

# Finance Committee

## 1. INTRODUCTION

- 1.1 The Assembly Finance Committee carries out important tasks which include, but are not confined to, financial management and accounting aspects of the Assembly organisation. The representative nature of its membership makes it a very valuable forum concerning the stewarding of resources of the Church generally. It could therefore, in many respects, be described as a partnership of Assembly and synods and we use a 'broad brush', to include in our deliberations any related matter which is for the good of the Church.
- 1.2 The members are conscious that their service, as part of the community of faith, is dedicated to maximising the effective use of those resources for the life of the church in spreading the good news of Jesus Christ. Thus it is important to us to include in each meeting regular time for prayer and devotion.
- 1.3 The Assembly Finance Committee meets twice each year. The Executive usually meets on two or three occasions as necessary. Additionally it is necessary on occasions to hold teleconferences where time limits require us to handle specific issues.
- 1.4 The membership of the Assembly Finance Committee consists of one representative of each of the seven synods appointed by the synods, six persons elected by the Assembly plus the General Secretary or nominee. The current membership is:-
- **SYNOD APPOINTEES**  
Queensland - Bruce Binnie  
NSW - Kegan Kashian  
Victoria - Ken Roberts  
Tasmania - Des Cousins to 31/12/99 then Peter Shipp  
SA - Joan Blanchard  
WA - Ken Williams  
Northern - Gwen Davies
  - **ELECTED/APPOINTED BY ASSEMBLY**  
Gregor Henderson (ex officio), Janet Collard (Qld) David Greenall (Vic), Mary Henning (NSW), Margaret Lightbody (SA), Jim Mein (NSW), Edmund Walker (NSW)
  - **CO-OPTED BY COMMITTEE**  
Clem Dickinson (Vic), John Preston (Vic)
- 1.5 Edmund Walker is Chairperson of the Committee and the Administration Services Manager of the Assembly, Stephen Pearson, acts as its Convenor (Executive Officer). May Chang, Assembly Finance & Accounting Manager, also attends the meeting to provide accounting reports and information.

## 2. WORK OF THE COMMITTEE

- 2.1 The **core work** of the Committee relates to budget and accounting controls, financial reporting and the maximisation of the effective use of resources.
- 2.2 This work includes:-
- examination of all budgets and presenting recommendations to the Standing Committee for its acceptance or otherwise;
  - progressive examination of reports on performance during the year in comparison to approved budgets, providing comments and where necessary, direction in response to financial indicators;
  - creation of policies and controls for the security, efficiency, and the effective use of resources.
- 2.3 This core work has been faithfully carried out during the triennium. Revised accounting systems were implemented in 1998 to improve and simplify classification and reporting. Over the years we have determined policies and guidelines to guide the divisions on the responsible management of their finances.
- 2.4 The **second element** of its work relates to individual issues which arise from time to time and have to be addressed in the interests of the Assembly and usually the whole Church (of which the Goods and Services Tax (GST) is a classic example). Sometimes we use the method of appointment of a 'lead synod' with one of the synod representatives playing a lead role on behalf of the Committee.
- 2.5 The following are 'high profile' examples of specific issues faced by the Committee. There are usually quite a number of these on the agenda of our meetings.
- 2.5.1 **Goods and Services Tax**  
The GST applies from July 1 2000, and offers exemption to many of the Church's dealings. The representations to Government and the preparations and training have imposed a mammoth commitment upon the churches. In relation to the responsibilities of the churches, it became apparent that there were grave implications if practical solutions could not be negotiated with the Government. This involved wide-ranging ecumenical representations. Our Church is indebted to a Task Group led by Jim Mein (NSW) and involving Libby Davies (Uniting Care Aust.), Heather Ackland (Vic), Bruce Binnie (Qld) for negotiating our way (to the extent possible) through the 'mine field'. Their work in negotiations and preparation has led to the appointment of a National Co-ordinator, Ian Jeffries (Vic), to lead the training and 'gearing up' which is necessary right across Australia.
- We have been successful in obtaining a grant of \$799,400 from the Commonwealth Government 'GST Financial Assistance Start Up Scheme' which will finance only some of these commitments. We must share these funds proportionately with the Lifeline Australia

organisation, as the Government would not provide it with a separate grant.

It is not appropriate or possible because of its complexity to include in this report, detail of the GST's application to churches and charities. Also at the time of writing, negotiations are still proceeding for a better deal. However, it is important to record that the Finance Committee has maintained involvement in negotiations and has taken responsible steps to maximise the best interests of churches and charities. Jim Mein and the Task Group have diligently pursued this task.

#### 2.5.2 **Fringe Benefits Tax**

We have also been involved in negotiations in relation to revision of the level of Fringe Benefits Tax (FBT) which is to apply to churches and charities. At the time of writing these negotiations are proceeding. The Government proposes to place limits upon the scope and amount of exemption that can be claimed.

#### 2.5.3 **Wesley Uniting Employment 'Jobs Network'**

With the title 'Jobs Network', the Commonwealth Government has tendered out to private concerns its employment service to the unemployed, previously carried out through the Commonwealth Employment Service. The Finance Committee has been involved in preparing a tender submission on a national basis, in conjunction with Uniting Care Australia and Wesley Mission, Sydney, using the name 'Wesley Uniting Employment'.

Unfortunately, the involvement by churches did create some negative media publicity, but it is important to stress that it in no way invalidates the importance or the right of our involvement in the fight against unemployment. We had only limited success in the recent round of tendering. However, the base is in place, and using the management skills built up by Wesley Mission, we do look forward to extending our involvement to provide a comprehensive service across the nation when future tendering opportunities arise.

#### 2.5.4 **Investments**

The Assembly Finance Committee some years ago established two important national conferences which have since met regularly. One relates to the Church's investments and investment organisations and has been most valuable in sharing knowledge and acting co-operatively to maximise our opportunities in this field. The last ten years or so have seen an increasing level of sophistication and specialisation in investments. This has applied both to the widening of the range of investment opportunities and also, with the use of computerisation, the processes of investment. During the last triennium national ethical investment guidelines were adopted. They establish a detailed policy to ensure that the Church has no substantial investments that would not meet our ethical standards.

#### 2.5.5 **Insurance**

The other is insurance and regular conferences have not only shared knowledge and expertise but in a number of instances have been able to negotiate policies on a national basis to the Church's advantage. The national co-operation with insurances is essential because of the difficulty in negotiating satisfactory policies and security for the Church. This is most obvious in the liability insurance field where claims for damages can run to many millions of dollars. The whole Church must be vigilant to eliminate or minimise risk situations because our claims record is the major factor in determining the level of premiums we pay. Also the insurance industry is becoming more selective concerning just what risks it will cover. The concept of 'all risks insurance' is becoming a thing of the past and that could present us with the potential for liability where we have no insurance protection.

2.6 The **third element** of the Committee's work is that it has had success in negotiating three national contracts to this point of time which offer the whole Church concessional prices for goods and services:-

- Qantas air travel for Church purposes attracts a 10% rebate on domestic fares and a rebate of 5% on international fares;
- Telstra telephone concessions apply both to office/residence telephone operations (8% on local calls, 33% on long distance calls and a special corporate discount on international calls). In relation to mobile telephones, under a new contract, the monthly access fee is \$10 and calls are charged at the standard corporate rate less 5%. Our contract with Telstra now includes concessional access to the Internet through the Big Pond Business Network. It also opens the opportunity to access valuable support services in information technology;
- Corporate Express has a contract with the Uniting Church as a preferred provider of office products and services, which offers substantial discounts on a wide range of selected items. This firm is established in all states of Australia.

2.7 For details on how to access these concessions please refer to the finance officers of your synod. Our Committee hopes to pursue further opportunities for national contracts, which maximise our purchasing power and provide worthwhile concessions to the whole church.

### **3. GENERAL COMMENTS**

3.1 The Business Committee will present a recommendation at the commencement of the Assembly that all proposals which have a financial implication must be accompanied by a commentary by the Finance Committee before they come for decision. The Committee has structured itself to be able to provide comments during the Assembly on such matters. The importance of this is obvious for if we have no capacity to increase resources, such proposals should have costs assessed to enable the

Assembly to consider the priority question, "Where are the costs to be saved which will make this possible?"

- 3.2 Examples of cost implications that the Church now faces arise from the review of church structures, and in particular, the administrative cost increases of maintaining independent congregations. There are similar implications for the new program for ministerial education. We need to face realistically the obligation to assess both the financial cost and the cost to existing programs of any new proposals.
- 3.3 The Assembly like other areas in the life of the Church is suffering because at a time of diminishing resources the opportunities for ministry and the demands for support do not correspondingly diminish. To the contrary, in many instances they increase and are the cause of stress and pressure. In the case of the Assembly, while all areas of the work have suffered, we particularly draw attention to the plight of Unity and International Mission and Uniting Education that have been under major financial pressures during this triennium.
- 3.4 Two factors about the Assembly's financial position are worthy of emphasis.
- 3.5 Firstly, the Assembly lacks the security and the flexibility generally provided to synods by their level of assets and resources. The Assembly does not have the capacity for additional income streams or to grow capital funds in the same way that Synods have through their investment schemes. This was recognised by the NSW Synod, which for the past 12 or so years, has provided rental subsidy support to the Assembly of up to 25% of its costs. However, the current financial position of that Synod has caused it to cease this support.
- 3.6 Secondly our Church could be unique organisationally where our policy making body with the regulatory power to require the provision of finance to operate, accepts, by convention, that the amount of the contributions of funding to its budget are not controlled by it. It is acknowledged that a consultation process takes place but the final decision as to Synod contributions rests with the Synods themselves. The Assembly does acknowledge the level of support it receives from the Synods through this process and we would also acknowledge our dependence on individual donations to our mission divisions.
- 3.7 The Finance Committee is therefore conscious of the importance of the resolution 94.24.08 passed by the 7th Assembly which calls for a review to obtain a more equitable distribution of the resources of the Church. This is a complex and sensitive issue but a working paper commentary was submitted to the Standing Committee at its July 1999 meeting. This paper has been referred to the newly formed Strategic Planning Unit for further consideration.
- 3.8 The members of the Finance Committee have worked with skill and dedication to fulfil their

demanding tasks. The lack of financial strength is but a manifestation of the deeper need to enliven the spirit across the Church. It is a problem that will not be overcome by any financial campaign if it is not set within a spiritually enlivened congregation with a vision for mission. Resolution 97.30.02/03, of the last Assembly which sought a new direction for planned giving, has some seeds of an answer but does not appear to have been progressed since that Assembly. We need our wisest minds to plan and the God given courage to be prepared to move in new directions.

- 3.9 Finally, the Committee wishes to acknowledge the significant contribution to its work provided by the Rev Gregor Henderson as he concludes his term as General Secretary. We have relied upon Gregor's command of the financial situation in the executive functions of our work and he has served the Church with distinction in this regard. We also acknowledge him as a warm friend and spiritual guide to us. We wish him well and pray that God will continue to bless his fruitful ministry.

**Edmund Walker**  
**Chairperson**

**Stephen Pearson**  
**Executive Officer**