



34 SYNOD 2019

Report from

FINANCE INVESTMENT and PROPERTY BOARD



The Finance Investment and Property Board (FIP Board) has a range of responsibilities set out in the Regulations and By-laws:

- Perform the functions of the Synod Property Board under Regulation 4.2.1.
- Exercise oversight of the activities of the financial transactions and investments body (U.C.I.S./Treasury) under Regulation 3.7.4.6.
- Exercise oversight of strategic resource plans, audit and risk management for the Synod under Regulation 4.2.1 (h).

Members during the last term:

- Ralph Collins (Chair)
- Geoff Ericksson
- Hayden Gaffel
- Rev Linda Hamill
- John Lister
- Howard Morrison
- Rev David Baker – Moderator (ex officio)
- Rev Heather den Houting – General Secretary (ex officio)
- Peter Cranna – Synod Property Officer (ex officio)

Focus since the last Synod

Good stewardship of church assets and funds is a primary focus of the FIP Board. The FIP Board demonstrates this by:

- working with congregations, presbyteries, schools and agencies to ensure church assets are used to achieve the best long-term outcomes.
- seeking investments that balance the risk/return equation and increase revenue into the church.
- making available (within its power and responsibilities) funds that are used to grow the mission of the church.

Highlights:

The key achievements over the last term include:

1. Following the revision of the Synod-wide Treasury Policy to allow investment into more growth-oriented assets that comply with the Synod Ethical Investment Policy, \$30m was invested into three managed funds. Over the long-term (seven+ years) these investments are expected to generate higher than cash returns which will help rebuild the Synod Reserve Fund.
2. Approved a revised Synod-wide Treasury Policy to allow the acceptance of shares in specie and property as a direct investment (generally from deceased estates).
3. Entered into a debt-for-asset swap agreement with The Lakes College (TLC). This will allow the continued development of the school with the ongoing ability to access capital grants from the State Government. The Synod office books (through U.C.I.S – The Uniting Church Investment Service) have recognised TLC land and most existing building assets as an investment property in exchange for

removing debt owed by TLC from the U.C.I.S balance sheet. U.C.I.S now receives a rental income stream from TLC instead of interest payments.

4. Approved additional delegations to the General Secretary and Synod Property Officer to facilitate streamlined processing of transactions.
5. Registered Powers of Attorney issued to the Chief Executive Officer, Chief Financial Officer and Director, Governance at UnitingCare under the provisions of the Synod Documents Execution Policy. These registered Powers of Attorney streamline processes for signing all documentation relating to the operations of retirement villages.
6. Based on cash flow forecasts, renewed the external debt facility with ANZ of \$5m (with the ability to increase the limit quickly, if needed) for a further three years from December 2017. This facility has been maintained as a source of liquidity for potential opportunities.
7. Continued the rebuild of the Synod Reserve Fund, the emergency fund for the Synod. Following the decision by the Synod Standing Committee to exit from Shalom Christian College, the Synod Reserve Fund has been used and the rebuild strategy will take this into account.
8. Within its role as the Uniting Church Foundation Board, the FIP Board endorsed the Synod Office Fundraising Strategy 2018-2021.
9. Established a scholarship fund with Deductible Gift Recipient (DGR) status. This means that donations to the scholarship fund are tax deductible to the donor. Since establishment, scholarships have been created and awarded to benefit students of both Trinity College Queensland and Raymont Residential College.
10. Property Strategy phase one completed. A review was conducted of the development potential of all non-agency property across the Synod which will assist with future analysis and decisions.
11. Following considerable consultation across the church and the obtaining of a Development Approval from the Sunshine Coast Regional Council for the Alexandra Park Conference Centre site, the FIP Board finalised a review to determine the best future use to benefit the Synod. The recommendation to the Synod Standing Committee was to continue existing operations and enhance them as opportunities arise.
12. Provided input and feedback to the Mission Development Fund proposal to the 34th Synod.
13. Conducted joint meetings with the Schools and Residential Colleges Commission and met with Property Trust Schools (Calvary Christian College, The Lakes College and SCOTS PGC College, Warwick) to better understand their proposed development pathways (mission and property).
14. Met with representatives of the South Moreton and Bremer Brisbane Presbyteries to better understand the mission and property-related issues facing those presbyteries and the congregations within them.
15. Throughout the term, the FIP Board approved property transactions received from church bodies across the Synod. In the 13 formal meetings and two executive meetings since the last Synod, the FIP

Board has approved over 400 property transactions, with the following being an indication of the diversity of the issues:

- a. leases of manses
 - b. leases of commercial property
 - c. property sales
 - d. property purchases
 - e. construction of buildings at schools and aged care facilities/retirement villages
 - f. refurbishment of churches
 - g. acquisition of businesses
 - h. installation of solar panels on the Synod office roof
16. Synod Audit Risk and Oversight Committee (SAROC), a sub-committee of the FIP Board was replaced by the Audit and Risk Committee (ARC), a sub-committee of Synod Standing Committee.
17. Audited financial statements for the Synod office for the year ended 30 June 2018 were endorsed by both the FIP Board and the ARC following a joint meeting with the external auditors (Deloitte). The Synod Standing Committee approved the financial statements at their November 2018 meeting.

Challenges/risks as we progress

Challenges and priorities for the FIP Board are to:

- continue to develop a property framework that ensures property is used sustainably and maintained appropriately.
- revise and renew policies to meet the missional and sustainability objectives of the church today.
- educate leaders of church bodies as to their roles and responsibilities relating to stewardship.
- develop alternative sources of revenue to assist in the ongoing financial sustainability of the church.
- review the management of the Synod Reserve Fund.

Proposal

It is proposed that the 34th Synod receive this report.

Contact for report questions

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