent will apply to partial bursaries. This may result in the Minimum Full Bursary Sum being increased through a combination of further contributions,</p>

	<p>earnings and by applying fallow years as required. The Minimum Full Bursary Sum may not be reduced.</p> <p>Capital raised surplus to the Minimum Full Bursary Sum will be allocated to additional partial and/or full bursaries at the discretion of the Foundation. Surplus funds are intended to derive an income to support the 1987 Class Bursary, rather than service immediate cash requirements for bursaries.</p>
<p>8</p>	<p>Is there a situation where this initiative could fail to proceed due to limited capital contributions?</p> <p>If, by 31 December 2023 the sum contributed is less than \$100,000 (commitments and received) then the Foundation will have discretion to continue with this initiative by waiting to procure an appropriate amount of capital to commence a quarter bursary or utilise the funds within the Foundation at which time the general terms of the Foundation will apply, without reference to of the “1987 Class Bursary”.</p> <p><u>As at the date of writing, the total commitments exceed the \$100,000 minimum and several further advanced conversations are underway to materially exceed this minimum amount in the near term.</u></p>
<p>9</p>	<p>How and who will manage the 1987 Class Bursary after the capital has been contributed?</p> <p>The 1987 Class Bursary will be managed with consideration for its long-term viability. If it is determined by the Foundation, acting on the advice of the investment adviser that, to replenish capital so as to maintain the ongoing financial viability of the 1987 Class Bursary, a “fallow” period between eligible recipients may be implemented. Further to this, during periods when the initial capital requirements of the 1987 Class Bursary are being accumulated, during fallow periods and during periods when accumulated surplus income is available, these funds will remain in the “1987 Class Bursary sub-account” to ensure that the purpose of the 1987 Class Bursary being available in perpetuity is satisfied.</p> <p>The 1987 Class Bursary (capital contributions and income it derives):</p> <ul style="list-style-type: none"> i) will be managed at the full discretion of the Foundation in line with good governance practices; ii) will be managed by adopting a prudent and conservative financial investment strategy with an appropriately skilled investment adviser; iii) will be managed as a separate sub-account named the “1987 Class Bursary” within the Foundation’s endowment account; iv) will be managed subject to a pro-rata share of the Foundation's endowment account administration costs; v) will have all costs associated with the advertising and promotion of the 1987 Class Bursary covered by the College; and vi) may be combined with other bursaries in the Foundation on a case by case basis.
<p>10</p>	<p>What happens if there is not enough money in the bursary in the future to support this initiative in the long term?</p>

	<p>It is the intention of the Foundation that the bursary will be managed in perpetuity to support the intended purpose as described in question 1 and the terms outlined in this Q&A endeavour to achieve that. However, contributors should be aware that the 1987 Class Bursary will be subject to a wind-up provision after 31 December 2023, if:</p> <ul style="list-style-type: none"> (a) the available bursary capital sum in the “1987 Class Bursary sub-account” falls below a quarter of a Minimum Full Bursary Sum at the time, and (b) there is no likelihood of additional contributions, and (c) there is a low probability that it can be restored to at least a quarter bursary over a 3-year period. <p>If these 3 events occurred then the Foundation will have the discretion to close the “1987 Class Bursary” and absorb the balance of the principal bursary sum into the Foundation where the capital will continue to be used for the good of the College and its students, and at that time all the normal terms of the Foundation will apply.</p> <p>Further to this, if in the unlikely event the Foundation itself was wound up, the capital contributed to the 1987 Class Bursary will then be utilised for a purpose beneficial to the future of the College and students at the College.</p>
<p>11</p>	<p>Who is eligible to contribute to the bursary?</p> <p>There will be no restrictions imposed by the College or the Foundation on contributions to the 1987 Class Bursary by contributors who were not students in the 1987 cohort. Friends and families of members of the 1987 cohort will be permitted and encouraged to contribute.</p>
<p>12</p>	<p>Will contributors receive updates on how a student recipient is progressing?</p> <p>The student will be asked to write a letter to the 1987 Class Bursary Donors, near the end of their education, acknowledging and thanking them for the provision of a Terrace education. The letter may include highlights and opportunities that the Terrace education has provided as well as any plans they would like to share about their future hopes and dreams. The Foundation will forward the letter onto all members of the Class of 1987 where contacts are available.</p>
<p>13</p>	<p>Who has established the 1987 Class Bursary?</p> <p>The bursary has been established by the College in collaboration with a group of willing contributors from the 1987 year group and based on feedback and interest from a wider number of individuals from the 1987 cohort.</p> <p>Instigators of the 1987 Class Bursary concept include:</p> <ul style="list-style-type: none"> - past 87 student members, Scott Gardner, Jeremy Prentice and Joe Gallagher - Dr Michael Carroll (College Principal), Lea Walker-Franks (Director of Development) and Damian Wright (Foundation Chair)

	<p>It is expected that nominated people from the 1987 Class cohort will collaborate from time to time in order to assist with the development of this initiative.</p> <p>Individual amounts contributed will not be public, however many contributors are happy to confirm that they have contributed. Contributions may also be anonymous.</p>
14	<p>How much has been raised so far and who should be contacted to make further enquiries about the bursary?</p> <p>For more information about the 1987 Class Bursary and for an update on the amount of capital raised so far please contact:</p> <p>Mrs Lea Walker Franks Director of Development LeaWalker-Franks@Terrace.qld.edu.au (07) 3214 5210</p>