

# **BOARD OF ADMINISTRATION**

## **INTRODUCTION**

The Board of Administration has during the 2008 year achieved the following:

- Extended its accounting and payroll services which are now serving a large part of the Connexion as well as ecumenical partners and hospital chaplaincy payrolls.
- Provided legal, HR and leadership assistance for Parishes and pre-schools.
- Increased services available on the web.
- Installed and provided training for a fully web based GST payment system.
- Copied oral history records to CD.
- Developed software for the Youth Conference registration.
- Accessed a teleconferencing facility 60% cheaper than the provider the Church was using.
- Facilitated registration of all Methodist entities under the Charities Act.
- Negotiated a standard rate for Parish reviews with a Christchurch accountancy firm.
- Completed changes to the Supernumerary Trust Deed which ensures equality between married, civil union couples and single presbyters.

During the year the Board has continued to work with Conference 2007 resolutions regarding property and in consultation with the Legal Adviser has formulated suggested law changes in this area.

Issues regarding changes to stipend and allowances will be brought to the 2008 Conference by the Stipends Review Task Group.

One of the major topics for discussion during 2008 was the Supernumerary Fund. In the light of the Governments introduction of Kiwisaver, people coming into ministry at a later age and the very different needs of presbyters at retirement, the Board addressed the question of the appropriateness of keeping the Fund in place for new members from the beginning of 2010. The Law Book currently states "Each Presbyter shall be a member of the Supernumerary Fund of the Church" except under exceptional circumstances when exemption may be granted by the President. The Board is of a view that membership should not be compulsory to new members after 2010. This will be set out in more detail in the report.

## **STAFF**

Rev. Jill van de Geer was appointed in February 1999 as General Secretary. Jill has continually demonstrated commitment and dedication with enthusiasm. During the last ten years Jill has challenged the Church and the Board often resulting in change and expansion of services through the Administration Division. Most Committees of the Church, Boards and Trusts have valued her wide knowledge of all things "Church" especially in relation to the Laws and Regulations. Jill has represented the Church ecumenically and at Methodist World Assembly and Council.

The Board of Administration records sincere appreciation of Jill's faithfulness and loyalty, not without some personal cost, and assures her of our support and prayers as she assumes the Presidency and continues in ministry.

The Board would also like to acknowledge Jill's family especially Maurice whose support of Jill in her role as General Secretary has been outstanding.

The Board has been especially grateful for the willingness of the Shirley Richmond Parish to enable Rev David Bush, as General Secretary Designate, to begin transitional work during 2008. This gift of time has enabled a smooth handover from the current General Secretary to her successor and the Board records its thanks and appreciation to the Parish.

The Staff team has continued to offer enthusiastic and committed service to the Connexion. Staffing levels have been increased by one part time accountant and one part time fund administrator.

Two staff milestones are celebrated this year. Greg Wright completed thirty years continuous service with the Division on 11 September this year and Noelene Allen retires in December after twenty two years continuous service. Noelene and Greg have given incredible service to the Church in a wide variety of ways. Noelene joins our staff alumnae (those who retired from the Division) a group we keep in touch with and who are invited to our major celebrations.

## **BOARD**

It is with real regret that the Board has received the resignation of Frank Claridge from Board membership effective from 1 February, 2009. Frank has given distinguished service to the Board in two parts. The first from 1987 to 1994 and then 2003 to 2008. His wisdom, knowledge of the Church and willingness to ask the "hard questions" will be missed by both Board and Staff members. The Board and Staff wish him well in the other areas of work he is undertaking.

## **SUGGESTED DECISIONS:**

1. The report is received.
2. Conference records its deep appreciation and congratulations to Jill van de Geer on completion of a successful term as General Secretary.
3. The Board of Administration notes that Conference has appointed David Bush as General Secretary and welcomes him to this task.
4. Conference records its appreciation to Frank Claridge for his offering of skill and commitment over many years to the work of the church.
5. Conference acknowledges the retirement of Noelene Allen on the completion of 23 years of loyal and dedicated service to the church.

## **REPORT OF THE STIPENDS REVIEW TASK GROUP**

Conference 2006 appointed an independent Stipends Review group in order to prepare a document that would challenge thinking in order to formulate a policy for the future. Conference 2007 referred the report and suggested decisions back to parishes, rohe, synods, Tauwiwi Strategy and Hui Poari for further consideration and report to Conference 2008.

In particular Conference asked the Stipend Review Task Group to note the concerns expressed at Conference, and to facilitate the continued consideration and reporting. The membership of the Stipend Review Task Group was Marion Hines, Setaita Kinahoi Veikune, David McGeorge, Alex Webster, Rex Nathan, John Murray, Ron Gibson, the Director Pasifika Ministries, the General Secretary, the General Secretary designate, and one other to be appointed by Te Taha Maori.

This report is made up of the original report to Conference 2007, additional theological work commissioned by the Task Group and resolutions, which have been revised after the feedback from discussion throughout the church in 2008.

## **REVIEW STATUS**

The draft report circulated to Synods in 2007 built on information gathered by the work-group from previous research and the Minutes of Conference and especially from the responses from Synods, Parishes, Presbyters and Deacons (to whom the group extends thanks).

The committee was not charged with the responsibility of finding all the answers regarding the Church's future direction. In some cases suggestions are made but no definitive solution offered. It is hoped that other boards and committees might take these up. What the committee has tried to do is present to the Conference a case for seeing the inter-connectedness of various components and not separate them out from the whole picture. However, where the Conference gave clear instructions regarding stipend, then the committee has set out clear recommendations.

The committee endeavoured to set its suggestions against the Mission Statement, the challenge to explore "new ways of being Church", and the need to be a bold, innovative Church valuing its resources and being good stewards.

The recommendations of the report are a distillation of the deliberations of the committee, and responses from Synods, parishes and individuals to the draft report.

## **BACKGROUND**

### **Context**

The Methodist Church of New Zealand, prior to Conference 2006, had already set in motion a Presbyterian Remuneration Survey but at that stage had no feedback of data from the survey.

The Presbyterian Church of New Zealand, following matters arising from the General Assembly of 2006, adopted significant changes in relation to ministerial remuneration. The effect of these changes was to alter the parity of remuneration and related conditions of service which had previously existed between the Methodist and Presbyterian Churches.

The latter changes had important implications for Cooperative Ventures, should the Methodist Church choose not to automatically realign its remuneration practices with those of the Presbyterian Church.

For the Methodist Church, the changes also called into question issues surrounding current remuneration levels and policies, recruitment, retention, itinerancy, housing, retirement housing and retirement income levels for Presbyters.

### **Interdependency**

The Committee recognized that the level or package of remuneration / stipend cannot be considered in isolation from a range of elements which all interact. This creates a synergy which means that change in any one element impacts upon the others.

The committee therefore worked through broad considerations of:

- Relationships
- Recruitment
- Review
- Retention
- Retirement
- Residence
- Remuneration

### **The Future**

All the above takes place within, and impacts upon, the nature and future of Ministry and the Church. The question therefore arises as to what the nature of Ministry will need to be if the

Methodist Church is to have a future. How do the above elements need to be shaped in creating the future?

### **Ministry**

The committee recognized that traditional forms of presbyteral Ministry are unlikely to serve the future needs of the Church. But neither are the current structures of parishes likely to remain the same. Paradigm shifts for both are needed. Models for both parish structure and presbyteral Ministry will need to be developed locally, regionally and connexionally.

The context and structures within which Ministry takes place are in a continuous state of change, and the challenge is to embrace change and be adaptable to yet more change.

Whatever changes emerge over the next decades it was felt that the primary tasks of ordained [presbyteral] Ministry will centre on a unique role of leadership for word, sacrament and spiritual care. Being equipped for a full time focus on Ministry in the community brings with it accountability through a covenanted link with Conference. In terms of forward thinking policy, the idea of accountability through reception into full Connexion should include lay leadership in significant leadership positions for the period of the appointment only e.g. Supply Ministry, District Superintendency.

The future will demand outstanding skills and competencies from those who are expected to formulate the linkages and hold together the complex elements of what is called "Church". There is an expectation within the Church that leadership both lay and presbyteral and therefore training, will be of the highest quality.

## **COMMENT AND DIRECTIONS**

### **Relationships**

The principle of mutual, responsible relationships underlies the interface between the connexional Church, parishes, congregations, Synods and individuals [lay and ordained]. However, these interrelationships are called into question as the Methodist Church contracts in numbers, parishes become unviable, regional responsibilities are developed, Synod Superintendency becomes more difficult and in general we have a more fragmented Church. Yet we still seek to continue the range of functions and kinds of Ministry which were better suited to a society of the last century. National and regional structures need to better reflect the population and changing demography of the Methodist Church.

The review group, therefore recommends that a task group review the regional and national structure of Conferences and Synods to reflect the diminishing resources of the Church.

### **Recruitment**

Qualities of leadership become the pre-requisites for recruitment into Ministry alongside tertiary education in theology. Ministry formation is part of “the call to Ministry” and is a life-long, continuous process. Readiness for Ministry should be determined from key competencies and knowledge as a continual process of professional development from which readiness can be determined.

It is suggested, that the candidating process as it is currently structured should be totally reviewed. The present system is unable to be responsive to the changing shape of Ministry, both ordained and lay. It is also a ‘clumsy’ and expensive process to engage in particularly given the size of the Church. There is little recognition that the Church has, within its life, changed the way in which lay and ordained ministries are differentiated within contemporary society.

Following the acquisition of an approved course of tertiary study, selection for Ministry should follow Ministry formation, from which a person having satisfactorily completed a Ministry training program would be considered by the Church for ordination. Ordination then becomes the first benchmark of professional development. This would require the Church to identify and set clear benchmarks.

Trinity College’s role should be to concentrate on formation for Methodist Ministry.

It is observed that under an open style of recruitment there could be a variety of entry points and that it may be best to move away from an institutional model. Different levels of training should be available dependent upon the individual’s skills, education levels and the type of Ministry they wish to provide. It is also felt that the Church could become more creative and flexible in order to recruit people into Ministry which may or may not include ordination.

### **Reference Recommendations Nos. 11, 18, 19**

### **Review**

In considering the principles for review, it is noted that review has the potential for the positive development of relationships. It is important that reviews identify outcomes, and agreed expectations. It is a process of mutual accountability and responsibility.

It is the Church’s responsibility to ensure that both parish and presbyter are delivering, that there are clear goals and objectives which are compatible with the original profile outlines. Reviews provide for mutually agreed expectations, and continuous and ongoing opportunities for intentional reflection.

Parishes have traditionally expected Presbyters to perform to high levels of competency and therefore stipend has reflected this fact. The review also indicates where further professional development would be appropriate.

The committee believes that there is little logic in talking about recruitment, retention, and remuneration without make the point that a robust review process must be in place for all individuals in Ministry positions in addition to the more, broad based parish reviews.

## **Reference Recommendation No. 12**

### **Retention**

Retention addresses the question as to why individuals remain in Ministry or leave.

It is important for the Church to ensure that there is a sense of professional reward and recognition. Equally important for the Church are the principles that in its relationships individuals are valued; dreams for the future are acknowledged; career development is recognised and confirmed; and that on-going personal, career, spiritual and leadership needs are developed. Synods have a particular role to play in this.

Increasingly positions of responsibility are no longer the domain of presbyters only, and with an increasing number of positions now being open to lay and ordained accessibility and fairness within the appointing and retaining of appointees needs to be considered. With an increased need for sound and skilled regional leadership the Church has to accept an added level of stress is created, and should be acknowledged.

Occasionally the Church will need to confront the issue whether or not, in individual cases, the stress of continuing in Ministry is too much for some. As already stated, retention addresses 'the question as to why individuals remain in Ministry'. To retain people in Ministry requires several things to work together – enjoying ones work, being rewarded for ones work, being recognized for skill in ones work, and being stimulated by ones work. None of this denies that work can at times be stressful, frustrating and despairing. The committee believes that the Church needs to take seriously the 'health' of Ministry and ensure that the environment is the best it can be. Therefore retention recognizes that professional development and the support for it is integral to job satisfaction. At the same time the Church needs to affirm that there are 'career path' possibilities in its life, and affirm these [parish, Synod, connexional] aspects of leadership.

The committee believes that one of the ways of best addressing these issues is by changing the shape of financial support. For example:

- For those seeking further education from access to a Travel and Study Grant to an expectation that all parishes are required to provide up to \$1,800.00 every year for professional development of the parish's Conference appointed staff.
- Boards with connexional appointees, and Synods on behalf of the Synod Superintendent, be required to take out Medical/Health insurance. A parish wishing to offer this benefit as it enters the stationing process could do so without having to seek the permission of the Church.
- Allowances should also change, and the 'Book Allowance' be expanded as a reimbursement allowance to cover a wide range of 'tools of the trade' and be renamed "Book and Communication Allowance".

## **Reference Recommendations Nos. 13, 20, 1, 2.**

### **Retirement**

The Methodist Church of New Zealand is experiencing a critical exodus of retiring presbyters. The predictable replacement levels will leave a significant deficit of presbyters to replace those exiting.

It is apparent that the current stipend level of one standard fitting all is disadvantageous to differing categories of retirees. For example, a single presbyter at retirement will have a very restricted ability to purchase a retirement property, as will a presbyter whose family has had the single income of a stipend.

The current Church superannuation scheme may well be "better than nothing" but it provides a relatively meager resource for a retiree.

The Board of Administration should continue to explore options and the future of the Superannuation Scheme. Every effort should be made to address the inequities of the current scheme bearing in mind the changing shape of parish life and the changing role of lay and ordained in Ministry.

## Reference Recommendations Nos. 3, 4

### Residence

Housing is an important factor in its effect upon levels of remuneration. At present there is a confusing mixture of practices - some presbyters live in existing parsonages / manses; some live in rented properties paid for by the parish; some live in their own homes; some rent out their own homes and live in a parish manse; some have equity in housing, others have no equity. This all needs to be seen against a background of a nationwide massive increase in the cost of housing.

Presbyters should be encouraged to consider their housing needs as early in their Ministry as possible. The Church should consider various options to assist presbyters in the purchase of their first house [Joint Equity Schemes as an example].

Parishes should declare in the parish profile their policy on housing:

- Provided and already in existence with no right to negotiate any options, or
- Provided but the parish is willing to negotiate other options, or
- Not provided, but provision made for rental up to the amount established following the Church's agreed formulae [that is an average of the market rental for housing within a 5km radius of the Church].

Conversely presbyters [or any layperson or deacons deployed to a parish by Conference] should declare:

- That housing to the standard set by Conference must be provided, or
- They are willing to live in long term rental accommodation of a mutually agreed standard, or
- They will only live in their own housing [address to be declared in the profile].

The board of Administration should ensure that a clear process is established, but it must identify that the parish, presbyter and Synod superintendent are responsible for the negotiations.

## Reference recommendations Nos. 5, 6, 7, 14, 15 and Presbyter Housing Paper (page D-15)

### Remuneration

The concept of " Stipend " is based on the notion of a "living allowance "It is not based on remuneration for the level of training required, nor the complexity or levels of performance required.

The servant concept of full-time Ministry has ensured that the income of presbyters remains at the most basic level regardless of the responsibilities or job dimensions.

Recent decisions by the Presbyterian Church have not in fact altered relativities, the additional factor of a "seniority allowance" however, has not been reflected in any Methodist Church wish to follow suit. Nevertheless it is important to acknowledge that where Methodist presbyters come into positions that may be filled by people from other denominations, then relativity becomes important. It is apparent that there is a desire for a shift in how Ministry is remunerated, and how the annual adjustments to the stipend are made.

The committee believes that the Stipends Committee needs to be empowered to establish the annual incremental changes around a series of guides and not absolutes, so therefore the Consumer Price Index and parity with our partner Churches should not be seen as the only rules to follow. For example they should also consider the average New Zealand income, average wage, a broad range of stipends etc.

Clearly there is a need for a figure which identifies 'basic stipend'; however parishes and boards should be able to propose amounts *above* or *below* that. A parish in preparing a profile for stationing should be able to indicate, with the approval of the Synod, Board of Ministry, and Taiwi Strategy or Hui Poari, a stipend figure above or below that set by the Stipends Committee.

A parish, wishing to offer above the basic stipend, should establish to the satisfaction of the Synod and the Board of Ministry that the nature of the appointment justifies paying above the basic stipend. Conversely, while all Ministry is full time, a parish seeking part time ordained Ministry

should prepare the total Ministry job description and identify what percentage of that 100% is to be carried out by the ordained person who will be paid on a pro rata basis. This would be approved by the Synod Superintendent and the Board of Ministry.

One of the implications of this is that covenants will no longer be required. The profile now establishes the job description against which remuneration and reviews are set and each member of a total Ministry team will have their own job description.

There are cases where the stipend needs to be benchmarked against other criteria; namely those positions which carry with them significantly wider responsibilities which could be undertaken by lay or ordained persons with the appropriate skills. When this is the case, the remuneration needs to be just and fair to both lay and ordained and adjusted accordingly. The positions affected by this include: the General Secretary, the Director(s) Mission Resourcing, Tumuaki, the Principal of Trinity Methodist Theological College, and the Mission Superintendents. In these cases the boards must be empowered to set the levels of remuneration on a sound commercial and theological basis.

Synod Superintendents carry out a significant task for the Church within the regions and are seen as important by both parishes and parish presbyters and deacons. In most cases the level of experience and expertise required is given freely and willingly by the individuals concerned, but that should not be exploited. Synods are therefore asked as part of their budgeting to ensure that all parishes contribute to a 'responsibility margin' in recognition of this leadership. The Stipends Committee should at the time of setting stipend also determine the amount of the 'responsibility margin' for Synod Superintendents.

Synods covering a large geographical area should also consider providing the superintendent with a car.

**Reference Recommendations Nos. 8, 9, 10, 16, 17, 21, 22, 23**

## **RECOMMENDATIONS TO CONFERENCE 2008**

**These have been grouped together under the Boards and groups with primary responsibility for implementation.**

### **Board of Administration**

1. Conference recommends that the Board of Administration clarify the purposes for which the Book Allowance may be used.
2. Parishes and boards be required to provide for the costs of a home internet connection for presbyters and other nominated personnel. To be added to the remuneration booklet.
3. Urgency must be given to exploring and monitoring the capacity of the Church's supernumerary fund. The Board of Administration should bring a report to Conference in 2008.
4. Conference asks that the Board of Administration ensure that the supernumerary fund reflects the current position of the church regarding those who are ordained and their partners.
5. Conference asks the Board of Administration to explore loan and shared equity possibilities for the purchase of housing by presbyters and deacons, and bring a report to the Conference in 2008.
6. Presbyters be encouraged to consider their long term housing needs as early in their ministry as possible. The Board of Administration to implement.
7. The Board of Administration is asked to establish a clear process for rental of a presbyters own home, but it must identify that the parish, presbyter and synod superintendent are responsible for the negotiations.

8. That the process of setting stipends be changed as follows:
  - a. The Stipends Committee be no longer required to measure stipend changes against the CPI and parity to partner churches only but be required to seek appropriate professional guidance in determining stipend.
  - b. A parish in preparing a profile for stationing may indicate, with the approval of the Synod, Board of Ministry, and Tauwi Strategy or Hui Poari a stipend figure above or below that set by the Stipends Committee.
9. The Board of Administration is asked to investigate fleet purchase of vehicles and the associated cost benefits.
10. Conference notes that the superannuation contributions would be based on the standard stipend figure set by the Stipends Committee and not on any amount negotiated by parishes, synod or boards above or below that figure.

### **Mission Resourcing**

11. That Mission Resourcing develops 'multi entry points' for ministry candidates.
12. Conference recognizes the importance of ministry reviews as part of building a robust and appreciated ministry and asks Mission Resourcing to work with Synods to monitor and conduct reviews of ministry on a regular basis.
13. Conference in acknowledging that professional development is important to ministry requests the Director, Ministry Development to prepare guidelines to assist Synods and the Theological College to better facilitate the ongoing education of those in ministry by; replacing the present study grants available with parish funded professional development grants of, in the first year, \$1,800 The latter should be reviewed annually, becoming the major resource of funds for significant study and travel.
14. Mission Resourcing ensure that Parishes declare in their parish profile the housing they have available i.e.
  - Provided and already in existence with no right to negotiate any options.
  - Provided but the parish is willing to negotiate other options.
  - Not provided, but provision made for rental up to the amount established following a church's agreed formulae.
15. Mission Resourcing ensure that Presbyters [or any layperson or deacons deployed to a parish by Conference] declare:
  - That housing to the standard set by Conference will be provided.
  - They are willing to live in long term rental accommodation of a mutually agreed standard.
  - They will live in their own housing [address to be declared in the profile].
16. Conference notes that the changes recommended in this report will improve the degree of flexibility for Cooperating Ventures and Joint Ventures when negotiating with incoming Presbyters.
17. Where a Parish is seeking part time ordained ministry, the parish must prepare a total ministry job description and identify what percentage is to be carried out by the ordained person. *(Tauwi Strategy Committee notes that this is already the policy of Mission resourcing.)*

### **Ministry of Education**

18. That Ministry Education be directed by Conference to develop a more decentralized model of training for Ministry with greater emphasis on distance learning options and less focus on residential training.
19. In recognition of the diverse range of requirements within parishes, communities of faith, chaplaincies and boards, Ministry Education be directed to focus on preparing people from a wide range of ethnic, theological and academic backgrounds in Ministry Formation programs (both residential and by distance learning) for Methodist Ministry, and reduce the involvement of Trinity College in academic studies. Academic studies should become a pre-requisite to entering Ministry Formation training.



## Tauiwi Strategy

*Note: The responses of Tauiwi Strategy are now offered as the suggested resolutions.*

Tauiwi Strategy makes the following response to the Stipends Review Committee Report:

- 20 That a reimbursing subsidy for Medical/Health Insurance be made available to all Presbyters at a level to be set annually by the Board of Administration.
- 21, 22 and 23 – Tauiwi Strategy supports in principle the payment of a responsibility margin for Connexional Appointees and Synod Superintendents. In doing so Tauiwi Strategy asks:
- (a) The Board of Administration to consider whether a responsibility margin should be; part of stipend or allowances.
  - (b) The Board of Administration to seek independent objective advice on scoping of responsibility margins.
  - (c) The Board of Administration to circulate a report on findings to Hui Poari and Tauiwi Strategy and March Synods 2009.
  - (d) Synods to report to Tauiwi Strategy on their capacity to fund these payments by August 2009.
- 24 Tauiwi Strategy accepts and notes that changes recommended in the Stipends Review report will improve the degree of flexibility for cooperating ventures and joint ventures when negotiating with incoming presbyters.

*For reference the resolutions to Conference 2007 were:*

20. *Boards with connexional appointees, and Synods on behalf of the Synod Superintendent, be required to take out Medical/Health insurance (the level to be set by the Board of Administration). Any parish that wishes to offer this benefit as they enter the stationing process should be able to do so without having to seek the permission of the Church. The Board of Administration be responsible for implementation.*
21. *The Board of Administration, the Board of Ministry, Hui Poari and the Boards of the Missions in consultation with the Stipends Committee review and set rates of remuneration for their respective connexional appointees, where the position is open to lay or ordained, that are commensurate with the public sector.*
22. *Tauiwi Strategy is asked to review the impact on Synods of Superintendents being offered a significant stipend 'responsibility margin' and/or the provision of a car in recognition of the additional responsibilities they carry, and bring recommendations to Conference 2008.*
23. *The Stipends Committee, subject to the decisions of Tauiwi Strategy, should at the time of setting stipend also determine the percentage level of the "responsibility margin" for Synod Superintendents.*

## Appendix 1

### FUTURE MINISTRY

*A précis of submissions from Bonnie Heberton, John Salmon, Jim Stuart, and I S Tuwere, Uesifili Unasa.*

#### LESSONS FROM THE HISTORICAL PAST

The original concept of ministry was focused on **mission and service carried out by all**

Different forms of **leadership and status** emerged to deal with different perceived tasks: apostles travelled and preached, elders offered pastoral care, deacons served and bishops exercised oversight (Stuart). Need, not tradition governed the structure and functionality of ministry.

Forms of ministry have continually been **created and reconstructed** throughout Christian history in response to the fossilisation of earlier models or the appearance of new social needs, from the collapse of the Roman empire to the emergence of new underclasses.

THE VIABILITY OF CURRENT MODELS OF MINISTRY IS CHALLENGED BY MANY FACTORS IN THE PRESENT RELIGIOUS AND SOCIAL CONTEXT (which it is presumed will continue to operate in the foreseeable future):

- Changing religious and social demographics caused by migration (especially from the Pacific and Asia).
- The appearance of a new social divide between the well-to-do, highly-educated, technologically literate and the 'others'.
- National social fragmentation into mini and multi-cultures: communities of different discourse and ethnicity (Stuart).
- Increasingly arrogant secularity and the sidelining of the Church and its concerns.
- Increasingly diverse conceptions of 'spirituality': the factionalising of 'the faith' into mutually hostile conservative/liberal/traditional/progressive streams.
- The Church's instinctive protectiveness of its present structures.
- Weak Church leadership and failing membership—declining numbers, failing finances, loss of credibility, lack of vision, pressure of bureaucratic demands, theological amnesia (Stuart and Salmon).
- The globalisation of modern culture and the consequent identity crises faced by individuals and communities.
- The existence of competitive faith communities within the national community.
- Rapid change at political, economic, scientific, technological, social, cultural and ecological levels.

We are on the cusp of a radically different human **world** (in the largest sense) struggling to be born.

### **THE SHAPES OF FUTURE MINISTRY**

Need for flexibility, diversity, adaptability and willingness to create new models of ministry.

Whole-Church thinking about the definition, function(s) and education of leaders.

Insistence on corporate ministry ('priesthood of all believers') and the development and use of local shared-ministry teams.

Increasing reliance on lay + 'retired' professional ministers, and short-term ministries.

Honouring, validating and resourcing the many forms of non-professional ministry engaged in by congregational members ('lay' people).

Enduring need for:

- Co-operative ministry of full-time stipended ordained ministers, deacons and lay people offering a third of their time or more (Hebenton).
- Provision of counselling and pastoral care at all levels in church and community.
- Prophetic witness and vision to the community (quality thinking).
- Capable administration of the Church community.

- Education and enablement of others in ministry.
- Community accountability.
- Spiritual integrity.
- Apostolic effectiveness and quality.

### **PARTICULAR REQUIREMENTS**

Both short course and full-time quality education and training for local, specific and professional ministers, not to mention congregations.

Discourse that addresses the relationship between Gospel and Culture (Tuwere).

Contracts and job descriptions for all with leadership roles.

Stepped career paths and differential pay scales for all full-time regional and connexional staff.

Equivalent rates paid to lay people filling presbyterial roles.

Mechanisms for quality control and supervision for all in leadership roles (Gibson).

Competence in the technologically and publicity-driven world of the immediate future (Gibson).

Insistence on the selection of quality people for leadership roles, with talents fitted to their job requirements and the people they will serve (Gibson).

A skill set which values:

- Discernment, not control
- Mentoring, not directing
- Accompaniment, not detachment
- Risk, not comfort
- Authenticity, not authority
- Fluidity, not rigidity
- Organising, not piety (Stuart)

**Colin Gibson**  
**March 2007**

### **Appendix 2**

#### **MUTUAL SERVANTHOOD (LOVE) AS A FOUNDATION FOR PRESBYTER REMUNERATION** (Reflections for the Stipend Review Committee)

#### **Executive Summary**

A theology of mutual servanthood (or love) forms the basis of church life including the way staff are remunerated. To limit the role of 'servant' to the work of the Presbyter alone undermines the ministry of the church and confuses discussions on stipends and remuneration. A 'servant stipend' puts pressure on the presbyter's family, undermines the future health of the church and future security of the presbyter's family, and results in paying those who work the hardest the least amount of money. However, describing the role of all members as servants and building a theology of love encourages healthy church life and healthy family life for the presbyter.

*"Well done, you good and faithful servant! ...Come on in and share my happiness!"*  
(Matthew 25:21, GNB)

## **A call to servanthood**

*Love is central to our theology and practice in the Methodist Church.* The call to love is accepted across all our various theological preferences and cultural groupings. It is central to the message of Jesus and the teaching of the New Testament. Servanthood is one way in which we express love as we make sacrifices for the good of others. We enter their world, on their terms, for their benefit. Further, servanthood is one sign of Christian maturity in that it shows that people care about God's mission to the world, especially those in need. We are all called to love one another and those around us, and servanthood is a natural expression of love.

*Presbyters are called to be servants of the church. However, it is also true that all Christians are called to be servants too.* Methodism has always upheld the value of "every member ministry" and has consistently given space for all people to exercise their gifts for the good of the mission of the church. To limit the title of "servant" to those employed by the church undermines this fundamental area of church life. It discourages members from fulfilling their ministry as it implies that the presbyter is the servant and the members are there to be served. A theology of mutual servanthood encourages every person to be part of God's mission. Clearly this is important for the church to stay healthy.

*Further, this mutual expression of love and commitment to serve one another builds unity in the church and generates respect for every person.* The qualities of unity and respect are fundamental to the health of the church and our future integrity. When we encourage and express the value of love we enable the church, and every member of the church, to reach their full potential as servants of God. It promotes ownership of the church as "my church" because each person has invested in its life in one way or another. People begin to acknowledge that "we are all in this together" and that what affects one affects all.

## **A call to love the presbyter and their family**

Full time ministry is not easy. People expect a lot of presbyters – from replacing light bulbs to fixing broken marriages. We are often out at night, and always on call. We only have a one day weekend and are "public property" during the week. Administration is getting more complicated with changes to legislation and expectations for worship services are increasingly difficult to meet. Membership easily slips into decline and money is always tight. Those who have families are always trying to juggle the needs of a partner and children with the needs of the parish and Connexion. Personal time is often hard to find. And this is probably true for many lay people too – *we're all in this together!*

I need to speak personally for the following section to make any sense...

My biggest struggle as a presbyter is that my calling to ministry has impacted so heavily on my family. I am out a lot, and am often distracted by church issues even when I am at home. My wife has to work if we are to secure a reasonable retirement and provide opportunities for our children to fulfil their potential and explore their interests. This means that, at least three days a week, she gets home from work, we eat a hurried meal, and I leave for meetings. Saturdays is our only day together, when she isn't rostered to work and if there is nothing on at church. Then, my commitment to the church is met with the expectation that I will be satisfied with the lowest possible stipend (a "servant stipend") as acknowledgement. Enough of that – you get the picture...

## **Our present stipend system puts families under pressure**

When we pay "servant stipends" we put pressure on the presbyter's family life. Just because the presbyter is willing to make sacrifices to fulfil her/his ministry, doesn't mean their family should be forced to sacrifice some of their goals and dreams. It soon becomes a one way street where the presbyter is expected to make sacrifices in caring for the people, without expecting anything in return – for themselves or their families. The question of "How can we better care for our presbyter/s?" is very seldom asked, but the call for presbyters to respond to the needs of parishioners is often demanded – even at the expense of special family events. This inevitably builds frustration for those involved.

So, for me, the attempt to improve the rates of remuneration for presbyters was an expression of love. It acknowledged that I was more than just a cog in the machine of church and that my family's future was important. More than that, it was an expression of value – "We see what you do. We appreciate your efforts, we understand your sacrifices." It wouldn't change the demands

on my time, but it would help us as a family to set aside money for the future, university fees etc, or just do something special together – little things that make a big difference to family life. Possible increases in remuneration give the parish an opportunity to express gratitude and better care for their presbyter and his / her family. It is an expression of mutual servanthood – “as you serve us as best you can, so we will serve you as best we can.”

Simply put, a better financial package would help protect the health and future of presbyters and their families. It is an acknowledgment of gratitude and a practical expression of love – of wanting the best for every person affected by the presbyter’s call to service.

### **Our present stipend system undermines generosity**

When we support low stipends for ministers we subtly undermine the value of generosity. When it becomes acceptable to give “just enough” to the person who serves us, we soon find that the same attitude is worked out in other areas of the church’s life: We give just enough money to pay the bills, just enough time to care for the poor, just enough interest to keep our position in leadership... Giving “just enough” undermines the value of mission and threatens the future health of the church.

Generosity, as one of the characteristics of God’s servants, can be expressed in the way that parishes remunerate presbyters. At present, we essentially encourage parish members to be generous to all people - except those who serve you, those only need the minimum.

Love is generous. It gives more than enough: 600 litres of wine at a wedding, a catch of fish that breaks the nets, food for 5000 with baskets to spare. If we love one another we are called to more than “just enough”. And when we live out that calling – in the way we pay staff, in the way we give time, in the attention we pay to the poor – then the church will grow and God’s mission will be furthered! There will be more than enough!

Why would we exclude our presbyters from this kind of expression of love?

### **Our present stipend system undermines future housing needs**

While the reduced rental that comes as part of our stipend is very much appreciated, it makes it impossible for presbyters to buy their own property. This undermines future security for the presbyter and their family. The suggestion that presbyters plan for their future as early as possible is important, but it begs the question, “Where will they get the money to set enough aside for future housing, or cover present housing needs?” There is not enough in the present stipend to set aside money for present housing costs let alone future housing.

The present system offers a small increase to presbyters living in their own homes – just enough to cover the rates and one or two repairs – while the parish reaps the significant rewards of renting the parsonage on the open market. (For me to buy a house in Papatoetoe would result in 85% of my stipend going into the mortgage, rates and related expenses, while the parish would gain about \$1200/month from renting the parsonage *after* paying the extra towards my housing.) A theology of mutual servanthood, or love, would promote sharing the benefits gained by renting the parsonage.

### **Our present stipend system pays committed servants less**

Finally, it should be noted that the irony of the present stipend system is that those who take servanthood seriously are worse paid than those who don’t. A presbyter that is passionate about serving the church inevitably works longer hours and makes sacrifices for their parish or position. In contrast another presbyter lazes around the house, surfs the internet and does the bare minimum, while another takes time away from the parish to write books or do celebrant work etc. All three are paid the same stipend, which means that the *hourly rate* of the “servant” is dramatically less than the other two. The servant is not only worse paid, but their family is probably more stressed.

Applying a theology of mutual servanthood may help the parish acknowledge the added sacrifice and effort of those who work faithfully. It promotes the attitude of “we’re in this together,” and encourages a sense of mutual acknowledgement and praise: “Well done, you good and faithful servant! Come on in and *share* my happiness!”

## Conclusion

A theology of love will not only enable the church to better care for their presbyters, but will ensure the health of the church into the future. We cannot say that we value those who serve the church when we give them “just enough” to survive. We do not express the way of the gospel when we ask to be served without being willing to serve. We do not express love when we expect the presbyter’s family to buy into the stress of very little time together and not much to show for it at the end of the day. However, by serving one another to the best of our ability, presbyter included, we express the way of Jesus, promote the unity of the church and create the values that further the mission of the church.

*Andre le Roux  
30 January 2008*

## Board of Administration Stipends Review Committee

### STIPENDS

#### Stipends and Allowances from 1 July 2008

The Stipends Committee accepted that it was appropriate to increase the standard stipend by 3.4% and the standard allowances and book allowance reimbursement by the annual movement in the Consumer Price Index to 31 March 2008 of 3.4%. The amounts payable from 1 July 2008 were:

Standard stipend	\$40,528
Standard allowances	\$ 2,839
Maximum book allowance reimbursement	\$ 942

The President also approved a new statement regarding telephones, internet connections and mobile telephones. This is a clearer statement and replaces the previous statement which did not make the policy clear for Treasurers and Presbyters.

Reimbursement for Connexional travel is 44 cents per kilometre.

From 1 October the structure of the reimbursement of travel has changed to the following rates. To better inform Conference, we have included the former and new wording within the Presbyters Remuneration Leaflet Number 25.

New Wording, from 1 October 2008:

Where the estimated annual running of the motor car for all purposes is:	Reimburse the church-related travel at:
Less than 14,000 kms	65 cents per kilometre
Between 14,001 and 20,000 kms	53 cents per kilometre
Between 20,001 and 26,000 kms	46 cents per kilometre

Alternatively, the flat rate of 36 cents (32 cents) per km can be paid for unlimited running (i.e. without the need to record annual mileage and be concerned about exceeding a chosen band).

Wording prior to 1 October 2008:

Where the estimated annual running of the motor car for all purposes is:	Reimburse the church-related travel at:
Less than 12,000 kms	64 cents per kilometre
Between 12,001 and 18,000 kms	52 cents per kilometre
Between 18,001 and 24,000 kms	44 cents per kilometre
for mileage beyond any chosen band range: (refer examples 4 & 5 on page 9)	21 cents per kilometre

## **Presbyter Housing Report**

The Stipends Committee thanks those Synods and individuals whose responses have helped to shape this report to Conference. These have been noted as appropriate in the body of the report.

### **Executive Summary:**

This report

1. Discusses policy designed to enable parishes and Boards who do not own a parsonage to calculate an appropriate rental payment for housing owned by the Presbyter.
2. Suggests that parishes and Boards may choose to rent the presbyters own home.
3. Signals that further work is required on the issue of initial equity for presbyters to purchase a house.

### **Presbyter Housing Allowances**

Conference in 1982 passed a resolution which made it possible for a Parish or Board to pay an amount greater than the standard housing allowance when the presbyter was required to live in their own home. That is, when a parsonage was not available, or was manifestly unsuitable, then the Parish or Board could choose to rent, including renting the presbyters own home. Such payments required the approval of the Synod, the Development Division and the President.

More recently the President has ruled that the Administration Division, which now has responsibility for housing and stipends should act in place of the Development Division.

The Stipends Committee is aware that an increasing number of parishes and Boards no longer own parsonages and believes a transparent process of both entering into a rental agreements and the setting of rentals needs to be established.

The Committee also wishes to respond to issues raised by the Stipends Review group, which in turn was responding to concerns raised in the survey of Presbyters and Parishes in late 2006.

### **The Principles**

In asking Conference to examine the issue of housing and allowances it seems appropriate to establish the principles which we as a Connexional church work from as we seek to develop this policy.

1. The provision of housing is a requirement for all full time stationed presbyters.
2. In making alternative housing arrangements there should be fairness and transparency.
3. The Methodist Church has over a long period tried to ensure its presbyters have access to appropriate housing when they retire.

Where a part-time Presbyter is required to move from where they live then housing is provided. Payments would be on a pro-rata basis.

### **Provision of Housing**

The provisions state that the dwelling should be of sufficient size to accommodate the presbyter and any family they may have, as well as study space and the ability to offer hospitality. Normally this has been a four bedroom house with a study, although in recent times three bedroom homes plus study have proved suitable for smaller families. Information Leaflet No 50 sets out the churches expectations with regard to housing. see [www.methodist.org.nz](http://www.methodist.org.nz).

This may be provided by:

- The parish owning a suitable house
- The renting of a suitable house
- Paying a housing allowance to a Presbyter who lives in their own home.

### **Fairness and Transparency**

When Presbyters are given permission to live in their own home, a taxable housing allowance is paid in recognition of the parishes responsibility to provide housing and the housing costs which the Presbyter, rather than the Parish is now carrying. This allowance is currently set at 1/6 of the Stipend as determined by agreement with the Inland Revenue Department.

In this arrangement Parishes who pay a housing allowance are financially advantaged over Parishes which house their presbyter in a parsonage. The former are able to rent the parsonage at

market rates, or gain the full benefit of interest earned, whereas the later group of parishes carry the full cost of the provision of housing. It could be argued that it is the presbyter in their own home, who is actually providing the capacity for the first category of parishes to earn additional income. The difference between rents or interest received and the housing allowance.

When we look at the housing allowance for living in a presbyters own home paid by partner churches we find that the Methodist Church has a rate which is much lower. The Presbyterian Church of Aotearoa New Zealand bases its minimum allowance on the lower quartile of the actual rents in an area within reasonable radius of the worship centre, or within a location determined by the congregation and the Presbytery/UDC. The Inter-Church Hospital Chaplains Committee determines the allowance by taking 4.25% of the median house price, as determined by sale prices collated by the real estate institute.[Capped at \$13,560] These higher rates of housing allowance mean there is a financial equivalence between all parishes, that is those who provide a house, and those who pay a housing allowance.

For the Methodist Church, up till now, it is only when a Parish / Board does not own a suitable parsonage that the Parish / Board may choose to rent the Presbyters home at a rate determined by an independent process using a real estate agent or property manager.

**Consideration of the need for Retirement Housing**

This issue has exercised Conference on a number of occasions. Most significantly in the 1970's a national appeal was held to establish a fund to urgently supplement the funds presbyters required for retirement housing. That it became necessary, was the result of a long period of low stipend and the rapid onset of inflation.

Improvements to both Superannuation and Stipend meant this scheme lapsed. But more recently when again, property values rapidly escalated, provision of retirement housing has become a major concern for many presbyters. [In the Survey of Presbyters and Parishes in 2006 provision of retirement housing was the major concern of 69%of Presbyters] The rapid increase in house prices now means the amount able to be capitalized from Superannuation is insufficient to purchase a house and signals that Government Superannuation may not be able to be maintained at existing levels make presbyters unwilling to forgo pension which may be required for day to day living.

The Stipends Review Group in its report to Conference [2007] identified the urgent need to find ways to assist presbyters to get into the housing market. This is primarily a pastoral response to both itinerancy and to the impossible situation of needing to provide housing for the first time at retirement.

One solution would be for Parishes to choose to pay a housing allowance similar to a PCANZ or ICHC formulae. This would not financially disadvantage parishes where the presbyter is currently living in the parsonage. The rental, or invested capital from the parsonage would cover the increased allowance.

For those parishes currently benefitting from paying the standard housing allowance, their cost structure would once again be similar to those parishes who are meeting the conference requirements to provide presbyter housing.

The real benefit to the church is that this change of policy could allow presbyters to get a start in the property market, and make better provision for retirement. A significant group of Presbyters in the survey [27%] wondered if they might need to leave ministry for a higher paying job to be able to afford retirement housing. In a time of too few presbyters, retention of existing experienced presbyters is vitally important.

**Example:  
Christchurch - Suburban**

Four bedroom house:	Lower Quartile	Median	Upper Quartile
Suburb 'A'	\$350 week	400	470
Suburb 'B'	327	370	400
Parish rents parsonage at or above median rental	\$400 - 440 week		



Parish invests parsonage capital [350,000 @ 6%]

\$403 week [no additional outgoings].

Figures from [www.dbh.govt.nz/market-rent](http://www.dbh.govt.nz/market-rent), for June 2008.

### **Housing Equity:**

The Stipends Committee realises these provisions do not assist any Presbyterian who has insufficient capital to be able to finance their own home in the first instance. The Committee has begun conversation on the implication of a shared equity scheme and will report to the church in 2009. We thank the church for the many suggestions for possible ways forward.

There were a number of comments in this area. Shared equity, where a parish and presbyter might jointly own a property, through to calculations which showed that without assistance many would struggle to meet mortgage costs.

### **Continued provision of parsonages:**

A number of responses noted the need for parishes / Synods to still have access to housing. Not all presbyters will want, or be able to live in their own home. Some communities maybe seen as less desirable as places where a Presbyterian might own a house and short-term ministries would not warrant the purchase of housing.

This policy change does not promote the sale of all parsonages, but to make provision for the optional renting of the presbyters own home on a fair and equitable basis.

### **Recommendations:**

The Stipends Committee is recommending to Conference that Methodist Housing Allowances be restated in accordance with the following guidelines.

The guidelines would be:

The rental payable to the presbyter would normally be at the median market rental of appropriate accommodation that is available within a reasonable radius of the worship centre or within a location determined by the congregation and the Synod /UDC.

In setting the housing rental the following needs to be determined.

1. The number of bedrooms required by the Presbyterian for both day to day living and hospitality
2. The provision of study / office facilities either in the dwelling or in the church complex.

Having determined the total number of bedrooms/study rooms the following criteria should apply to determine the minimum rental.

The minimum rental should be based on the median of the market rental for an appropriate house as determined by the Dept of Building and Housing [see [www.dbh.govt.nz/market-rent](http://www.dbh.govt.nz/market-rent) ].

As a matter of process:

1. It is important to note that the Synod Superintendent is responsible for ensuring there is an agreement and that the process is followed. The Superintendent will seek the assistance of the Administration Division as required.
2. That parishes and presbyters need to make declarations regarding housing BEFORE stationing.

Note: As a rental, rather than an allowance the payment of tax on money received would be the Presbyters responsibility. It would also mean outgoings could be deducted prior to the tax calculation. The Committee strongly suggests that any rental payments be made at a different time of the month to stipend to ensure there is no confusion between stipend and rent.

### **Suggested Resolutions:**

1. That the report be received.
2. That Conference adopts the provisions as set out in the report to allow Parishes and Boards to choose to rent the presbyters own home to meet their requirement to provide suitable accommodation for a full time Presbyterian.
3. That Conference asks the Administration Division to prepare an information leaflet setting out the procedures and their implementation.

## **GST RETURNS – NEW WEB BASED SYSTEM**

From August 2008 the Connexional Office introduced a new way for entities within the Church to file their GST returns with the Connexional Office.

As part of the process of change over, the Connexional Office staff offered a number of online web based training sessions for a week. Training sessions were offered during both the day and evenings. A small number of people undertook the training with another small number indicating that no training was required due to the clarity of the software instructions.

It is important to note that all entities within the Church must return their GST on a monthly basis to the Connexional Office.

Any GST questions or concerns should be raised with Peter van Hout ([peterv@methodist.org.nz](mailto:peterv@methodist.org.nz)).

## **BOARD OF ADMINISTRATION - SPECIAL ACCOUNT**

The Board of Administration "Special Account", or as it is more commonly referred to "the Connexional Banking Arrangement", is one of the main avenues of mutual contribution to the Connexional Budget.

The Connexional Banking Arrangement calls for all Methodist Church bank accounts to be held with the Bank of New Zealand and the Church is then entitled to draw down part of those credit balances which can be used either for investment or for loans to parishes.

The only constraint on the operation is that all accounts must be maintained with a credit balance.

For the year to June 2008 the Special Account contributed \$78,971 (2007 - \$69,801) to the Connexional Budget or just under 9% (2007 - 9%) of the total.

As District contributions come under increasing strain the contribution of Connexional activities such as the banking arrangement will have increasing importance. It is therefore essential that all Churches consider having their bank accounts with the BNZ so that they can become part of the Connexional Banking Arrangement. Please contact Greg Wright if you require further information ([gregw@methodist.org.nz](mailto:gregw@methodist.org.nz)).

## **FINANCIAL REVIEW**

This committee met in late September and reviewed all of the financial statements that had been filed by parishes and connexional bodies at that date. The committee expressed it's appreciation to all of those Treasurers and other members of parishes who met the deadline and encourages the others to meet this important obligation in future. There will be a separate report to Conference on the groups and parishes that did not meet the deadline.

The committee noted a general improvement in the financial position and performance reported by many of the groups. Parishes in general showed improvements in income that exceeded the annual rate of inflation, although there were some notable exceptions. The Church as a whole is in better financial shape than it was in 2007.

Members of the committee were aware of the changes that are occurring in financial reporting standards, the future need to make returns to the Charities Commission, and of the confusion that exists during the transitional stages, as well as the lack of uniformity in treatment for similar transactions. The Connexional Office staff will be working with Treasurers over the coming months to clarify and standardise the appropriate treatment and reporting of several issues, including:

- the reporting of interests in trusts and endowments;
- the appropriate disclosures of securities and mortgages;
- the treatment and reporting of "stipulated" funds (sometimes called "designated" or "specific" funds);
- who are, and who are not, related parties;
- the treatment and reporting of income and expenditure through reserves or designated funds;

- disclosing whether financial statements have been subject to audit or review;
- when cross-references to notes should be used;
- what needs to be disclosed in notes to the financial statements;
- the information required to complete the first annual returns to the Charities Commission.

Individual issues will be taken up with some parishes and other bodies. It is the conclusion of the committee that the financial statements that have been reviewed should be formally received by Conference.

## **CHARITIES ACT**

Over the last 12 months the Methodist Church has made over 120 applications to the Charities Commission. The Church has needed to make changes to the Laws and Regulations in relation to “winding up” clauses so that Parishes, Synods and other entities which rely on the Laws and Regulations to register complied with the Charities Act. The President approved these clauses to ensure all entities could gain registration.

The Administration Division is storing all registration data for every entity both on computer and the original certificates.

### What do we need to complete from here?

Moving forward, any change of “Officer” of a registered Charity (Parish or Synod for example) will need to complete Form 3 and return it to the Commission. This form is able to be completed online.

On an annual basis each registered entity will be required to complete Form 4 and have this form returned to the Charities Commission. Closer to the due date of the return, the Commission will send a reminder. A charitable entity must send its completed Annual Return back to the Commission **no later** than **six months** after your balance date (the end of your financial year). However, the charitable entity can also use the Annual *Return Form* to notify the Commission of changes to your organisation’s details. In this case, you must send the Return back **within three months** of the effective date of the changes or of you becoming aware of them. This form can also be completed online.

The Connexional Office is hoping to run a number of training sessions on completing Form 3 and Form 4 either late in 2008 or early in 2009. The Statistical Return Forms have been changed to reflect the requirements of the Charities Commission Form 4.

### Can we do any preparation?

Look at the Statistical return Forms supplied by the Connexional Office, obtain a copy of Form 3 and 4 from the Charities website ([www.charities.govt.nz](http://www.charities.govt.nz)) and be prepared to become involved in the training.

## **REMOVAL FUND**

The Board of Administration was able to hold the removal levy at \$14 per member for the 2008 financial year. The levy is based on the membership numbers provided in the annual statistical returns. During the year ended 30 June 2008, the fund was responsible for 20 moves at a total cost of \$51,677. This was the same number of moves, but a decrease of \$43,589 in the total cost of the moves when compared to the previous financial year. The main reason for the decrease costs was that most of the moves were same city relocations.

## **METHODIST CONNEXIONAL PROPERTY COMMITTEE**

The Methodist Connexional Property Committee acts under delegated authority from the Board of Administration for the management of the Church’s Insurance Fund and the operation of the Church Building and Loan Fund including the consideration and approval of Church property transactions.

### **(a) Insurance Fund**

The Insurance Fund provides one of the principal areas of contact between the Methodist Connexional Office and individual parishes and congregations.

Mostly this is receiving advice and information in the Connexional Office of changing insurance requirements and the issuing and receipting of insurance premium notices and payments. Occasionally however the contact relates to the need for a parish to make a claim against its insurance covers and the Methodist Connexional Property Committee believes that this is where the Church's insurance arrangements are seen at their most beneficial.

As the Fund is generally responsible for the first \$50,000 of each claim, all but the largest claims are settled "in house" and normally there is only one claim referred on to the insurers in each one or two years.

While the Insurance Fund needs to insure that claims are settled equitably and fairly, the ability to settle the claims without reference to "outside" insurers means that almost all claims can be dealt with on receipt of the claims information from the parish.

Occasionally because a claim is more complicated or the affected parish requires assistance in having the damage repaired the Insurance Fund will appoint a local claims assessor to work with the parish to see the matter resolved.

Some matters referred to the Insurance Fund cannot be regarded as insurance claims and most often these relate to a want of maintenance over a long period of time and the gradual rotting or collapse of the property. Under general insurance rules this gradual deterioration is not considered to be an insurance matter.

#### Replacement Valuations

The Fund is keen to ensure that Church properties are regularly revalued and insured for their proper replacement value. To assist in achieving this the Insurance Fund in 2007 offered to meet 75% of the replacement valuation fee for building and contents valuations when the sums insured were updated to the new valuation figure. This has proved to be an extremely popular and effective way of helping parishes and congregations ensure that their properties are properly insured. The average increase in the sums insured has been approximately 33% and the sum increases ranging from a modest 10% to a maximum movement of just under 600%!

The second reason for keeping valuations up to date is the extension in cover advised to Conference 2007 whereby the Insurance Fund is able to meet the cost of bringing the undamaged portion of a property up to current code compliance if, as a condition of the building consent, such work is required by the local authority.

Previously any work required to an undamaged part of the property was not covered as an insurance claim.

As a condition of extending this additional (and quite unusual) cover the Church's insurers have required that any property subject a claim under this provision needs a current insurance revaluation (no more than 2 to 3 years old as a maximum) and that the Church had not received formal notification from the local authority that the property required work to bring the building up to code compliance.

#### Alarms

The Insurance Fund continues to support and subsidise the cost of alarm installations for Church property. Being mindful of the fact that a number of the original installations are now over 15 years of age, the Fund is happy to look at a second round of subsidies to see those systems replaced and updated.

#### Photographic Record

The Insurance Fund continue to seek electronic images of all church property. The Fund has the capacity to store several images of each insured property and we would be grateful for all current photographs. It would be useful if they could be forwarded to the Insurance Fund ([ins@methodist.org.nz](mailto:ins@methodist.org.nz)) as a .jpeg, remembering to include the Insurance Risk ID reference

number so that we can file the image with the correct property.

### Liability Covers

The Insurance Fund wishes to acknowledge the very real effort of Church leadership at all levels that have maintained the excellent early notifications of matters that could lead to liability claims. Careful attention to notifications has enabled the Church to resolve a number of issues at the very earliest opportunity which has resulted in almost all cases in a reasonable and dignified resolution of issues involved.

Parish and Church officials are reminded that there is no penalty for notification, in fact the discipline of preparing the notification often helps in sowing the seeds of a resolution.

Matters not notified however, risk being excluded from the Church's cover should matters escalate.

### Website

Current copies of the Insurance Handbook are available from the Website <http://il.methodist.org.nz>. Copies of the handbook will not be distributed in printed form as this has resulted in superseded editions being referred to for information. The current edition will always be available on the website.

### All Churches Bureau

The Methodist Church of New Zealand has continued to support the activities of the interdenominational All Churches Bureau as it continues to assist the partner churches on matters of insurance, risk management and legal compliance.

The Bureau is working on a pan denominational response to the Building Act requirements for Earthquake Prone Buildings together with an information pack for parishes and congregations where their properties are earmarked for listing as Historic Places.

All of the partner churches insure at least their buildings and contents through Ansvar NZ Limited a subsidiary of Ecclesiastical Insurance Group Limited in the UK. The All Churches Bureau has for the last two years been asked to advise Ansvar and EIG for a faith based community project that could be supported by a grant of £20,000 from EIG's own ecclesiastical trust. In 2007 the grant was directed towards Hospital Chaplains and for 2008 the grant has been presented to the Churches Education Commission which assists the excellent work of religious instruction in schools.

All Churches Bureau is currently working on its suggestion to EIG Ltd for the 2009 grant.

It is hoped that the Bureau will be able to maintain its relationship with Ecclesiastical as a conduit for grants in future years.

### **(b) Church Building and Loan Fund**

The Church Building and Loan Fund is charged with delegated authority from the Board of Administration to give consent to Church property transactions as well as receiving and managing the proceeds of sale of Church property if funds are required for other capital projects. The Fund also provides loans to assist parishes with property purchases and development.

The Committee has continued with its 2006 initiative of inviting representatives of two Property Advisory Committees to alternate monthly meetings and this has proven an excellent forum for discussion and information sharing.

### Internal "Transfers" of Property

During the year the Committee had further occasion to carefully consider the situation where control and stewardship of Church property moves between congregations within the Methodist Church of New Zealand and where some form of settlement amount is paid.

The Committee came to the view that this settlement should be viewed as a form of Koha and the Committee developed an information leaflet which is available on the Church's website ([www.methodist.org.nz](http://www.methodist.org.nz)). A copy of the paper has been distributed to all Synod Property Advisory Committees for their information.

## **Review of Church Law**

### **Property Stewardship and the Economy of Grace**

The paper to August Synods produced 3 Synodal responses together with some individual responses. The responses dealt with different details in the proposals. There was no significant objections to the basic premise of the review which was to free up the Church's "locked up" resources for the advancement of the mission of the Church as detailed in each Synods property strategy.

The Church is always in need of renewal and re-affirmation of its mission – sometimes that process can be inhibited by an inability to review and re-assess the appropriateness of retaining long held land and buildings or historic parish boundaries.

Synods did not question the transfer of part of the proceeds, the sale of redundant property to the Mission Resourcing Fund, or the need to systematically review whether property and funds continued to meet the mission of the Church – it was suggested however that a three year review was too frequent and five years suggested as a more workable period. The suggested Law has been changed accordingly.

Several responses confirmed the need to be pastoral at the five year assessment to determine if Church property or funds were still being used for their intended purpose. The over-arching question of the assets use in the mission of the Church was stressed and this has been included in the reworked provisions.

The intention of the changes was to bring Synodal planning and decision-making sharply into focus as the principal "mission manager". Synods are expected to have the vision and distilled wisdom of their parishes in determining firstly a Synod strategy for the Church and secondly a property strategy to assist in the implementation of the mission strategy.

Income from property sales is freed up to enable those strategies to be implemented although capital, whether held in the name of the Parish or a Synod should be largely retained for capital projects.

### **Union Parishes**

The 2007 paper noted that the proposed law changes would not affect Union or Co-operating Ventures where the proceeds of sale would be held on deposit by the denomination who held title awaiting a future approved project.

This is because assets contributed to Union and Co-operating Ventures are held in trust for the partners in agreed percentages. It may be appropriate, in the future, to look at partial capital distributions to participating denominations in the agreed ratios – thus releasing available capital without upsetting long established ratios. This is a matter which would need to be carefully considered by the partner denominations.

### **Loans**

Methodist Connexional Property Committee has moved to institute the more flexible loans policy approved at the last Conference.

### **Be Bold**

In their report to August synods the Methodist Connexional Property Committee and Law Revision Committees commended Synods to be bold, the same exhortation is made to Conference.

The wording of the proposed changes to the Law Book are set out in suggested decisions. The proposed changes are brought to Conference jointly by MCPC and the Law Revision Committee.

### **Suggested Decisions:**

1. That the report be received.
2. The Church Law be amended by deleting the present wording of Section 9 clause 3.1, 3.2.1, 3.3.1, 3.3.2, 3.4.1, 3.4.2, and 3.4.3 as follows in italics.

- 3.1 *The consent of the Conference through the Board of Administration shall be obtained by all Parish Meetings, Incorporated Boards and Trustees under the Methodist Model Deed of 1887 for all:*
- (a) *briefs to Architects, plans and specifications of all proposed erections of, or enlargements and alterations both exterior and interior to Church buildings;*
  - (b) *briefs to members of the Master Builders' Association when, with the prior approval of the Synod or Regional Court and of the Methodist Connexional Property Committee, such person(s) are invited to prepare plans for the erection of houses for Ministers;*
  - (c) *purchases or sales of Church property;*
  - (d) *leases of Church property for terms of seven years or more;*
  - (e) *mortgages of Church property;*
  - (f) *any borrowing or proposal to borrow funds sourced from outside New Zealand.*
- 3.2.1 *Prior to the consent of the Conference being given to a Parish for any property proposal, the respective Synod or Regional Court shall:*
- (a) *be satisfied the proposal is financially viable and that the Parish or Board is able to repay any funds borrowed and any interest thereon;*
  - (b) *appoint, near the inception of the project, a Registered Architect to assist with the strategy and planning, and to undertake the design, documentation, and contract administration of the project;*
  - (c) *ensure that the design conforms, as far as possible, to New Zealand Building Code D.1 in respect to access to and movement within buildings by the disabled;*
  - (d) *ensure that the history of the property has been researched and recorded;*
  - (e) *ensure that any Te Tiriti obligations outstanding have been resolved;*
  - (f) *refuse consent for the purchase of any land until a research of the land history has been undertaken.*
- 3.2.2 *Exemption from any or all of the requirements in 9.3.1. and 2 above shall be given by the Methodist Connexional Property Committee only in exceptional circumstances.*
- 3.3.1 *The proceeds from the sale of property shall be lodged with the Church Building and Loan Fund in the name of the Parish;*
- 3.3.2 *Notwithstanding provisions of 9.3.3.1, on the recommendation of the Synod or Regional Court concerned, the Methodist Connexional Property Committee may authorise an amount, (up to such an amount Conference shall from time to time determine) to be used upon some other project within that District in which the property sold was situated:*
- 3.4.1 *When property is no longer required for its current purpose nor is to be replaced and is sold, a portion of the proceeds of the sale of such "redundant property" may be contributed to the Development Fund Ministries.*
- 3.4.2 *The Parish Meeting or Incorporated Board holding the property concerned shall consult with the District Property Advisory Committee and the Methodist Connexional Property Committee with regard to the amount of the contribution.*
- 3.4.3 *The use of the balance of the sale proceeds after such a contribution shall be limited to the District of origin of the property, on such terms as the District and the Methodist Connexional Property Committee shall negotiate.*

and replacing these clauses with –

## **PROPOSED LAW**

- 3.1 The consent of the Conference through the Board of Administration shall be obtained by all Parish Meetings, Incorporated Boards and trustees under the Methodist Model Trust Deed of 1887 for:
- (a) all proposed erections of, or enlargements and alterations, both exterior and interior, to Church buildings, including parsonages, which require building or resource consent;
  - (b) purchases or sales of Church property;
  - (c) leases of Church property for terms of seven years or more;
  - (d) mortgages of Church property;
  - (e) any borrowing or proposal to borrow funds sourced from outside New Zealand.

- 3.2.1 Prior to the consent of the Conference being given to an applicant for any property proposal, the respective Synod or Regional Court shall be satisfied:
- (a) the proposal is in accord with established regional property strategy, is financially viable and that the applicant is able to repay any funds borrowed and any interest thereon;
  - (b) near the inception of the project of the appointment of an appropriately approved and qualified design professional in accordance with Methodist Connexional Property Committee guidelines as issued from time to time to assist with the strategy and planning, and to undertake the design, documentation, and contract administration of the project;
  - (c) that any Te Tiriti obligations of the Church have been resolved;
  - (d) that the land history has been researched for any sale or purchase of land.
- 3.3.1 The proceeds from the sale of property shall be lodged with the Church Building and Loan fund in the name of the Parish and shall receive interest at the Church Building and Loan Fund's distribution rate as set from time to time.
- 3.4.1 The Board of Administration shall consult with each Parish at least once every 5 years to review ongoing ownership of property to ensure it is being appropriately used for mission of the Church and to confirm that the funds from the sale of any property are being used in accordance with the regional property strategy.
- 3.4.2 When property is sold that is no longer required for its current purpose, and it is not to be replaced;
- (a) a portion of the proceeds of sale shall be contributed to the Development Fund Ministries. That portion shall be 15% unless otherwise agreed between MCPC, the Synod and the Parish.
  - (b) after 5 years from the date of sale if the Parish has not ensured the use of the remainder of the funds in furtherance of the mission of the Church as set out in the regional property strategy the funds are to be released to the Synod for its use in the regional property strategy.

Clause 3.4.4 be renumbered 3.4.3.

## **ARCHIVES**

**Christchurch** This year has marked a significant increase of over 50% in the number of written or email enquiries received by the Christchurch Methodist Archives. There has also been an increase in telephone enquiries and researchers using the collection.

It seems that no one factor is responsible for this increase. Likely reasons are the provision of more information about the Archives on the Methodist Church website, writing fact sheets to help researchers use the Archives Collection better, and an emphasis on good customer service, which has led to repeat users.

The efforts of volunteers is being directed towards documenting the Parish Archives Collection, and this work will continue 2008-2009.

In December Shelley Richardson finished her part-time contract to catalogue the Personal Papers Collection completing 542 catalogue entries.

13-14 February 2008, we hosted a workshop "Introduction to basic archives principles and practises" tutored by Rosemary Collier. Two volunteers, Enid Ellis and Joyce Challies, attended.

200 fact sheets about the Methodist Archives were provided for the New Zealand Society of Genealogist's national conference, Queen's Birthday weekend.

Methodist Archives fact sheets were made available on the Methodist Church website: *General information, Researching family history, Researching Methodist Ministers, Researching Church buildings and land, Researching Home Missionaries, Researching Lay Preachers, Using personal cameras, Archives research fees and copying charges.*



46 oral history cassette tapes were copied to cd as part of the audio visual preservation programme, courtesy of PAC Media and Communications grant of \$2,500.

**Auckland** Auckland Archives have also seen a similar increase in the number of written or email enquiries.

One new volunteer has been recruited during 2008.

<b>User statistics July 2007-June 2008</b>	<b>Christchurch</b>	<b>Auckland</b>
Written or email enquiries	313	211
Telephone enquiries	139	68
Researchers using the Archives in person	58	10

### **Archives Volunteer Programme**

The gift of the volunteers' time, knowledge and skills is acknowledged with gratitude.

### **Volunteer projects**

#### **Christchurch**

<b>Project</b>	<b>Volunteer</b>	<b>Progress</b>
Sort and list all publications	Enid Ellis	Book collection listed on computer, books of association collection listed, work begun documenting other publications held
Sort, box and list parish archives	Esther Trim	Hand written list of parish archives compiled, records boxed and labelled – over 1620 boxes used
Catalogue and number membership rolls and circuit schedule books	Frank Paine	Hand written list of membership rolls compiled, rolls numbered
Catalogue audio-visual collection	Garry Jeffery	Worksheets completed, information being recorded on computer
Repair and rebind newspapers	Marlene Borgfeldt	Newspapers re-bound, protective boxes made for those too fragile to bind
Compile list of South Island Children's Home files	Olive Thompson	Handwritten list compiled
Organise and catalogue architectural drawings	Nadia Gush	All North Island drawings sorted, stored in drawers and listed on computer
Catalogue and re-box baptism registers	Joyce Challies	Handwritten list completed

#### **Auckland**

Reorganise and label Home Missionary files	Rev Doug Burt	Work continuing
Catalogue photograph albums	Helene Crown	Work continuing
Sort, box and list new parish archives	John Boniface	Work continuing

### **DISCIPLINARY PROCEDURES**

Seven new complaints have been received this year, and there is still one complaint unresolved from 2004. One further complaint is on hold awaiting the results of a court case. Of the seven new complaints five have been resolved at the time of going to print. Two are still in process. The Church continues to be well served by the Rev Bruce Hanson as Complaints Officer.

## **COMPLAINTS REVIEW COMMITTEE CHAIRPERSON REPORT**

The Chairperson of the Complaints Review Committee is required to report to Conference each year as to the work of the Complaints Reviewers, and to make any suggestions as to amendments to the Disciplinary Code.

This year, there have been two complaints referred to the Chair for the Complaints Review Committee. One complaint required no further action, and the other is in the process of being further considered by a Complaints Review Committee.

**Peter Williamson**  
**Chairperson**

## **CONNEXIONAL TRUSTS**

### **GENERAL PURPOSES TRUST BOARD**

The Bill is now in its final version and the public consultation period is about to begin. It is anticipated that the Bill will be introduced to Parliament following consultation early in the new parliamentary session after the election, either later this year or early 2009. Our solicitors anticipate the Bill should make swift progress through the Parliamentary process. Copies of the proposed Bill can be viewed on the Church website

### **SUPERNUMERARY FUND**

#### **Fund Performance**

Following the solid performance of the fund in 2007, the year ended 31 January 2008 was a difficult one for the Fund's investments, largely as a result of the market correction that took place in response to the sub-prime mortgage crisis in the United States. As a result, the value of the Fund decreased by \$854,132. The Fund's net investment revenue for the year was -\$78,350 compared to \$1,548,668 the previous year. During the year contributions received by the Fund amounted to \$568,100 (2007: \$513,035). Non investment expenses totalled \$91,591 for the year (2007: \$72,903), and the Fund paid \$1,252,291 in benefits (2007: \$1,589,547).

The Summary Financial statements for the Year ended 31 January 2008 are provided and copies of the Financial Statements can be requested from Peter van Hout in the Connexional Office.

As a result of the investment performance to the year ended 31 January 2008 and the guarantee having been put in place, the Trustee did not grant any increases in the discretionary benefit and pension effective from 1 February 2008. The annual rate of pension remains at \$411.54, per each complete year of contribution. The Trustee will monitor the financial position of the Fund closely and continue to grant increases if and when the Fund is in a sufficiently sound financial position.

#### **Trust Deed Amendments**

The Trustee was asked in late 2006, to address a question raised by members of the Fund who joined prior to 1996. A change in the Deed in 1996 gave all new members the right to name a nominated beneficiary other than a spouse. Conference agreed to the suggested changes in 2007 and the Deed of Amendment came into effect on 6 December 2007. Copies of the amendment were sent to all members.

#### **Paper for Discussion**

The Board of Administration has two roles on behalf of the Conference in relation to superannuation:

1. To make suitable superannuation arrangements for those in Full Connexion with the Conference.
2. It is the Trustee of the Supernumerary Fund under the Trust Deed.

Conference 2007 asked the Board of Administration to report to Conference 2008 regarding issues facing the fund as listed below:

1. The report is received.
2. Conference approves the changes to the Trust Deed of the Supernumerary Fund of the Methodist Church of New Zealand as printed in the 2007 Conference Agenda pages D29-35.
3. Conference notes that the Superannuation Fund Trustee will continue to explore issues relating to superannuation for Presbyters and will report to Hui Poari and Synods during 2008 and report to Conference 2008.

In considering its response to the resolutions, the Board has been conscious of the following: Since 1913(a different age) when the fund was first established it has been constantly evolving in response to considerable changing needs and the changes in the Church and community.

Among the current issues are:

- The changing legislative provisions for retirement
- Candidates for ministry are now often coming from an older age bracket and have diverse needs for their retirement
- Many of these older candidates have superannuation arrangements in place when they come into ministry.
- The introduction of KiwiSaver.
- Different expectations and needs due to cultural diversity
- The need for ministers to repay student loans
- The need to accumulate increasingly large amounts of capital for housing needs on retirement.
- Reluctance by older candidates to join the fund

Among the Board of Administration's prime objectives is the need to provide adequate superannuation and the concern that those who are currently dependent on the fund are not disadvantaged.

The Board and the Trustee have spent considerable time grappling with these issues and have reached the following conclusions:

1. There are difficulties in converting the present scheme to a KiwiSaver compliant scheme.
2. That the fund be closed to new members from 1 February, 2010.
3. The necessary legal steps are taken to effect this change.
4. Adequate alternative arrangements need to be made to provide for the retirement needs of those in Full Connexion who are not members of the existing fund.

#### **Suggested Decisions:**

- 1 The report is received.
- 2 The Fund be closed to members from 1 February 2010 (NB section 7.1.5 may apply to this resolution).

*7.1.5 Subject to the provision of Clause 7.1.2 hereof, and in accordance with the provisions of Clause 7.1.1 hereof, the Conference shall have power to do whatever it from time to time considers appropriate for the mission work and order of the Methodist Church of New Zealand/Te Haahi Weteriana o Aotearoa provided that no change shall be made affecting what the President, acting on the advice of the President's Legal Adviser, deems to affect constitutional matters or the rights and privileges of the Ministry or Laity, unless such changes shall have been previously submitted by the Conference to the Districts and Regions, and confirmed at the next succeeding Conference by a resolution passed by a consensus decision of not less than fifty-five per cent of the votes of the members present and voting.*

4. The necessary legal steps are put in place to effect this change
5. Conference affirms the Board of Administration's intention to seek out alternative arrangements to the existing scheme.

## PAC DISTRIBUTION GROUP

### Report from 2008 Group Meeting July 2008

While the Group had carefully prepared the Theme for the 2008 round of Distribution Requests and Grants, very few of the applicants had specifically addressed the requirements set out in the invitation in making an application, and the Group had difficulty in assessing the application against the announced Theme. In addition, many of the applicants failed to provide sufficient financial detail to support their application, and indeed, many failed even to specify how much they were seeking!

In future, it will be important/necessary for applicants to provide sufficient financial information on which the Group may make a considered decision, especially as the Group is unable to support applications seeking funds for the payment of salaries, and some other ongoing operational costs.

<b>Main Fund</b>	<b>\$</b>
Evangelical Network – Funding for Seminar 2009	8,000
Cutting-chopping-Chiefs Group - Cutting & Chopping of Fallen Trees	9,000
UCANZ – Executive Officer Project	5,000
Vahefonua Tonga o Aotearoa – Establishment of Mission & the Safe Family Expo	28,000
Restorative Justice Services, Auckland – Criminal & Graffiti Justice Referral Programmes	5,000
The Longhurst Charitable Trust – Safe Boarding for Women in Need	5,000
New Plymouth Methodist Centre – Gardening Programme	9,000
Wasewase ko Viti kei Rotuma e Niusiladi – Youth Camp Application	6,000
Public Questions Network – Funding for Social Issues Programme	4,000
Sinoti Samoa – Organising Committee – Assistance with Camp Fees	5,000
Communications Committee – Funding for New Technology	3,000
Walk for the Planet – Funding for Walk from Bluff to Wellington	5,000
Waikato/Waiariki Synod – A Methodist Camp in the Waikato	4,500
Methodist Mission & Ecumenical – Education Resource Kit on HIV & Aids	3,000
Aotearoa-NZ Peace & Conflict Studies Centre Trust – to Establish Further Academic Positions & Resources	7,600
St Andrew's Union Church – Gym for Toddlers	7,000
Omokoroa Resource Centre – Rent & Re-locatable Building	4,000
Pukekohe Parish – Church by the Seashore – Youth Holiday Programme	2,000
Manchester House Social Services Society – Social Work Support	5,000
Meadlowlands Methodist Community Church – Mothers Group	4,000
Midway in Northland Day Services (MINDS) – Ride on Lawn Mower	5,000
Methodist Church of NZ – Connexional Budget 2008 – 2009	75,000
ChatBus Life Talking – Counselling Service	15,000
Tongan Methodist Church of Mangere (Lotofale'ia) – Youth Choir & Musical Talents	3,000
Methodist Social Services – Programme for families with Asperger's Syndrome Children	5,000
Earthlink Incorporate – Funding for Mental Health Rehabilitation	32,600
Wesley Samoan Junior Youth, Wellington – Youth Trip to Samoa	3,000
<b>TOTAL ALLOCATED</b>	<b><u>\$ 267,700</u></b>
<b>Major Endowment</b>	<b>\$</b>
Trinity Methodist Theological College – Improving Ministry Training	525,000
Travel & Study Committee - Ministry	100,000
	<b><u>\$625,000</u></b>
<b>Education Endowment</b>	<b>\$</b>
Trinity Methodist Theological College – Development of Educational Opportunities	8,340
<b>TOTAL ALLOCATED</b>	<b><u>\$8,340</u></b>
<b>Archives Research Endowment</b>	<b>\$</b>
Methodist Archives	19,856
<b>TOTAL ALLOCATED</b>	<b><u>\$19,856</u></b>

### Suggested Decision:

- 1 The report is received.

## **PACT 2086 TRUST**

PACT 2086 Trust manages the lessor's residual interest in the 100 year terminating lease of the property previously owned by the Prince Albert College Trust Board bordered by Queen, Liverpool and Turner Streets and City Road, just below the Karangahape Road ridge in Auckland.

Having received the full 100 year's rental in one lump sum in 1986 the Trust transferred approximately \$16,000,000 to the PAC Endowment Trusts retaining just over \$3,000,000 in a fund looking towards the redevelopment of the property on its return to the Church in 2086.

The Trust has invested the original capital in a number of growth assets including a long term investment in a farm property in the Kaweka Ranges, Hawkes Bay which was purchased and planted as a 300 hectare plantation forest. Harvesting is not expected until after 2020.

The principal of the investment trust has grown steadily and as at 30 June 2008 stood at \$18,958,584.

The Fund's equity investments suffered the turbulence and volatility of the World's markets during the latter part of 2007 and 2008 but managed to complete the year with a small investment profit and a further transfer to accumulated funds of \$475,641.

During the year the Trust gained registration with the NZ Charities Commission.

The Trust has entered into preliminary discussions with the Wesley College Trust Board to form a joint venture partnership to manage the long term development of the Wesley College Trust Board farm lands surrounding the College and known as Grafton Downs.

The Trustees continue to take a long term view of investments given the Trust's sole requirement to provide a capital sum in December 2086 when the Queen Street property is returned to the Church.

The Board of PACT 2085 Trust is made up of those people appointed each year to the Board of the New Zealand Methodist Trust Association.

### **Suggested Decision:**

The report is received.

## **INVESTMENT ADVISORY BOARD**

The Investment Advisory Board seeks to maintain a sound overview and understanding of the wider investment market and to be able to assist and advise Church groups and organisations who may have sums available for investment.

Whilst the members of the Investment Advisory Board are the same persons who make up the Board of the New Zealand Methodist Trust Association and PACT 2086 Trust, this is an administrative convenience for the Church and the Board does endeavour to maintain a view independent of a simple direction to all Groups to invest through the Methodist Trust Association any funds that they may have available. The Investment Advisory Board seeks to identify the investing group's needs and requirements and to advise accordingly.

### **Socially Responsible Investment**

At each meeting the Board deliberatively considers whether the Church's known investment policies and practices reasonably provide for Socially Responsible Investment and whether there are any matters known to the members of the Board that require investigation or consideration.

One of the matters that the Board has carefully considered during the year is the Methodist Church's representation in an appropriate group which can advise and assist the Church in coming to a comprehensive understanding of the theory and practice of Socially Responsible Investment.

The Investment Advisory Board is conscious that the Church's guidelines for socially responsible investment have not been reviewed since 1995 when the current guidelines were last received and endorsed by Conference.

Through the New Zealand Methodist Trust Association's relationship with the various state Synods investment groups of the Uniting Church of Australia, the Investment Advisory Board became aware of the Responsible Investment Association of Australasia (RIAA), a group which incorporates a large number of religious, charitable and philanthropic investment groups, trusts and interested bodies in Australia including the beginnings of a representation with New Zealand investment organisations. The Guardians of the New Zealand Superannuation Fund are members of RIAA.

Board members had the opportunity of viewing RIAA's educational presentation "Enlightened Self Interest" and Board members were impressed with the approach and educational style.

The Investment Board was conscious that a significant portion of the Church's equity investments held through the Methodist Trust Association and PACT 2086 Trust are in fact invested outside of New Zealand and accordingly the wider scope and involvement of an Australasian body was considered beneficial to the Methodist Church of New Zealand as it looked at the question of socially responsible investment.

Following its meeting in June 2008 the Investment Advisory Board sought and has been granted membership, of the Responsible Investment Association of Australasia and is the first New Zealand religious organisation or group to be admitted to membership.

In association with the Methodist Trust Association the Investment Advisory Board has arranged for RIAA's presentation "Enlightened Self Interest" to be one of the Focus Group presentations at Conference on Sunday afternoon.

### **Property Approvals**

The Investment Advisory Board was involved in a number of property approvals including consideration and support for the sale by Methodist Mission Northern of the freehold interest in its commercial properties at Queen, Wakefield and Airedale Streets, Auckland.

The Investment Advisory Board looks forward to discussions with Methodist Mission Northern as it considers the appropriate redeployment of the funds released by the sale of the property.

### **Board Membership**

As signalled in the 2007 annual report Rev Stan West retired from the Board in January 2008 after 20 years service. The Board acknowledges Stan's careful and considered reflections on the work of the Association and wish him and Lyn a long and enjoyable retirement.

The Board was pleased to welcome back Rev Michael Greer for 2008 and also to welcome Rev David Bush, General Secreary designate, from January 2008. David will also take over as Secretary of the Board on his induction as General Secretary.

Rev Jill van de Geer has indicated her availability to remain on the Board. The Board acknowledges Jill's appointment as President for 2008/09 and wishes her a successful and fulfilling year. The Board also acknowledges with grateful thanks Jill's 10 years' service as General Secretary and Secretary of the Trust.

The Board acknowledges the 23 years of service by Mrs Noelene Allen as PA to the Executive Officer of the Board. Noelene is retiring in December 2008 and has contributed her skills over all areas of the work of the Board, not least in the preparation of Board Agendas, reports and minutes. Noelene's dedication and enthusiasm has significantly enabled and promoted the work of the Board. The Board wishes Noelene a long, healthy and enjoyable retirement.

### **Suggested Decisions:**

1. The report is received.
2. The Board for 2009 be: David Bush (Secretary), John Chittenden, David Cleal, Hugh Garlick (Chairman), Michael Greer, Chris Gregory, David Hunt, Jack Jenner, Norman Johnston, Kay Kendall, Manase Latu, Meleane Nacagilevu, Lorraine Parker, Geoff Peak, Jill van de Geer, Greg Wright (Executive Officer).

## NEW ZEALAND METHODIST TRUST ASSOCIATION BOARD

The New Zealand Methodist Trust Association has pleasure in presenting this report to the Methodist Church of New Zealand for the year ending 30 June 2008.

A full report has been sent to all parishes and church groups. A copy is available on request from the Connexional Office.

International investment markets has been extremely turbulent with the subprime debt issues which were becoming evident at the time of the 2007 annual report occasioning huge financial losses and signalling the end of the “golden weather” that world economies had enjoyed over the last several years.

The Association has not escaped the effects of these extreme changes in the markets but generally the impact on the Association and on its depositors has been minimal. Importantly the Association has been able to maintain positive returns for all Funds but the Equity Fund for the year in review.

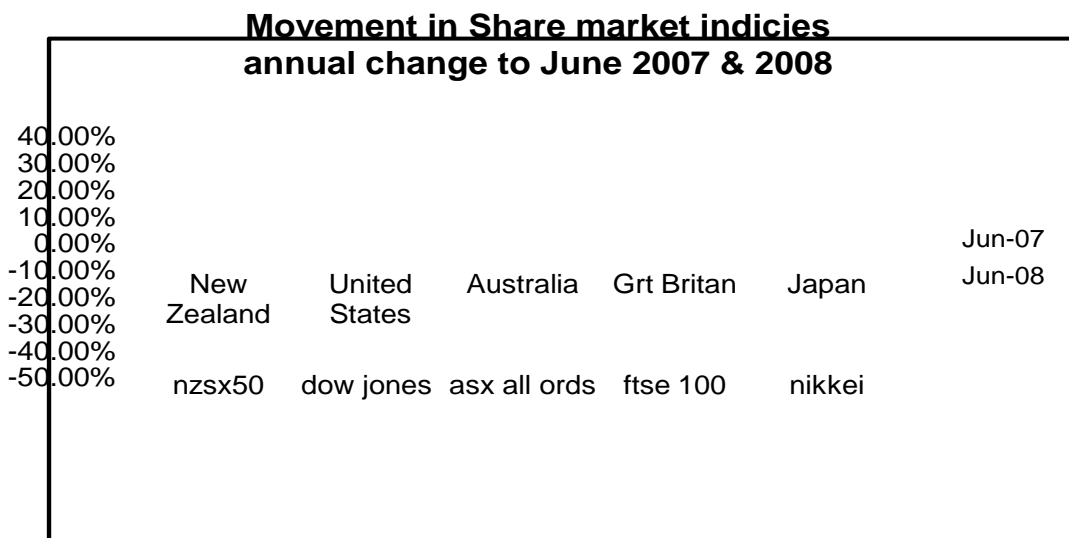
During the year the Trust Association sought and achieved registration with the NZ Charities Commission.

Funds entrusted to the Association continue to grow strongly with total depositors funds at the end of June 2008 of \$155,216,000 an increase of over \$15.5m or 11% on the 30 June 2007 figure.

The responsibility entrusted to the Association by the Church is substantial and the Board and management of the Association are mindful of the importance of the decisions they make on behalf of the Church and its component parts.

### Markets

The world’s debt and equity markets experienced great volatility and significant reductions in value in the year to 30 June 2008.



### Energy

Lubricating the economic downturn, oil was a headline performer for the 12 months with the price for crude oil reaching record highs of nearly US \$150 a barrel before settling down after the end of financial year to below US\$120 a barrel.

The causes for the escalation in cost of oil is the subject of considerable debate with both “peak oil” and “speculators” being cited as “the cause”. It would appear however that the underlying cost

of oil is going to steadily increase as an increasing proportion of the world's population come to expect the same kind of mobility and energy availability that has been taken for granted in western economies for the last one hundred years.

The continued growth of consumers in the developing world has maintained the commodity boom in hard resources although it was evident there was some easing in forward pricing for the second half of the 2008 calendar year.

**Inflation**

After many years of almost perfect economic growth (from a financial sense) in world economies, where central banks were credited with being able to manage competing economic forces to provide growth without inflation, several years of low interest rates and cheap money as well as being a major cause of the subprime mortgage issue, have now delivered economies where cost push inflation has become a serious issue. Theoretically central banks respond to inflation by increasing official cash rates and using the heightened interest charges to reduce demand. Such a move is not available to most central banks at this time as inflation is being cost driven (especially as consumer demand weakens) with economies in recession and any increase in interest charges is likely to lead to weaker economies with the vicious cycle of reduced employment leading to reduced demand, leading to weaker economies.

**New Zealand Methodist Trust Association Investment Funds**

Against a very turbulent backdrop, the main Methodist Trust Association Funds have performed well during the year.

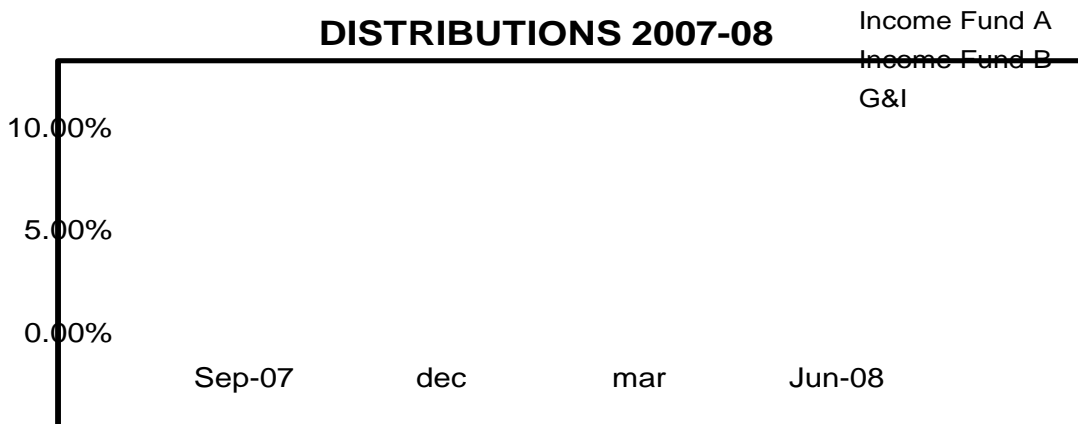
It was noted earlier in the report that all investment carries risk and the Board and Management of the Association have been careful in endeavouring to manage the risk exposure of the Association through judicious asset allocation, careful investment selection and the maintenance of a wide diversity of individual investments.

Generally the Association believes that it has been successful in maintaining security of capital with a continued reasonable income return and for the Growth and Income Fund by way of a small capital accretion for the year to June 2008 at a time when many equity exposed funds were reporting capital losses.

The Association exists in the market place and cannot always be protected against the gyrations and value swings in the market.

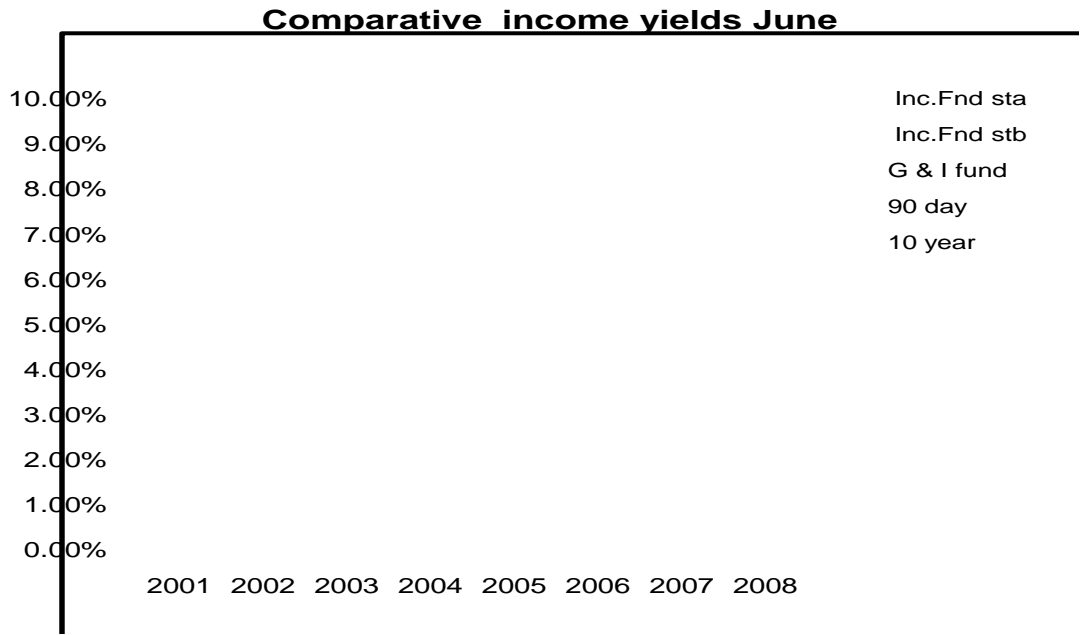
**Income Returns**

Against such a disappointing international backdrop the Association has continued to make satisfactory income distribution to depositors on a quarter by quarter basis.





As has been stated in previous annual reports the Association does not endeavour to match the returns available through the finance companies and other investments involved in the less secure end of the investment market. The Association believes that this policy has been borne out by the decimation of the finance debenture market over the last two years.

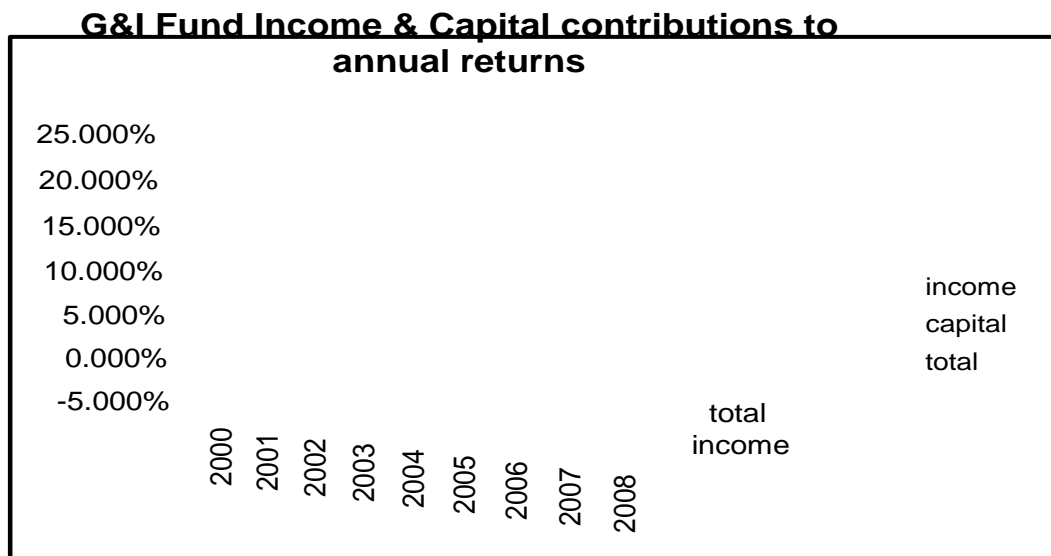


**Growth and Income Fund**

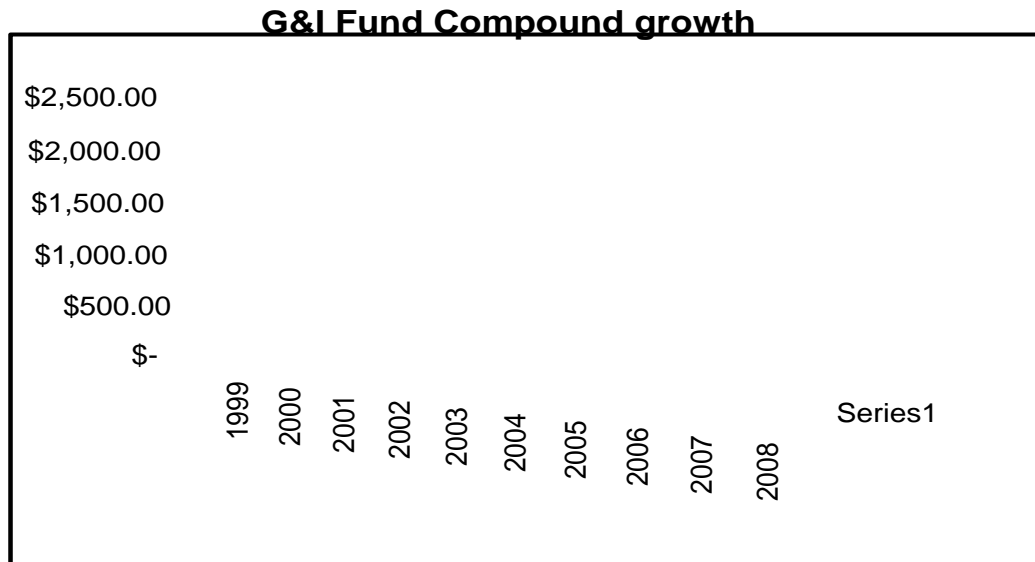
The Growth and Income Fund has continued to provide solid, long term, income distribution to depositors and has been able, in the face of significantly depressed world equity markets, to provide a positive capital accretion to depositors for the year to June 2008.

The capital accretion for the year was made up of both realised capital gain on the sale of the Lychgate Wellington property and a positive revaluation of the total share portfolio.

The Fund has returned just under 5% income for the year and just over 2% capital accretion to provide a total return for the year of 7.07%. This continues a number of years of very sound and satisfactory returns for Growth and Income fund depositors which has seen the Growth and Income Fund return 15.1% per annum over the last three years, 17.3% per annum over the last five years and 16.15% per annum over the last nine years.



One thousand dollars invested in the Growth and Income Fund in 1999 with all the income distributions reinvested would currently stand at just under \$2,300 a return over the 9 years of 129%.



The returns provided by the Growth and Income Fund continue to compare favourably with the returns available on a range of “balanced” wholesale investment funds where there is a mix of fixed interest and equity investment as measured by the Melville Jessup Weaver Investments Survey undertaken each year.

The returns for the Growth and Income Fund shown in the following graph are net of fees while the returns for the Investment Funds are gross of fees. Returns for all Funds are before taxation.

The Association has achieved its results through a very deliberate policy of diversification so that the Growth and Income Fund has a wide spread of investments over all major asset classes and through a great number of individual investments within each asset class.

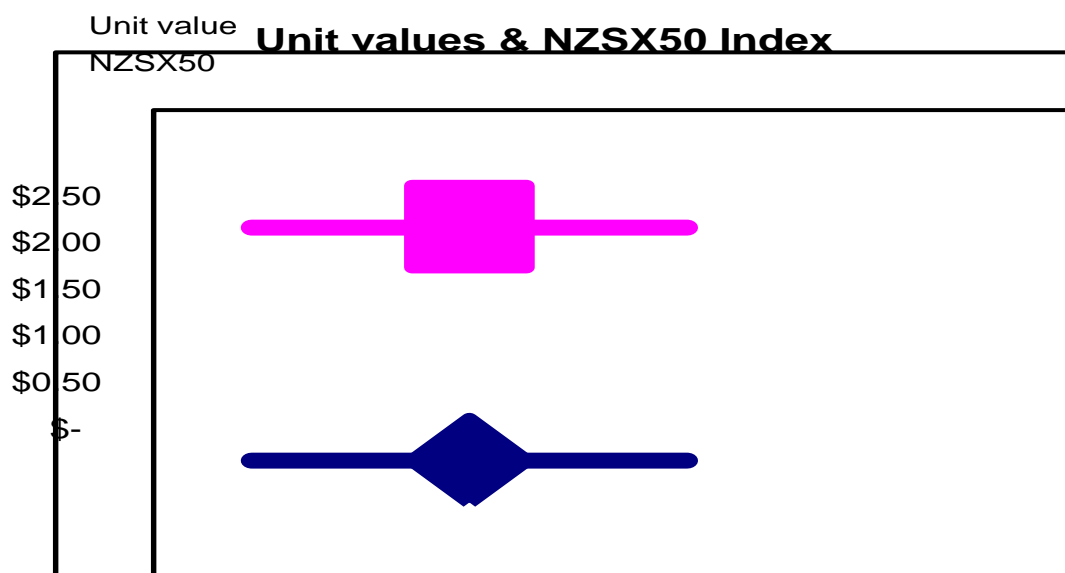
The Association has been deliberate in maintaining a heavy weighting in international equities both to benefit from the greater breadth of investment opportunities available internationally but also in anticipation of a reduction in the value of the NZ\$ which the Association believes reached unsustainable levels in June 2007.

While there had been a modest reduction in value of the NZ\$ as at June 2008 the exchange rate for the NZ\$ has fallen quite sharply in July and August 2008 and is expected to continue to weaken matching the decrease in the official cash rate announced by the Reserve Bank through until at least the middle of 2009.

This weakness in the dollar will be to the benefit of the valuations of the Growth and Income Fund’s investments held offshore.

**Equity Fund**

Whilst the returns of the Income and Growth and Income Funds have been positive and in the main satisfactory, the same unfortunately cannot be said for the small Equity Fund managed by the Association.



Up to the end of June 2007 the Equity Fund had risen over several years mirroring the growth in the New Zealand SX50 index.

With the fall in the New Zealand share market the unit value in the Equity Fund has also diminished. In fact the Equity Fund has done slightly worse than the NZSX50 index as two of the principal star performers for the Fund in prior years, Auckland International Airport and Fletcher Building Limited, have been significantly “marked down” by the market in the year to June 2008.

### **Socially Responsible Investment**

The Association has reported in previous annual reports and quarterly distribution letters its ongoing review of all investments compared to the Churches Guidelines for Socially Responsible Investment last reviewed and published in January 1995. The Association has sought an appropriate group in which to review and discuss evolving socially responsible investment practices that would reflect its significant investment outside of New Zealand.

The Association has reported previously its ongoing and developing relationship with the Uniting Church in Australia and through the Uniting Church, the Association was introduced to the Responsible Investment Association of Australasia which is a group incorporating most major charitable, philanthropic and religious investment organisations in Australia and also includes a growing number of investment operations in New Zealand including the Guardians of the New Zealand Superannuation Fund.

The Investment Advisory Board, representing the Methodist Trust Association, PACT 2086 Trust and other Church groups sought and was granted membership of the Responsible Investment Association of Australasia and is the first religious body in New Zealand to be admitted to membership of the Association.

The Trust Association will host at Conference 2008 a presentation released by the Responsible Investment Association of Australasia entitled “Enlightened Self Interest” looking at the question of socially responsible investment and, as the Responsible Investment Association terms it, the benefits of doing good. This presentation will be a Focus Group on the Sunday afternoon of Conference and all parishes and groups with an investment in the Association are warmly invited to attend.

The Association hopes that membership of this group will develop and broaden the Association’s understandings of the principles of socially responsible investment and enable it to provide information and resources to the Church as this matter is discussed and debated within Church courts and groups.

**Suggested Decisions:**

1. The report be received.
2. The Board for 2009 be: David Bush (Secretary), John Chittenden, David Cleal, Hugh Garlick (Chairman), Michael Greer, Chris Gregory, David Hunt, Jack Jenner, Norman Johnston, Kay Kendall, Manase Latu, Meleane Nacagilevu, Lorraine Parker, Geoff Peak, Jill van de Geer, Greg Wright (Executive Officer).

**ROBERT GIBSON METHODIST TRUST**

**Section A**

Twelve months ago Fonterra set the payout at \$5.53 per kg of milk solids, by the end of the season the figure had risen to \$7.60 per kg of milk solids. This was great news for farmers as well as the RGMT. However, rapidly rising costs and a drought meant that farmers in most areas of the country had to rethink their farming strategies to manage. The overall production was down on the RGMT farms by 14,000 kgs of milk solids which equated to \$105,000 at a rate of \$7.60 per kg of milk solid. The good news was that the overdraft of \$80,000 was cleared and the mortgage lowered by \$100,000.

**Section B**

Due to a significant drop in Bursary applications only fifty of the sixty one applications received were approved. In 2008 fourteen Wesley College students received an average of \$3000 each enabling them to continue boarding at the college.

The Methodist Youth Ministry received a grant of \$25,000, then an extra \$5000 to assist with running the Youth Ministry Conference held earlier this year.

Total grants approved were:

Wesley College	\$45,000
Youth Ministry	\$30,000
Bursaries	\$53,250
R. Gibson Memorial hall	<u>\$ 6,000</u>
	\$134,250

Again the Trust received a donation of \$2000 from a family who had received a grant in a previous year. This will be added to the bursary grants budget. We are indebted to that family for their generosity.

**Section C**

The Public Trust has administered the RGMT since its formation but with the closure of the Public Trust Office in Hawera it became increasingly challenging to deal with the Public Trust Administration in three different cities. As a result quotes were sought from three accounting firms. It has been decided that the RGMT administration will be carried out by the Methodist Church Connexional Office in Christchurch. We expect this to be a much more efficient process.

I believe that the RGMT has very capable and committed trustees who willingly give of their specialised skills, knowledge and experience. We have maintained a strict adherence to the deed of the Trust formed in 1965. With this in mind it is recommended that the RGMT board members for 2008-2009 be Rex Ashley, Preston Bulfin, John Chittenden, Reba Hunt, Geoff Marx, Christian Padrutt, Susan Perry, Andrew Richardson, Rev Margaret Springett, Rev Tony Bell, the General Secretary and Bill Yateman.

**WA Yateman**  
**Chairman Robert Gibson Methodist Trust**

# **WESLEY HISTORICAL SOCIETY**

## **Te Roopu Hitori o Te Haahi Weteriana o Aotearoa**

### **SECTION A – Information and Reporting Back.**

Reflecting a concern to stimulate interest, awareness, and reflection upon our historical journey, the Wesley Historical Society (NZ) through 2007-08, has continued to address the task of recording, interpreting, and sharing the history of Methodism in Aotearoa/New Zealand and the South Pacific.

With sadness we recorded the death of Auckland member Ken Seal during the year.

In November, during Methodist Conference 2007, the Society held its Annual General Meeting at Wesley Church, Wellington. Following the AGM Rev Dr Jim Stuart presented a thought-provoking challenge in his address 'Have We Fallen Asleep?' He suggested that the crisis Wesley faced in his day was similar to the crisis we face today – the only difference being that Wesley was addressing a profound dislocation of people, i.e. the poor, while today we are facing a profound dislocation not only of people but also of the eco-system. After dinner had been served, we were privileged to have Green Party MP Jeanette Fitzsimons speak to WHS and members of Conference on the theme of 'Living within the Limits of Creation'.

The AGM agreed to increase annual subscriptions to NZ\$30.00 and Overseas \$40.00 to meet increased postal charges.

During the year the Society has:

- Awarded the inaugural Gilmore Smith Scholarship to Lynne McDonald who is currently engaged in PhD studies at the University of Auckland. She is researching the role of Methodist, Seventh Day Adventist and Roman Catholic missionaries in Choiseul, Western Solomon Islands.
- Published the 2007 WHS Journal under the editorship of Rev. Dr Terry Wall. As well as other interesting material, this publication contained a timely article, researched over several years by Rev. Doug Burt. It commemorated the August 1908 centenary of the completion of the Main Trunk line from Auckland to Wellington, through what was at times very difficult terrain. Doug told the stories of home missionaries and others who provided ministry to the men who worked on the construction of the railway and their families.
- Contributed advice and support to researchers engaged in study of Methodist related topics.

Appreciation is expressed to the members of the Executive, Secretary Barry Neal, the Publications Committee under Convenor Susan Thompson, Editor Terry Wall, Treasurer Ruth Blundell, Membership Secretary Graeme White, Minute Secretary Shona Michie, Honoured Members, and to all those who have supported the Society's work during this year. We also thank regional contact members, Ron Malpass, Gary Clover and Alec Utting for their efforts to publicise the WHS and we pay special tribute to Alec for his recent transformation of the Society's web-page.

### **SECTION B – Strategic Planning**

- The Gilmore Smith Memorial Scholarship will be offered annually for postgraduate work undertaken in historical research related to Methodist history in New Zealand and the South Pacific, which may result in publication by the Society.
- Rev. Dr Susan Thompson's award-winning thesis on the history of Methodist ministry training in New Zealand, *Knowledge and Vital Piety* is to be published. It is hoped that this will be available in 2009, the 80<sup>th</sup> anniversary of the opening of Trinity College, Grafton.
- The Society engages in continuing dialogue with Methodist Archives.
- The Society's web-page is regularly updated.

**Helen Laurensen**  
**President**

#### **Suggested Decisions:**

1. That the Report be received.

## TRAVEL & STUDY COMMITTEE

The Travel and Study Committee continues to provide continuing education funding for the whole of The Methodist Church of New Zealand. Te Hahi Weteriana O Aotearoa. It helps in providing this resource to presbyters and lay people in leadership in the church wanting to further their education in areas which will be of benefit to the whole Church.

It is an exciting committee of which to be a part, and to see people developing their knowledge through further study. Each year a list of people and topics is published and people and groups within the Church are encouraged to make contact with recipients of grants for further information on their studies.

Some people have had bother accessing the Committee and all members of the Church are reminded that forms are available from the Connexional website and from the Connexional Office in hard copy. Closing dates for applications have been fixed and will remain so. February 15<sup>th</sup>, May 15<sup>th</sup>, August 15<sup>th</sup>, November 15<sup>th</sup> every year. The Committee then processes applications, makes further inquiries as required and meets within three weeks of the closing date. Incomplete applications and last minute rush applications cause a considerable amount of extra time being consumed and usually declined. We do not look at past-the-event applications. The message is to plan well ahead, some people have even been able to provide advance information two or three years away so the Committee can plan to use its limited resources beneficially and fairly for all.

The Committee this year farewells Mary West as Secretary and is on the lookout for someone to fill this vital position. Our thanks to her for her work and encouragement.

Among items for discussion in 2009 will be Travel and Study's carbon footprint and the environment, looking at articles recently published in the New Internationalist, and looking at long distance travel and closer opportunities.

We look forward to 2009 applications with excitement!

### **Suggested Decisions:**

**Question 28(i): What are the decisions of Conference on matters relating to the Administration Division?**

### **Suggested Decisions:**

1. That the report be received.
2. The Committee for 2009 be Don Biggs (Chair), Tovia Aumua, Liz Hopner, Prince Devanandan, and representation from Te Taha Maori.

And ex-officio (Corresponding or attending) , The Principal of the Theological College, Directors of Mission Resourcing, Co-ordinator Mission and Ecumenical, and the General Secretary.  
And up to two others as brought to conference or as approved thereafter by the President.

### **Appendix A – Travel & Study Grants allocated for the Financial Year 2007 - 8**

Rev. Sylvia Tongotongo	\$5,399.19 Masters study and travel costs to Melbourne
Rev. Dr. Lynne Frith	\$ 2,900.00 Conference in England
Rev. Gloria Zanders	\$ 500.00 CPE course 2008
Rev. Greg Hughson	\$ 2,500.00 Conference in Finland
Rev. Bruce Anderson	\$ 500.00 Management Course Christchurch
Mrs. Vaotane Samoa Saleupolu	\$1,348.36 South Pacific Seminar of WFM&UCW
Rev. Alf Taylor	\$250.00 Conference for 'older' presbyters Wellington

**Total Grants given \$13,397.55 in this financial year.**

**To Note:**

Grant of \$960 was agreed for 2<sup>nd</sup> semester M Theol. papers for Rev. Peter Williamson, this has been paid but in the current financial year.

Other applications were received that did not meet the criteria for consideration of a grant from Travel and Study Grants Committee.

***Mary West***  
***Secretary***  
***Travel and Study Grants committee***