



Report from

Finance Investment and Property Board



*Mr Ralph Collins – Chair
Mr Justin Greenway – Member
Dr Geoff Ericksson – Member
Ms Natalie Smith – Member
Mr Peter Cranna – Synod Property Officer/ED Strategic
Resources & Assurance (ex-officio)*

*Rev Heather den Houting - General Secretary (ex-officio)
Mr Geoff Batkin AM – Member
Mr John Lister – Member
Mr Hayden Gaffel – Member*

Report

Good stewardship of Church assets and funds is a primary focus of the Finance, Investment and Property Board and is demonstrated 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.

About our Board

The Finance, Investment and Property Board (the FIPB) assists and advises the Synod Standing Committee (SSC) in fulfilling its financial responsibilities to exercise due care, diligence and skill in:

- (a) performing functions of the Synod Property Board under Regulation 4.2.1
- (b) exercising oversight of activities conducted under Regulation 3.7.4.6 (Financial Transactions and Investments Body)
- (c) perform such other functions delegated by Synod.

Its responsibilities are summarised clearly in its Charter which can be found at:

<https://ucaqld.com.au/download/19149/>

Members during the last term were:

- Ralph Collins - St Andrews (Moreton Rivers) (Chair)
- Dr Geoff Ericksson - Coopers Plains Uniting Church (UC) (South Moreton)
- Hayden Gaffel - Wynnum Baptist
- Justin Greenaway - Newlife Brisbane (Moreton Rivers)
- Rev Linda Hamill - St Stephens Toowoomba (The Downs) (resigned 9 August 2019)
- John Lister - Mudgeeraba UC (South Moreton)
- Howard Morrison - Karana Downs UC (Bremer Brisbane) (resigned 22 July 2020)
- Natalie Smith - Newlife (South Moreton)
- Geoff Batkin - The Gap UC (Moreton Rivers) (appointed from 1 July 2020)
- Rev David Baker - Moderator (ex Officio) (ceased to be ex Officio on 10 May 2019) Karana Downs UC (Bremer Brisbane)
- Rev Heather den Houting - General Secretary (ex Officio) - Chapel Hill UC (Bremer Brisbane)
- Peter Cranna - Synod Property Officer (ex Officio) - Emmanuel Enoggera UC (Moreton Rivers)

At the 35th Synod, the term of the Chair, Ralph Collins, comes to an end. Ralph has served on the FIPB over 3 terms as a member and over 2 further terms as Chair. In recognition of this meritorious service a minute of appreciation will be expressed at Synod.

Focus since the last Synod

The FIPB usually meets monthly and covers a standard agenda of property, investment and finance matters. The FIPB has deliberately established a strategy of inviting presentations from presbyteries, schools and agencies, so it can be aware of potential issues and opportunities.

Highlights:

The key achievements over the last term included:

Oversight

1. The FIPB is required to consider all property transactions, though it has well established delegations to allow business functions to proceed smoothly. Once the FIPB has deliberated, instructions can be passed to The Property Trust (the legal entity of the whole church) for approval and action.

2. Presentations / briefing were provided to the FIPB to enable the Board members to understand the context that they are operating in. These included:
 - From the Property Trust schools, to communicate development and financing plans.
 - From Uniting Care Queensland – strategic briefing on their 2030 directions, Annual Statement of Missional Intent (ASMI) detailing their priorities for the following twelve months, investment strategy for assets, property disposal plan for properties that no longer fit the strategy, and a number of business cases to develop / refurbish sites to expand / improve service delivery.
 - Wesley Mission who briefed us on Specialist Disability Housing – an area in which Wesley Mission has started developing a presence.
 - Some Presbyteries have presented – highlighting current and proposed Mission projects and church plants / church mergers.
 - Technical presentations have been received from Property specialists, Savills, on the current state and possible future trajectory of property markets.
 - Warrakiri Funds Management presented on the state of the equities market and addressed specifically our investment with them.
 - We have been kept up to date on the operations of Raymont Residential College and Alexandra Park Conference centre – Mission Support Enterprises operated by the Synod office. COVID-19 significantly impacted Alex Park, which was required to cease direct service delivery for a period and operate using a skeleton staff, focussing on maintenance and developing marketing strategies when operations were allowed to commence. It is pleasing to report demand for the services that Alex Park provides is still high. Raymont has retained occupancy at over 80% of capacity, which is a remarkable achievement in these times.
 - As the approving body for significant Synod office capital spend, the FIPB received regular reports on the progress of the Sugar CRM (Customer Relationship Management) software improvement project which was successfully delivered.

Good News / Matters that have provided encouragement to the Board

1. The willingness of different church congregations to work together and come together to share resources and skills. Southside Uniting Church is an example of this.
2. The Newlife Brisbane Church plant shows cooperation between different congregations and Presbyteries in better utilising existing properties to achieve remarkable missional objectives
3. Presbyteries and congregations are willing to expand into new locations and into new ventures to try and connect with people in different ways. The Flagstone project (South Moreton), Redcliffe Hub (Moreton Rivers) and the appointment of a part time 'all of Presbytery' Mission Engagement Officer across the Mary Burnett Presbytery are examples of this.
4. The number of meetings that were held outside of the Synod office was curtailed by the COVID-19 restrictions. The FIPB did enjoy the hospitality of the Redcliffe UC and received a presentation on the proposed HUB mission project.
5. The FIPB (and many others) have been working with the management and board of Calvary Christian College, to support them through some liquidity issues. The willingness of the College to engage collaboratively to develop a Business Recovery Plan and implement strategies to follow the Plan, has been appreciated.

Process

Several principles were developed to assist the FIPB's assessment of significant property proposals. These will form the basis of revising the templates for property proposals so the information that comes to the FIPB is streamlined and addresses the key issues that need to be addressed for the FIPB to make a decision. The principles include:

- What is the risk to the Property Trust?
- What are the strategic elements? / Where does it sit? / Look at context.
- Does the strategic intent of the proposal align with the Synod wide agreed strategic intent?
- Has the church entity gone through the proper processes? Evidence?
- What options have been considered?
- How much background does FIPB need?
- Does the proposal need a specific presentation at FIPB?

Other Significant Property Transactions

The FIPB assesses many property proposals. A sample of significant proposals approved / endorsed are included below to give an appreciation of the diversity of service provision that our Church is involved in:

- Sale of UnitingCare's 50% stake in UnitingCare Medical Imaging
- Endorsement of UnitingCare's development of The Lakes at Bundaberg – Purchase of land + 96 Residential aged care facility (RAC) co located with Lend Lease's retirement village.
- Endorsement of UnitingCare's development of Sunrise Beach integrated Aged Care development – 96 bed Residential Aged Care facility and 122 unit retirement village (RV) on land already owned. This endorsement also included partnering with Lend Lease to develop the RV component.
- Endorsement of the purchase of land at Kenmore adjacent to UnitingCare's Iona development. This will allow Uniting Care to redevelop this site more as a greenfields site

- Numerous Mission Development Fund (MDF) proposals from Presbyteries and congregations were considered and approved.
- Merythr Road UC (New Farm) continued to progress its property master plan which included the sale of some property to finance the refurbishment of other property.
- Newlife finalised a deal with an external childcare provider to lease the Isle of Capri site to that provider and sell them the licences to operate the childcare centre for the next 15 years.
- The Lakes College was approved to infill various areas to create more classroom space for the expected increase in enrolments in 2021 and beyond.

Financial Reports and Matters

1. The FIPB is the Property Board under the Regulations. It also acts as the Finance sub-committee to the Synod Standing Committee (SSC).
2. It reviews the Synod office annual budget and Synod office annual audited financial statements before these documents are approved by SSC.
3. The Uniting Church is structured such that other Boards / Committees in the church prepare and approve budgets and annual audited financial statements.
4. The FIPB, in conjunction with SSC, oversight the financial statements, but do not approve these documents for other church bodies (e.g. UnitingCare Queensland, Wesley Mission Queensland, Property Trust schools, Presbyteries, congregations).
5. The FIPB oversees the operations of The Uniting Church Investment Service (UCIS), which operates the centralised treasury services of the Synod.
6. During the COVID-19 period, the levels of cash liquidity in the church was more closely monitored.
7. The annual audited financial statements for the Synod office will not have been signed off as at the Synod meeting. However, it is planned that an information session will be held during Synod for people that are interested in being 'walked through' the draft financial statements. This information session will be facilitated by the Executive Director Strategic Resources and Assurance, Peter Cranna.

Project Plenty

The FIPB received a number of presentations across the consultation period from the Project Plenty Team and provided feedback collectively as a Board and individually from some members. The FIPB is keen to remain close the Project Plenty process to ensure appropriate decisions, especially around resourcing, can be made to help deliver on outcomes that further the mission of the church.

Challenges/risks as we progress

The FIPB makes the following observations for consideration:

- The FIPB is seeing an increase the disposal/transfer to local community groups of non-strategic rural/remote church sites – as the Presbyteries consider holding/maintenance costs v potential land value increase over time. Examples over 2019 include Kapaldo (Mary Burnett), Glenmorgan (The Downs) and Woodleigh College Herberton (Calvary/Carpentaria).

- This trend is expected to continue. Therefore, the FIPB encourages Presbyteries to engage with the Synod office and develop a strategic disposal plan, as part of the Strategic Presence / overall Property Strategy work across the Synod.

Matters that are anticipated to require attention during the next period include:

- Financing / debt for capital expansion.
- Liquidity as the economy is expected to remain flat for some years.
- Innovative ways to encourage church bodies to better utilise, maintain and steward their property assets.

For consideration

Covered above and in the presentation to Synod.

Proposals to the 35th Synod

It is proposed that the 35th Synod receive this report.

Contact for report questions

Name **Ralph Collins**
Position Chair – Finance Investment and Property Board
Email property@ucaqld.com.au
Phone (07) 3377 9865