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Australian Board / Quarterly Report

Hillsong Church

May 2023

Contact: governance@hillsong.com



Message from the Chair

DR STEPHEN CROUCH

Dear Church,

As a church, we have experienced positive change and challenging events in the first quarter of this year. I acknowledge that for many it's been a difficult time. Therefore, I want to begin this report by expressing a sincere thank you to you all, for your engagement, care and understanding.

As I shared at our second Church Update Evening over a month ago, if 2022 was the year of transition – 2023 will be the year of change. Considerable effort has been put into re-imagining the way our church will operate, directing focus, resources and effort into achieving the new mission.

Since Phil and Lucinda have started in their new roles, they have had to deal with the most difficult of issues and circumstances - a true baptism of fire. My respect for them has increased immeasurably; their commitment and diligence to leadership has been outstanding. Due to their efforts, we now have more certainty regarding our new vision, mission and structure.

This report shares the significant steps we have made in the first quarter of this year, in the following areas:

- Our vision, mission and Australian structure
- An overview of the outcomes from the Church Update Evening and an Employment Matter
- Renewing the Australian Board, including an update from the Committee responsible for the renewal.

Please be assured that as leaders of Hillsong Church, we welcome the opportunity to be examined, to clean house where it is needed, and to become better. We take ownership of the past and are forging a better way forward as a mission-driven church with a focus on healthy church communities, being purpose-filled Jesus followers, and having a significant and sustainable social impact on our communities.

The commitment of the Australian Board is to continue to place a greater focus on trust, culture and health within our church. This quarterly report demonstrates the significant changes we are making and will continue to make, towards being a healthy church, changing lives through Christ.

May God's blessing continue to rest on you.

Dr Stephen Crouch



Amanda Tay
GAICD, B.Bus



Phil Dooley
Global
Senior Pastor
B.Bus



Dr Stephen Crouch
GAICD, FCA, B.Bus,
MEc, DBA
Chair



Louise Markus
BSocWk
Deputy Chair



Dane Gambrill
GAICD, PMC



Jessica Martin
BComLLB, GDLP

Summary of progress to date:

Appointment of Phil and Lucinda Dooley as Global Senior Pastors

On the 6th of February, I had the enormous privilege, along with our Global Board, to announce Phil and Lucinda Dooley as our new Global Senior Pastors of Hillsong Church. Not long after, they announced to our church on Mission Sunday, 19th February, three strategic pillars that will support the outworking of our vision and mission:

- Healthy Church Communities
- Purpose-filled Jesus followers
- Significant and sustainable social impact

I believe they will continue to lead our church with grace and wisdom as we step forward into a new era.

Church Update Evening

On 30 March 2023, we held our second Church Update Evening in Australia at our Hills Campus. We addressed issues relating to the allegations raised in Federal Parliament earlier in the month but also shared the way forward with our new vision, mission, structure and governance procedures. Along with myself as Global and Australian Chair, members of our Australian Board presented including Louise Markus, Amanda Tay and Jessica Martin.

Employment matter

In August 2022, Hillsong Church received a statement of claim from an employee. The statement of claim included several untested allegations regarding financial transactions, governance and compliance which were subsequently reported in the media.

In response, we engaged the forensic consulting team at Grant Thornton to establish the factual basis of the allegations. We ensured that the scope of the work was broad enough so that they could have unlimited access to all transactions covered by the allegations.

On 30 March 2023, the employment proceeding resolved in mediation. Shortly afterwards and as promised, we released a copy of the Grant Thornton summary report. A copy of this summary report and a letter from our lawyers at Prolegis providing comments on the findings can be obtained from Hillsong Newsroom.

The letter from Prolegis contains the following comments:

The factual matters established in the summary report do not support allegations that there has been unlawful conduct by entities that use the name Hillsong or its personnel, or that there has been non compliance with their obligations as registered charities.

The summary report demonstrates that the matters that have been alleged reflect a misunderstanding about the factual circumstances, the detail of transactions, or the arrangements generally.

Allegations in parliament

On 9 March 2023, a member of the Australian Parliament used parliamentary privilege to make public many thousands of internal Hillsong documents. Those documents contained information about Hillsong and personal information about members of our congregation and employees. Clearly, those documents were accessed and disclosed to third parties without authorisation. Some of the documents made public in this way contained information that had been created or varied by others, and are not Hillsong documents.

Some of the untested allegations made in parliament have similarity to those made in the statement of claim and others were new. Prolegis have observed that the allegations which are characterised as unlawful in the tabled documents do not relate to unlawful conduct.

We reiterate that Hillsong is committed to complying with its obligations as a registered charity and as a taxpayer, and has always sought to comply with its obligations in this area, relying appropriately on professional advice when required. We require time to work through the matters raised, as do the relevant regulatory bodies.

We accept that there have been times when financial decisions should have been stewarded in a more appropriate manner.

The letter from Prolegis contains the following:
Most of the allegations appear to relate to a concern about whether historic expenditure was appropriate in a church context. That is a discussion that should sensibly occur in a church context.

We accept this view and we will continue the work we have already commenced in improving our governance capability and practices.

Board Renewal

Pastor Peter Toganivalu resigned from the Australian Board this month. On behalf of the Australian Board, I would like to thank and honour him for his service. My prayers and well wishes go to Peter, Laura and their family as they embark on their new season.

As the Chair of the Australian Nominations Committee (ANC), Dane Gambrill will provide a progress update on in this report (refer to pg 5). Louise Markus (Deputy Chair) and along with Jessica Martin, form the rest of the ANC.



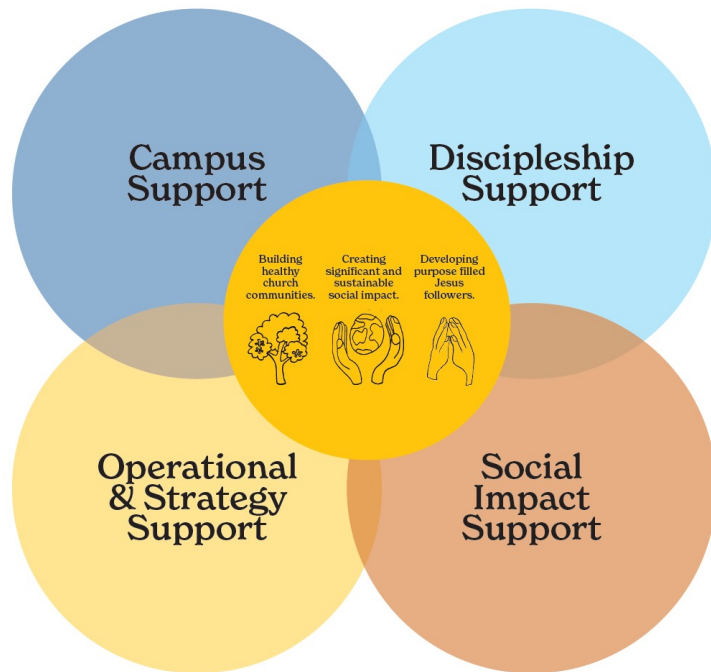
Australian Structure

Since our commissioning of **Phil and Lucinda** as our **Global Senior Pastors** in February, they have been busy embarking on a process to establish a fresh new executive team. They outlined a five step process to our staff in mid March:

1. Firstly, they made vacant all existing executive team positions.
2. Worked through a new structure, which will serve the vision and mission.
3. Opening for any staff member to nominate or apply for these positions.
4. A team, assisted by professionals are currently interviewing these roles.
5. They have announced the below interim roles with remaining roles to be announced in due course.

The following executive team members will fulfil interim roles until the new appointments are made:

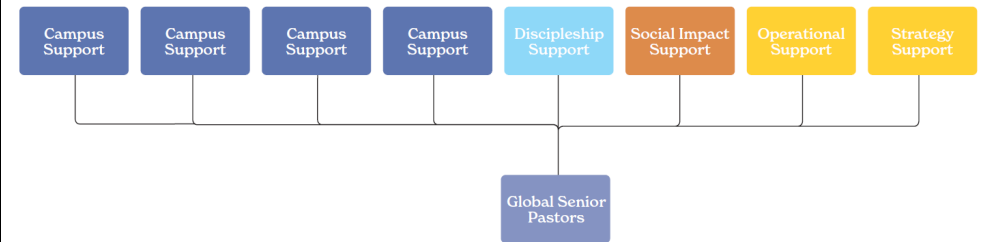
- Carl-Hugo Ander, Interim Head of Operational Support
- Kent Medwin, Interim Head of Strategy Support



Serving Australia

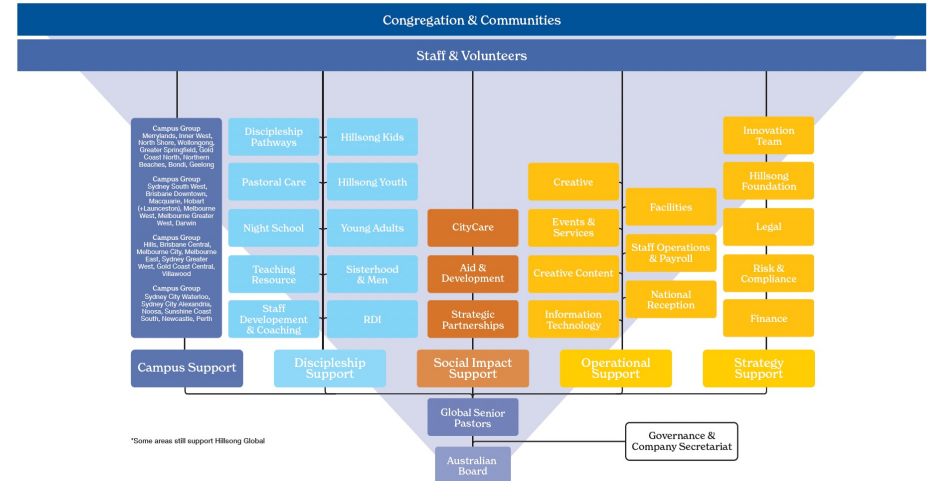
AUSTRALIA KEY SUPPORT TEAM

Building healthy church communities
 Creating significant and sustainable social impact
 Developing purpose filled Jesus followers





A HEALTHY CHURCH CHANGING LIVES THROUGH CHRIST

Building healthy church communities, Creating significant and sustainable social impact, Developing purpose-filled Jesus followers



Australian Board Progress Report

 In progress
 Action completed

 To be commenced
 Progress delayed

Australian Board Review

1. Provide ongoing support and leadership development to both of the Global Senior Pastors
2. Further separate the membership of the Australian and Global boards whilst leveraging the Church's global governance improvement plans and actions
3. Align the Australian board's plan to improve Hillsong Church's governance to the global plan, and provide leadership in that pursuit
4. Align the development of a new strategic plan, clear goals and priorities for Australia with that of Hillsong Church globally
5. Align how the Australian board understands, measures and rebuilds trust and health from the inside out with that of the Church globally

Responsibility

Progression

Australian Board



Australian Board



Australian Board



Australian Board



Australian Board





Message from the Australian Nominations Committee Chair

DANE GAMBRILL

Dear Church,

I would like to provide a brief update on the Australia Nominations Committee, a sub-committee of the Hillsong Australia Board, and our progress to date.

A Global Board Review of Hillsong conducted by Insync in 2022 recommended: *2. Update Board Renewal appointment and renewal processes, deliver prompt board renewal and a new rhythm.* This was followed by an Australia Board recommendation, which was similar, along with a recommendation to further separate membership of the Global and Australia Boards. The Global Nominations Committee (GNC) and Australia Nominations Committee (ANC) have since been formed, whose scopes are to manage nominations processes for their respective boards and governing committees.

As mentioned in the previous quarterly report, the members of the ANC include myself as the Chair, along with Australia Board directors Louise Markus and Jessica Martin. Our task is to appoint 2-3 directors by the end of June 2023. I would like to thank the ANC for their time and commitment in this season. So far, we've had 3 formal meetings and multiple communications to achieve the below: (overview shown in the adjacent diagram)

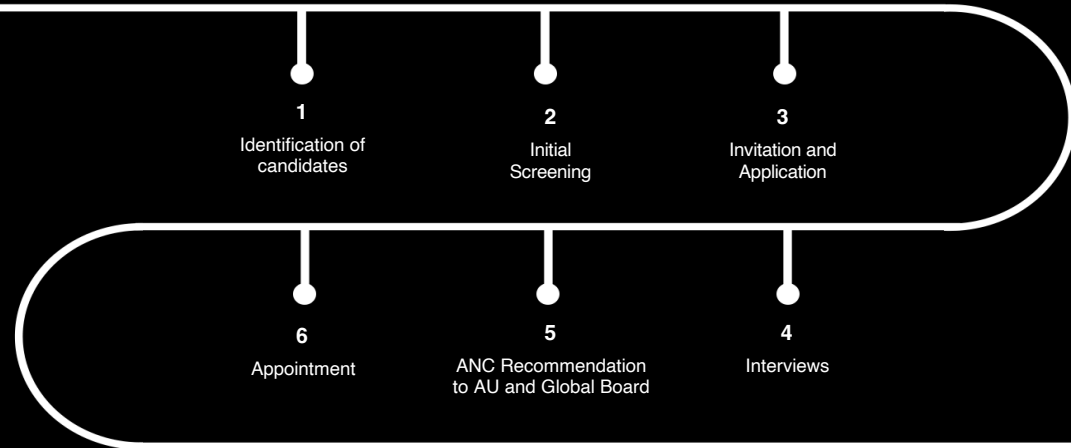
- Establish our ANC Charter ratified by the Australia Board 23rd March 2023.
- Establish the local process for Australia Board nominations.

It should be noted that we are currently in stage 3 of the process, which has included the active participation and support of Australia Campus pastors in contributing to the identification of potential nominees. We look forward to sharing more announcements regarding new board appointments in the next quarterly update.

Dane Gambrill



ANC Process



ANC Charter

- Develop processes and procedures to facilitate healthy ongoing board renewal in line with the desired board composition profile of the Hillsong Australia Board. This includes (but is not limited to) incorporating and maintaining a Hillsong Australia Board Attributes & Skills Matrix into the recruitment process and other related processes.
- Manage and administer a robust Board Candidate Nomination Process, that has been undergirded by governance and resource expertise.
- Collate, review and nominate director candidates to the Hillsong Australia Board for nomination to Hillsong Global Board.
- Create and support the development pathway of a pool of potential candidates for future board renewal within the approved board renewal cadence.
- Ensure an efficient and effective Board induction program is developed, implemented, and regularly reviewed.
- Establish and maintain a Board Development Program which is tailored to both the Board as a whole and individual directors.



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