With Renewed Vigour by D.J. Janus 1987

WITH
RENEWED
VIGOUR

The story of the strengthening of the Connexional Funds of the Methodist Church of New Zealand.
CONTENTS

Foreword - Alan K Woodley
Introduction
I Inheritance
II Setting the Stage
III Start .. by Starting
IV The New Theme : Pooling of Resources
V Only a Means to an End
VI Concerted Effort, A New Direction
VII Dividends
VIII Inheritance II

ADDENDUM: Address by Dr Dennis Janus 1983
FOREWORD

The people called Methodists in Aotearoa live out an inheritance of personal commitment, faith, and social justice.

They also received from their forebears resources of land, bequests and funds to be held in trust for the ongoing work of the Church. With a connexional way of working together, a challenge is made to this generation to renew and sustain a vision of the Kingdom and so offer energy, faith, and wisdom in the use of these resources so that they might assist in answering the Lord's prayer "Thy Kingdom come". We need resources for both today and tomorrow.

The Apostle Paul speaks of the gifts that each of us is able to offer within the Church for the sake of the whole body and its life and mission in the world. Dr Dennis Janus was a choice gift offered to our Church from a Catholic tradition and with his most competent financial skills he brought his insightful faith and social commitment. The renewal of our resources has been most significantly shaped by his energy and a vision of the Kingdom and the needs of people that are shared within the Universal Church. The Methodist Church has through his ministry been challenged, strengthened and offered new resources to help in the task of making disciples and responding to present and future needs. This has been critical in view of the demands that we face in the last decade of this century and the 21st century.

As a Church our greatest resource continues to be each other - the people of the Church with their vision of the Kingdom, faith, energy and commitment. Resources of land and finance can significantly enable and empower and remain our tasks, and so it was with renewed vigour that long term Trusts funds and land have been made to work.

Any group of people that relies on what it has received from the past will inevitably discover how finite and limited are these resources. A challenge to our generation is to match the generosity of our forebears. New Funds, Trusts and Bequests to meet the new challenges is an open invitation. The story told in "With Renewed Vigour" tells of what our forebears provided for us, the way in which they are being renewed and offers an invitation to each of us.


Rev. Alan K. Woodley
General Secretary.
INTRODUCTION

This booklet is written in fulfilment of a promise made to the late Rev. Les Gilmore. He suggested that a record be made of the developments in the life of the Methodist Church of New Zealand, which, particularly after the establishment of the Investment Board in 1975, have influenced the Connexional Funds.

Specifically the steps taken to retain and improve on the strength of the Funds to support the purposes for which these had been created.

In that respect this precis is an update of "Inheritance" written by the late Rev. Herbert L. Fiebig, B. A. published in 1967.

Information has been included to bridge the gap between 1967 and 1975.

The developments mentioned have, in the context of an overall plan, brought a more co-ordinated approach to the management of the Connexional Funds and of the other material resources of the Church.

They have also resulted in closer co-operation within the Church in a truly Connexional spirit and contain a promise of ongoing support of the Church's Mission well into the future.

The fostering of the Connexional Spirit so close to the heart of Rev. Les Gilmore found its most evident expression in the era in which Rev. Alan K. Woodley was General Secretary of the Methodist Church of New Zealand, the years 1977 - 1987, years in which most of the developments took place. His strong support and active participation in many aspects of re-organisation of the Church's resources contributed very significantly to the strengthening achieved, so that the Church can continue its Mission "with renewed vigour".
I INHERITANCE

The title of Rev. Herbert L. Fiebig's booklet published in August 1967 could not have been more apt.

The Connexional Funds, of which he wrote the story up to the time of publication, were indeed a much valued inheritance from earlier days. As a significant resource they supported much current Church activity.

However, the necessity to preserve and augment these funds so that they could continue to contribute to the on-going life of the Church became a matter of concern and of urgent attention in the years which followed 1967.

That year was a year of transition. Decimal currency was introduced in New Zealand. A new era had begun. By going from pound to dollar we had to double our figures. That did not hurt, but what did hurt was the gradual acceleration of inflation, experienced in recent years, in the years which followed and especially the double digit rate of inflation of the seventies. The term inflation, earlier mainly used by economists, became a household word.

The Church was ill prepared for it. Its funds were handled on the whole by a great variety of devoted people, acting in a voluntary capacity with no other guidance than individual knowledge and experience.

The Connexional Funds under the management of Trustees with wider business experience and professional competence were in a better position to meet the changing tide. However, the wide divergence in purpose, in availability of funds, in investment methods, and the autonomous character of the various trusts made for a rather fragmented set up. This applied actually to all Church funds, for whatever purpose held. What was missing was a concerted effort on a connexional basis.

To say that the Church was ill prepared does not mean that the Church was not aware of the developing situation.

Conference 1966 set up a Commission on Church Finances by a Resolution which originated with the Finance and Stewardship Committee of Detail - "in view of the fact that it appears inevitable that the amount of the Connexional Budget must be increased each year if the Church is to meet its basic commitments, and if it is to enlarge and intensify its work in our expanding and changing society." Inflation already had started to pinch. A notice of motion, "Believing that the time of the appointment of a finance treasurer is opportune for the establishment of a Connexional Trust Board" as outlined in the 1964 minutes (pages 110 - 111) was referred to the Commission for its consideration and recommendation.
The Church decided that it needed a general treasurer. Mr. C. Roy Hasseldine, B.Comm., A.P.A.N.Z., was appointed to that position as from February 1st 1968.

The Commission on Church Finances set up by the 1966 Conference was charged to review all the financial policies of the Church. Its report to Conference 196& dealt mainly with Circuit Finances and the Connexional Budget, and the possibility of Trusts making funds available to the Connexional budget for new work.

Concerning investments at national level the Commission looked at a proposal that funds be invested - e.g. in farm land, shop properties, offices and other buildings, instead of Government stock and local bodies debentures, but concluded that "the Commission does not recommend Conference to act on this proposition." It suggested that a Standing Commission on Property would act as a triennial visitation to Connexional Trusts and Boards and that this Standing Commission "will do as much as is at present considered possible towards the improved investment policy that is being sought by Conference."

The establishment of a Connexional Trust Board was also not favoured. "The Commission does not recommend that this matter proceed further." (Minutes 1968 Conference pages 268-269).

In hindsight, these conclusions of the Commission on Church Finances were not particularly helpful to protect the strength of Connexional funds as the purchasing power of money was reducing at an accelerating pace in the following years.

The Commission had also considered the following proposal:

"That at District level all funds be banked with and invested by a District Investment Officer" but had no recommendation to make for the reasons that "to achieve any degree of success this idea would require the services of a particularly competent man in each Synodal District. All Trusts and Circuits would need to regard him as their banker. This would be a huge job. The Commission considered it so big that no layman (or minister) could be expected to undertake it on a voluntary basis even in the small districts"

and

"A very important factor would be that an experienced and preferably qualified financial secretary would need to be available in the District to handle it and to initiate the planning involved. Unless this were done there is the possibility of funds being utilised by one scheme and not becoming available when required for the scheme for which they were given"

In these circumstances it was not easy for the new financial treasurer, to influence the Church's attitude in matters of finance on an overall basis. "Too many cooks spoil the
broth", and there was no lack of Commissions, Committees, Boards, Departments, Districts, Secretaries, all "doing their own thing".

As the first General Treasurer of the Methodist Church of New Zealand, he found the Budget Treasurer's work also transferred to him. Much detailed work which converged on the Connexional Office, such as for the Insurance Fund, Supernumerary Fund, etc. had to be done and this also prevented attention being given to wider issues. As so often one can find oneself occupied with urgent tasks which are not necessarily the important ones. The climate in the Church did not seem right for radical changes in the financial sphere anyway.

As 1968 Conference adopted the Commission on Church Finances report the chance to reorganise the Church Finances on a national scale was missed. The General Treasurer's efforts to protect the value of the Connexional funds particularly by recommending Trust Boards to invest funds in first class company shares and when possible in properties deserve to be gratefully recorded.

The annual reports to Conference of the various Funds administered by the Connexional office made mention of the need to extend the powers of the Trustees to purchase any real and personal property. The wish to stop the decline of the capital of Funds in real economic terms resulted in requests to permit investment which ensures that the ongoing inflation does not erode the capital of these Funds.

The Standing Commission on Church Property which was recommended to the 1968 Conference by the Commission on Church Finances, was duly set up.

The Personnel was to be nominated annually by the Church Building and Loan Fund Committee for Conference approval. This Standing Committee reported to 1971 Conference that it had discussed with Trusts and Boards visited the possible variations of their financial operations to allow for the release of funds for the specified objectives of the wider Connexion. It hoped its actions would result in extra financial assistance being available to the Connexion as a whole. One Trust Board which acted on this advice and made an important investment decision was the Prince Albert College Trust Board. In 1971 it started negotiations for the development of a large office building on its land in Auckland on the corner of Queen Street and City Road. It planned a new modern ten story fully air conditioned structure.

The negotiations continued over several years, and a contract for the erection of the building was signed in May 1974. Unfortunately the rapid escalation of building costs, which took the expected cost of the building to an amount which required a substantial rent to make the building an economic proposition, caused the prospective tenant to invoke an escape clause from its commitment to rent. This made the decision to terminate the building contract inevitable. A termination settlement was achieved, though both Trustees and builders would rather have continued the project. This was
not possible because insufficient funds were available from long term debenture deposits to allow the project to proceed without risk.

This experience perhaps more than anything else brought into focus the need to pool the Church's resources, so that what one Trust could not do by itself, it might be able to do with Connexional support.

Possible variations of the financial operations of the Trusts and Boards to support specified objectives of the wider Connexion which the Commission on Church property advocated in 1971 seem to have occupied various minds in that particular period of Church life.

The then General Secretary Rev. W. R. Laws whilst overseas in 1971 made careful enquiries regarding relationships within the Church including property and financial matters. This resulted in changes in the procedures which allocated responsibility for property transactions at various levels. For example, local Trusts, Circuit quarterly meetings. District Synods, with the Church Building and Loan Fund Committee being responsible for final approval on behalf of Conference.

A further result was the 1972 Conference decision to arrange for 1973 a series of consultations/seminars to consider the procedures in the light of the experience of several Australian Church Conferences. These were explained by three Church leaders from Australia who visited New Zealand for the occasion. They really shared their knowledge and experience and stimulated our thinking on contemporary trends in Church architecture, property and finance.

The 1973 Special Report on Property Seminars (Minutes, pages 169-173) specifically mentions that

"the Seminars were impressed by the objectives, methods, and achievements of the Methodist Trust Association as described by Rev. R. M. E. Glover, Property Secretary of the New South Wales Conference, and saw in this organisation means whereby the Connexion could marshall its existing resources and add to them."

The Church Building and Loan Fund Committee's report reads further (page 172):

"There could be greater co-ordination in the management and investment of funds while diversifying methods of operation and providing for flexibility in the uses to which moneys are put. If a Methodist Trust Association is formed it would undoubtedly assist this process which is already being encouraged by the Standing Commission on Church Property.

In making these suggestions, the Committee is conscious of the additional work that the examination of these proposals and their establishment, if approved, will call for from the Executive officers and staff of the Connexional office. There is no doubt that additional staff will be required. It believes that the appointment of
a third full time Executive officer could quHe well be required if the Church is to exercise the wisest stewardship of all its resources in these days of unprecedented need and opportunity."

"Another organisation in existence in Australia was the Methodist Savings Society with which individual Methodists could deposit money available to the Connexion for re-investment, loans to Churches etc."

As a result of this report the 1973 Conference resolved that the Church Building and Loan Fund Committee investigate proposals for the establishment and operation of:

(A) A Methodist Trust Association and
(B) A Methodist Investment Society

and if possible bring recommendations to 1974 Conference.

It did, and the extensive report it submitted (refer pages 174-177 Minutes 1974 Conference) proves its determination that a Trust Association be formed. It is significant that this report and its recommendations came before Conference at the end of the Presidential year of the experienced Conference Secretary Rev. W. R. Laws M.A.. B.D. The result was that Conference 1974 passed the resolution

"that Conference establish ONE organisation that would fulfil the functions of a Methodist Trust Association and a Methodist Investment Society as defined in this report."

Every journey begins with a first step. The road that lay open after this Conference resolution promised to lead to greater pooling of Connexional resources and more fruitful application of the Church's material means.

However, it was still a dream to come true, and realising that dream was to create its own problems.

One problem was that the Church had lost the efficient and gracious service of its General Treasurer Mr. C. R. Hasseldine who had resigned as from July 31st, 1974 and had taken up a University position. The vacuum had not yet been filled.

Another problem was shortage of funds. The Finance and Stewardship Committee of Detail had to report to the 1973 Conference that the rate of inflation was overtaking income. "The Church is receiving increasing financial support, but not on a sufficiently large scale to provide for all its needs local, District, and Connexional." Further, that, to keep expenses in line with budgetted 1974/75 income "major reductions (in allocations) were inevitable and could only be achieved by reductions by the major Departments of the Church. It needs to be stressed that whilst in earlier years adjustments were, in general, possible either on "technical grounds" or in the expectation that other sources of income could be provided to do the work planned by the major Departments, on this occasion the Committee was reluctantly forced into a
position of recommending allocations which must result in either reductions in staff or non-replacement of present staff, as normal retirements occur."

With reference to the Finance and Administration Division (Connexional Office) it had to say –

"This Division requested an increase to permit employment of additional staff to enable implementation of the proposal from the Church Building and Loan Fund Committee, that the Church set up a Methodist Trust Association (and possibly a Methodist Investment Trust). The Committee felt that whilst it would encourage the Connexional Office to proceed with its planning, it could not at this stage provide additional Budget support. It is hoped that the Connexional Office will find alternative means of financing the scheme which, in the long run, could prove to be a substantial benefit to the Church as a whole."

This then was the position in the period that the 1974 Conference took place. No wonder that tempers were somewhat frayed and that a notice of motion regarding Administration and Finance found its way to the Presidential table. A sub-committee was set up immediately and later reported to Conference. This Special Conference Committee on Investments re-iterated the need for the formation of a Methodist Trust Association. However, its main recommendation was that "In order to serve the growing needs of the Church, particularly in the investment field the committee now sees the need for some restructuring as follows:

Two Executives, one Secretarial and one Investment who, while each being responsible to Conference and their Boards, will work in close co-operation. An Investment Board should be established by this Conference. Its function during 1975 should be to

(a) Act as an Advisory Board to the Connexion in matters of investment.
(b) Report to Conference 1975 on the steps necessary to co-ordinate all major investments.
(c) proceed towards the formation of a Methodist Trust Association, in consultation with the Church Building and Loan Fund Committee."

It also challenged the Conference to give Boards and Executive officers wider general powers to handle investments than the restrictive detailed powers up till then authorised, suggesting that for all funds handled by the Investment Board the law should be amended to permit investments in a wide range.

The Conference responded and established "An Investment Board of not more than ten persons who shall be highly competent and experienced in the field of investment." The personnel to be appointed by the President on nomination by a Committee set up by Conference.
This same special Committee in Consultation with the Board of Management of the Connexional Office was to arrange for the appointment of an Investment Executive now required because the resolution was passed "that there be two Executive Officers of the Administration Division, one Secretarial and one Investment and financial."

Last but not least Conference decided

"That in respect of all investments made, recommended or approved by the Investment Board existing restrictions under the laws and regulations of the Methodist Church cease to apply, and that in respect of any such investment the powers as set forth in this report shall be applicable provided that in the case of the Supernumerary Fund Board such powers of investment shall still be limited to those from time to time approved by the Government Actuary."

At the end of the 1974 Conference the Methodist Church of New Zealand was at a low ebb income wise. But it took decisive steps to change the tide. Change it did, as the following chapters record.
II SETTING THE STAGE

The important decisions made by the 1974 Conference referred to in the previous chapter meant that the Special Conference Committee on Investments was charged with the responsibility to start bringing the proposed changes about.

It was specifically requested to nominate to the President for appointment the personnel of the Investment Board and further, to consult with the Board of Management of the Connexional Office and arrange for the appointment of the Investment Executive. Also included in its brief was the task, in consultation with appropriate Boards, to define the roles and functions of the Executive Officer and senior staff and in particular examine the position of the General Treasurer.

The Committee decided that the Investment Board should be located at Auckland, with the investment executive (to be given the title of "Finance Manager") at Christchurch. The Committee also agreed that the Board should elect its own Chairman.

After preliminary work by the Committee in its advisory role, the then President, Rev. W. J. Morrison in April 1975 appointed the 10 Members of the Investment Board. These appointments were made after consideration of names put forward by the Synods.

The first members of the Board were:

Attention by the Committee to the second task soon followed. After consultation with the Board of Management of the Connexional Office and other Boards and Committees in Christchurch, the Committee arranged for the position of Finance Manager to be advertised in the newspapers in the four main centres and also in Church papers.

Following interviews of applicants by a Selection Committee the appointment was made in July 1975.

The Investment Board had two full meetings before the 1975 Conference. Its inaugural meeting was held on the 5th June 1975.

At its first meeting the Board elected Mr. J. P. Russell as Chairman and appointed an Executive Committee - Messrs A. S. Lamond, H. P. Anderson and G. H. Peak. Due to pressure of work Mr. A. S. Lamond soon resigned from the Board and Mr. L. V. Riesterer of Auckland was appointed in replacement.
A subsequent meeting on the 30th July dealt largely with questions relating to the appointment of the Finance Manager. The Board recorded in its Report to Synods and Conference 1975 (refer pages 226/227, Minutes 1975 Conference) that it was "pleased with the appointment of Dr D. J. Janus to this position."

About its work the Investment Board mentioned that "being without an executive officer effectively for the whole of 1975 it had been able to do far less than was hoped. However, it has been able to deal both adequately and expeditiously with enquiries for investment advice received from various Trusts and Boards within the Church,"

and

"During 1975 the Board has intended to pursue enquiries regarding unified bank accounts. In the absence of an executive officer able to carry out the Board's wishes these enquiries have not proceeded as far as the Board had hoped. This is seen by the Board as an area requiring urgent consideration as it would result in the considerable pooling of funds. The Board expects to be pursuing this question much further during 1976."

"Its other major project for 1976 will be active investigation regarding the formation of the Methodist Trust Association with which task the Board in conjunction with the Church Building and Loan Fund Committee was charged by Conference 1974. The Board considers that the appointment of Dr Janus as Finance Manager will greatly facilitate movement in this direction due to his experience."

The Special Conference Committee completed its task by drawing up a Schedule of Duties of Senior Staff of the Connexional Office. This was adopted by the 1975 Conference as far as the Finance Manager was concerned. Conference also received the schedule of Duties and Statements relating to the General Secretary and to the Assistant Secretary/Accountant.

Conference 1975 is a memorable one in various respects:
- The General Secretary, Rev. W. R. Laws, became seriously ill on the day before this Conference opened.
- The Church inducted its first Maori President in the Rev. Ruawai D. Rakena, B.A.
- The Special Conference Committee on Investments reported a task successfully completed and the Investment Board submitted its first Report to Synods and Conference.
- The new Finance Manager was introduced to the Church by Mr. Alan Crothall, who had chaired the Selection Committee.
- Dr. Dennis Janus suitably replied, asking not only for cooperation but also prayers to support him in his task.

A new chapter had begun.
When after the 1975 Ngaruawahia Conference the new Executive Officer commenced duties in the Connexional office, he found himself in a difficult situation. He was not a Methodist and, as he said later, felt "like a cat in a strange warehouse." The General Secretary, Rev. W.R. Laws who had fallen ill had been granted leave of absence for four months. Moreover the Accountant was in hospital. There was no one to guide the new officer's first steps. So he had to start by... starting, finding his own way, learning the hard way, and trying to ask the right questions. It was not until Mr Eric Heggie, who had been appointed by Conference as interim - Assistant Secretary to the Administration Division, arrived, that some light dawned. In the unusual circumstances, the task for which the Finance Manager was employed, became initially wider than intended. Certainly wider than he had expected. It actually became a real opportunity in a short time to find out what the to him unknown "Methodist Connexion" was all about. Perhaps just as well that he was a stranger, because he went to work with an open mind and a determination to find out, unbiased and undeterred.

The first thing which struck him was the multiplicity of the Boards and Committees based in the Connexional Office. Although all part of the Connexion and administered in the Connexional Office, each seemed to be "doing its own thing". The next matter he noticed was the difficult financial situation in which the Board of Administration of the Connexional Office found itself and its dependence not only on the Connexional budget, but also on other grants and allocations for which "the Board is very grateful". (Annual Report 1975).

To find out that under these circumstances the Board had agreed to meet the cost connected with the appointment of the Finance Manager, more than anything convinced him that he had "to get cracking" on the financial area, as indeed he did. However, not immediately as he became involved in work for the "Special Committee set up by Conference 1975 to report to Church Council on the Church's expectations of the Administration Division and the staff required to fulfil these expectations."

The objectives and functions of the Administration Division had been defined by Conference. The Board of Management whilst endorsing the statement, felt that the Division was not yet geared to meet them. It was of the opinion that to give, as a "home base", by its service optimum support to the mission of the Church, the Division had to be (more) efficient, well organised and functional.

It also believed that as long as the proliferation of Boards and Committees continued, there was little hope of the Administration Division fulfilling a unified role. Out of these considerations sprang the proposal for the creation of a Board of Administration "somewhat along the line adopted by commercial enterprises". A Board which would be concerned with policy matters, rather than details and the Executive officers of
which would be expected and authorised to attend to the day to day matters of management.

Other Boards could be absorbed into the Board of Administration and the same concept as to policy and day to day management would apply.

The general direction of these proposals was endorsed by the Special Committee and became part of its Report and Recommendations to the 1976 Conference. Also endorsed was the view of the Board of Management that there was need for three Executive Officers, the General Secretary, The Finance Manager/Treasurer and an Assistant Secretary/Accountant, the last one being also the Secretary of the Board of Administration.

To give effect to the proposals and the necessary powers to Board and Executive Officers, Conference had to legislate for the changes. Assistance in the preparation of the Special Committee's report and the Board of Management's contribution to it was a task which the new Finance Manager, with his commercial and legal background relished.

Another interesting task, this time in the Church's financial sphere, lay in the detailed investigation of the Church's banking arrangements. The banking arrangements of the Connexional Office, Divisions, Central Missions, local Property Trusts and Circuits and a sampling of the variety of other Methodist Activities under the jurisdiction of the Conference were researched. This showed that funds were held in a great spread of accounts in various banks. Trading Banks, Trustee Banks and the Post Office Savings Bank. It lead to the proposal, already suggested in earlier years, but not then followed up, that all Church's bank accounts be with ONE Bank, in this way providing effective security for an overdraft facility to benefit the Church overall. As mentioned in the previous chapter this investigation was a major project of the Investment Board, to be completed in 1976.

The Investment Board, after considering the details and implications, fully supported implementation of it, but decided that before recommending the proposed Centralised Banking Scheme to Conference for approval it would be advisable that all Synods be acquainted with the workings and advantages of the proposal. The then Chairman of the Investment Board, Mr. G. H. Peak and the Finance Manager's subsequent visit to the Hawkes Bay - Manawatu Synod in Napier opened a series of visits to Synods to propound the centralised banking project. This proved a wise move in that it gave the Church as a whole the opportunity not only to participate in the framing of a very important decision, but also to contribute to the overall knowledge of the Investment Board and its Executive Officer of the finances of the Church in each district. The discussions thus proved most valuable in every direction. A side effect was that the new Finance Manager personally met Synod members all over New Zealand and he became better known to the Church at large.
Much of his work since commencing duties had been in keeping the Connexional Office functioning during the General Secretary's illness and therefore, because of the workload, research on development towards the Methodist Trust Association was not undertaken as early in the year as the Investment Board would have liked.

However, sufficient progress had been made for a definite recommendation to go to Conference 1976 that a New Zealand Methodist Trust Association be established. The progress could not have been made had not the workload in the accountancy side been lessened by the appointment of Mr. B.C.H.Rains who joined the Connexional Office in February 1976, as Accountant and Secretary-Treasurer of the Board of Management. He made an indirect but real contribution to the groundwork for subsequent developments in the financial area done in this crucial year.

Crucial it was, as it resulted in some momentous decisions made by the 1976 Conference which resolved:

to establish:

- The Board of Administration and
- The New Zealand Methodist Trust Association and
- to introduce the Centralised Banking Scheme.

Thus the Church had laid the basis for a new approach towards the coordination of the management of its material resources.

The importance, in this context, of the resolution of the same Conference to appoint Rev. A. K. Woodley as General Secretary of the Methodist Church of New Zealand would become evident in years to come.
IV THE NEW THEME: POOLING OF RESOURCES.

In the short time of the Investment Board's existence it had become already quite clear, that the application of the Board's experience to a variety of funds, and, in this amalgamated way, to the task of protecting the value of these funds, (previously only haphazardly taken care of) would serve the Church extremely well.

The same principle of amalgamation of tasks along with the principle of simplification was therefore guiding the Church in its decisions relating to the new proposed Board of Administration.

As it was the intention of Conference that the Board of Administration would replace the existing Boards within the Connexional Office, the members of the various Boards resigned to enable Members of the Board of Administration to be appointed Members of the respective Boards.

The resulting common Board Membership of these diverse Boards and Funds thus enabled the one Board to apply its knowledge and experience to the oversight of these resources and the co-ordination of the Church activities under the care of the Connexional Office.

The only Connexional Fund which was to continue working under a separate Committee was the Church Building and Loan Fund, to which the Board of Administration gave power to act on its behalf. The reason, of course, was that specialised technical knowledge is required to assess the various building projects on which decisions have to be made.

The Board of Administration held its inaugural meeting on 19th February 1977, at which meeting Mr G.E. Hill (who in 1983 became the first Lay President of the Church) was unanimously elected Chairman. The Board itself was still an unincorporated Body. If it intended to hold properties and investments, it could only act through Trustees. The logical solution was to seek incorporation. Until this was done it seemed prudent that meantime the Incorporated Boards continued.

During 1977, therefore, the General Purposes Trust Board, Supernumerary Fund Board, Connexional Fire Insurance Board and Transport Trust Board continued to operate as such, but as mentioned, under identical Board leadership. In this way the affairs of the several Boards combined became the subject of meetings of one Board, the Board of Administration. Incorporation of the Board of Administration under Church Law could only be by Conference resolution which would also approve of the Board's Constitution.

A first draft of the Constitution was compiled and presented to the Board's Meeting on 13th July 1977, and, after further work by the Executive Officers referred to the President's Legal Adviser and Synods. After all round consultations and discussions,
the President was authorised by the 1977 Conference to approve the Constitution, on
the recommendation of the Legal Adviser.

After approval was given the Board of Administration was duly incorporated under
the Charitable Trust Act 1957 on the 27th April 1978. The Connexional Funds, previously
under various Boards, now came under the oversight of the one Board, with the various Funds retaining their own identity.

Whilst the Board of Administration exercised a common oversight of the Connexional
Funds, the establishment of the New Zealand Methodist Trust Association would open
the means for the pooling of financial resources It would enable funds of the several
Connexional Funds, and Trusts as well as other funds of the Church throughout the
Connexion to be commonly invested.

As mentioned in the previous Chapter sufficient work had been done in 1976 towards
the establishment of a New Zealand Methodist Trust Association to make a
recommendation to Conference. The Constitution had not yet been finalised, but the
draft was completed in February 1977 before the Finance Manager went overseas for
3 months on his postponed retirement (from his previous employment) holiday trip.

The Draft Constitution of the M.T.A. was circulated to Synods and Boards for
members to offer suggestions and comments and subsequently studied by the
Investment Board on a clause by clause basis.

In consultation with the President's Legal Adviser and the Board of Administration,
the Constitution was finalised and by decision of 6th May 1977 formally approved by
the then President, Rev. P. A. Stead. Incorporation was applied for and on 23rd
August 1977 the New Zealand Methodist Trust Association was officially
incorporated under the Charitable Trust Act 1957.

In the meantime, immediately after the 1976 Conference, the challenging task was
undertaken to centralise the Church's Bank Accounts. Agreement was reached with
the Bank of New Zealand to concentrate all current (cheque) accounts with this Bank
under certain conditions. The main one of these was that the Church through its Board
of Administration could operate an off-set account, a special overdraft account, to be
used for short-term lending within the Church.

In all, more than 800 different bank accounts were in use by the Church in New
Zealand. All Parishes, Trusts, Divisions, Fellowships had one or more accounts.
Moreover these accounts were spread over all banks operating in New Zealand.

It took quite an effort to bring these all into the proposed scheme, but it was worth
doing. All those who operated a Bank Account could continue as before, although it
meant for some transfer from another Bank to the Bank of New Zealand. However,
the scheme took no authority or ability to handle funds in the customary manner away
from anyone, but provided the Church with an additional source of funds. These funds could be borrowed from the Special (overdraft) account at a low interest rate and be made available to Parishes and Trusts when bridging finance was needed.

The Connexional Banking Scheme thus became another means of pooling the resources of the Church. It brought a new dimension effectively making the best possible use of combined strength.

Great support was received from the members of the Methodist Women's Fellowship to get the scheme off the ground. Mindful of the need to "start ..... by starting" it was necessary to find the first participants in the scheme. The Women's Fellowships were the first to grasp the significance of the move and to participate as is gratefully recorded in a letter (about another subject) written by the Financial Manager in November 1979 to the Methodist Women's Fellowship. It contained the following paragraph:-

"Last year the- Church's General Secretary, Rev. Alan K. Woodley and myself visited the Waikato for discussions with some Trusts.

On that occasion. Rev. Peter Stead invited us to lunch at the Hamilton Centre. Great was our surprise when we found ourselves having lunch with the ladies of the Hamilton Methodist Women's Fellowship; and what a pleasant surprise it was. It gave us an opportunity to chat with most of the Members about the work you and we are doing for the Church. It also was a golden opportunity to say what we had wished to say for some time to them, and through them to all members of the Methodist Women's Fellowship:

Thank you for so willingly and promptly participating in the Centralised Banking Scheme, when it was set up.

The Scheme was fully accepted by the Church. It took some time, but the Methodist Women's Fellowships lead the way. It is a great Scheme. Many a project has already taken off the ground or taken off earlier because short term finance from the Scheme was available at the right time. The best feature is, that not only is money available cheaper, but it generates surplus income.

The Scheme contributed $12,000 to last year's Connexional Budget. This year, nearly $14,000. It seems that $24,000 from this source will be available for allocation by the next Conference. Many must have wondered what contribution their small local account could make. Well, we have just given you the answer. Only by working together, by all participating, has this result been achieved. It does not work any other way. Co-operation is the very key stone."

This prompted the then Methodist Women's Fellowship National President Mrs Isobel Burn to write:
"I feel proud to think our Methodist Women's Fellowship ladies have led the way, indeed have been in the forefront with the financial projects mentioned. Now we can see the Church's finances coming together to give us a strength never before experienced."

Whilst the Banking Scheme through the off-set account, its "Special Account", provided the possibility to make bridging finance available on a short term basis, the needs of the Church for long term lending and borrowing especially for building projects had also to be catered for. Here again, ways and means had to be found to pool resources.

Over the years not only the Church Building and Loan Fund, but also the Fire Insurance Fund and the Investment Funds Board of the Development Division (not to be confused with the Investment Board) each had its own independent way of lending. No wonder that loans were made available for a variety of years on widely differing terms and conditions. It was imperative that a uniform, more co-ordinated manner of handling these matters be introduced. Moreover, there were other factors, more serious ones.

Inflation in recent years had by 1976 seriously eroded the capability of these funds to give adequate assistance.

Not only had the actual purchasing power of the capital of these funds been diminished, but requirements for loan monies had substantially increased as building costs had risen even faster than inflation.

Tight money availability had resulted in a general sharp increase in interest rates.

It seemed necessary to develop a policy to co-ordinate the existing sources of funds, interest policies, efforts to raise outside money by way of loans, the loan policies of the Churches involved in joint ventures (Union and Co-operating Parishes), and the priorities of purposes for which monies are sought.

To facilitate a co-ordinated approach towards lending for local congregational building projects, it was proposed to and resolved by the 1977 Conference:

"That the Board of Administration pursue the policy of co-ordinating the loan functions for Church projects, arrange for such lending for the acquisition of Church plant to be done by the Church Building and Loan Fund Committee and that Administration charges only (as decided by Conference 1976) would apply for lending funds from the capital of the Church Building and Loan Fund and a composite rate for lending funds from all other sources."

Amongst these other sources were the Fire Insurance Fund, the Investment Funds Board, the Development Fund, the General Purposes Trust, and possibly at a future stage a Methodist Provident Society.
Thus finance as far as available to these variety of sources was all to be channelled into and through the Church Building and Loan Fund, which, true to its name became the only Church agency to supply loans for church building purposes and the acquisition of church plant. Gradually all outstanding loans to local churches from the Fire Insurance Fund and from the Investment Funds Board were transferred to the Church Building and Loan Fund.

To further strengthen this fund the C. B. and L. Fund Committee decided that in the future the proceeds of church plant sold had to be deposited with the Fund to the credit of the account of the Property Trust concerned and that interest would be earned and added on a cumulative basis.

However, proceeds and interest could only be uplifted after a project had been developed and had obtained the approval of the C. B. and L. Fund Committee which had to be satisfied that the project was in line with Church strategy.

One concession was made to this general rule. In quite a number of cases not the full proceeds of property sold was required to be deposited, but only 75 or more; the difference was allowed to be deposited in the Sector Ministry Fund which, in contrast to building purposes, made money available to support "people projects".

At a later stage, proceeds of earlier property sales deposited by Trusts in the General Purposes Trust Fund were also transferred to the C. B. and L. Fund.

The Development Fund, which from then on would provide only grants and not loans, became an integral part of the C. B. and L. Fund, but being dependant on allocations from the Connexional budget, is expected to remain of minor importance and might well disappear.

Over the years, all kinds of suggestions had been made as to ways by which members of the Church could assist the work of the Church through the pooling of finance. Within its co-ordinated loan policy, the Board of Administration in 1977 proposed the establishment of the Methodist Provident Society for the benefit of the Church and its members. Funds contributed by members to the Provident Society would be used in a variety of ways to promote the work of the Church. Funds pooled in this way would in part be used for on-lending to the Church Building and Loan Fund.

The establishment of the Methodist Provident Society Limited, approved by the 1977 Conference became a reality with its incorporation, under the Industrial and Provident Societies 1908 Act, on the 1st November 1978.

The subsequently introduced Provident Society's Nominated Trust Advances Scheme enabled members of a congregation which wanted to extend its facilities or build a new Church, Church Centre or Hall to make loans in support of the project by using
the facility which the scheme provided. Loans could be made at a sacrificial interest rate, lower than the current rate, or at no interest.

Funds so received by the Provident-Society Limited are on-lent through the C. B. and L. Fund to the local Churches at reduced rates (or nil rate) for the period stipulated by the original depositor.

The advantage of the scheme is that it guarantees the local church member repayment of the deposit, irrespective of the local situation, saves possible embarrassment where repayment is required in difficult circumstances and provides greater security, as the Methodist Church of New Zealand guarantees the repayment of all deposits in the Methodist Provident Society Ltd.

This scheme has worked and is still working very successfully.

The Methodist Provident Society Limited was recognised by the Securities Commission as a vehicle by which Church members support their Church and for this reason was exempted from compliance with certain requirements of the Securities Act 1978 and the Securities Regulations.

In addition to loans for Church plant the Methodist Provident Society Limited also uses its funds for on-lending to the Ministers' and Layworkers Loan Fund which plays a useful role especially in loan-supporting newly ordained Ministers and Deacons in their initial years working in the practical ministry.

By bringing a multiplicity of Boards and Committees together in the Board of Administration the link between areas of activities in the Church was strengthened and the operation of its various Funds brought into a more complete connexional perspective. Effectiveness was increased.

The Methodist Trust Association, the vehicle for pooling available funds from Trusts and Funds and investing these under the oversight of the Investment Board, was destined to play a decisive role in protecting the Church against the inroads of inflation which threatened to put the value of Funds in jeopardy.

In the following Chapters the fruits can be seen.
V ONLY A MEANS TO AN END

In all the planning, discussions and decision making involved in the wide ranging changes proposed and implemented to protect and strengthen the Church's material resources, one thought remained the overriding one: - The Mission of the Church. It was never forgotten that the Church means people - God's people on pilgrimage to His Kingdom. Money and property are only means to an end and what they can do for people, for the mission of the Church, for the Kingdom is what counts. To be able to do, means being strong enough to do what needs doing, hence the care taken that the Church's resources would keep pace with the needs and would not be eroded by bad management, inefficiency, lack of direction and inflation.

It required a change to professionalism, more than ever needed in a world which becomes more complex every day, and also clear direction in the management of the Church's resources so that they would be able to continue to serve the intended purposes. Heed had especially to be taken that they would not lose this ability because sharp inflation over many years would render them incapable of doing so.

In a few words, investments must not only provide income for the mission of the Church, but also a hedge against the inroads of inflation, safeguarding the future as much as possible.

All investments by the Church must be socially responsible and in line with Christian ethics.

Do investments designed to protect their real worth, their purchasing power, in this case their "mission power", pass this test?

The question touches on the correlation between the financial and moral implications of investment decisions.

As the reason for earning income is to enable the spread of the Gospel by word and deed, the source of that income should be not only impeccable, and should not result from unchristian, unethical or socially harmful activities, but positively aimed at promoting the good of society.

Over the years, discussion with members of the Joint Public Questions Committee (to the General Assembly and Conference) have led to the development of guidelines for socially responsible investment. They reflect the mind of the Church and spell out the criteria used in its investment policy.

The developments outlined in this booklet and in particular the investment decisions which have affected the Connexional and Church Funds within a new framework are a demonstration by the Methodist Church of what it regards as socially responsible Church investments.
With the exception of a very small share portfolio involving well-known companies all contributing to the community in a positive way, the Church is not now a substantial corporate investor.

Scrutiny of the Church's (limited) shareholding resulted in the shedding of interests in an Insurance Company operating in South Africa, as well as in another (subsidiary of an overseas) company which was found to have been involved in ammunition sales to that and other countries.

When placing short term funds in the market, care was and is taken that no money (e.g. by investing in commercial bills) in any way supports the alcohol and tobacco industries. A positive stance ensures that funds investments are directed to enterprises where one can expect that they are used in wholesome production and for projects which create or maintain employment of people under good conditions.

Shares and the short term money market are not the only venues for Church investment. In fact they are of minor importance compared with investment in property, a type of investment favoured for a number of reasons. Investment in property provides an income which, as a percentage of investment, is lower than the inflation rate, but has the advantage that for many years the rental income from the capital invested keeps its purchasing value, until age and rebuilding costs catch up with this too. Moreover it provides capital accretion as well as income.

It is the best way to provide against erosion caused by inflation.

One other facet needs mention: Borrowing of money is sometimes required for development projects. This is done in the knowledge that when the lender is repaid money has been have lost on the investment as the value of money has decreased through inflation.

So what about the Church borrowing money. Is that ethical nowadays? The answer is not a simple one, but in spite of the complexity of the issues involved the answer is a positive yes.

High inflation over quite a number of years now has become an inbuilt factor in economic life - People who have money to invest are well aware of inflationary trends and therefore no lender is unwillingly placed in the "losing" situation. Moreover, interest rates to be paid on borrowed money tend to be higher than the inflation rate thereby recompensing the lender whose choice it is to lend. Where that is not so the Church has asked and found people willing to lend it money purposely at sacrificial interest rates. Whatever the rate, the above considerations apply, which leaves us with the phenomenon of inflation itself, which is world wide and does not show any signs of abating. Christians will all agree that many injustices contribute to and result from the causes of inflation. It is these causes we have to fight.
This is not an economic treatise meant to discuss world commodity prices, budget deficits, or the structures of injustice, nor is it a discourse on theological issues. It can be said that the Methodist Church of New Zealand and indeed New Zealand as a country has taken a stand in the fight against injustices, and is doing its part in trying to promote peace and make its contribution to create a better world.

In summary, all the Church's investments can pass every scrutiny when judged by the standards of Christian reflection and social responsibility. Most of all, these investments are always treated for what they are, not an end in itself, but means to an end, as Christian stewardship in action, stewardship the Gospel way.
VI CONCERTED EFFORT, A NEW DIRECTION

Whilst the momentous decisions made by the 1976 Conference laid the foundation for new structures and schemes, hard work and continuing support were needed to make them operative, once they were in place. Through planning and dedication the schemes were to become viable and blossom in the life of the church.

At the same time that Conference decided to establish and incorporate the New Zealand Methodist Trust Association (M.T.A.), it also resolved:

"That Conference encourages and hereby authorises Trustees to transfer funds and investments of Trusts governed by the Methodist Model Deed 1887 to the New Zealand Methodist Trust Association.

"That Conference requests trusts, incorporated bodies and societies not under the Methodist Model Deed to take steps where required to amend their Constitution to enable them to transfer funds and investments to the N.Z. Methodist Trust Association and the Conference recommends and authorises the transfer of such funds and investments to the New Zealand Methodist Trust Association.

Amendment to Model Deed

"That the proviso to Section 14 of the Model Deed be amended to read as follows:

"and further provided always and it is hereby declared that it shall be lawful for the said trustees, or the major part of them, to invest any such surplus money in by or through the New Zealand Methodist Trust Association."

This was very important. Conference not only provided for the vehicle, but recommended and enabled a flow of supplies, so that the vehicle would indeed become a driving force.

The, 1976 Conference passed another important resolution "That the Reverend Alan K. Woodley was appointed General Secretary as from 1 February 1977."

All was now in place to make a concerted effort not only to pool the resources of the Church together but also to better relate these to the overall mission of the Church.

The timing of all preliminaries before the actual "taking off" of the M.T.A. could not have been better. Mid 1977 then saw the new organisation starting operations. One of the first moves was to advertise the Methodist Trust Association to all potential depositors.

The Brochure:

"What are you doing with the Church's Money" and
"What should you do with the Church's money"

was widely distributed to all who could be interested.
It set out that four funds had been created for various terms of deposit.

A Short Term Fund
"A" (under one year)
"B" (1-2 years) and

Long Term Fund
"A" (2-5 years)
"B" (over 5 years)

indicating that money invested for two years and over or for an indefinite period over 5 years should be deposited in the long term Funds where it would earn not only a reasonable rate of interest but also capital appreciation.

The Church's Trusts soon started to realise that investment in the M.T.A., thus pooling funds with those of other Trusts, was indeed the optimum course of action. A steady flow of funds started to find its way to the M.T.A. which resulted in the first 9 months of operation, from 1 July 1977 to 31 March 1978 showing most encouraging results.

Under its powers of investment the M.T.A. started to make the most of existing opportunities in the finance market and thus was able to earn $35,000 for its depositors in its first (part) year (till 31 March 1978.)

In the beginning the investments by the M.T.A. were all short-term, either with the Trading Banks in Transferable Certificates of Deposit (T.C.D.'S), or in Deposits secured against Government Stock.

In February 1978 when deposits in the Long Term "B" Fund had reached the $350,000 mark the Board decided on its first investment in commercial property, a warehouse building on Auckland's North Shore, which was leased for a term of 27 years to a wellknown, sound tenant, importers of Sportsgoods. Rentals would be reviewed and also the building revalued every three years. Thus growth in income and asset value afforded the best possible protection of depositors against the inroads of inflation. This first project would be the forerunner of more and larger property investments in the years to come.

As the year went on deposits increased and the Board could report to the 1978 Conference that "the Association has ample proof in its growth in recent months of its wider acceptance with consequently greater ability to serve the Church".

The opportunity through the Report to Conference to "talk" to Trustees was used by enumerating the advantages of concerted efforts: "By pooling. Trusts assist each other. Together, through the Methodist Trust Association, they can concentrate on the best investments. Property can be bought and sold to the best advantage, instead of individual Trusts holding them for years and finding themselves without the resources to deal with inevitable problems. By pooling, risks are spread, resources activated,
problems diminished and more easily solved, continuance of experience is assured, and better administration all round achieved. A greater cash flow enables withdrawals to be made, generally without upsetting investment patterns and yields. Trustees in investing in and through the Methodist Trust Association, whilst losing direct involvement in identifiable assets, will thus be able to concentrate on the use of the income from pooled investment. Most will agree that this shift from the more mundane to the more pastoral side of their Trusteeship will reap its own reward."

As the first fruits of the new theme were already in evidence the message was understood by the Church and from there on a steady shift of funds into deposits in the M.T.A., both from smaller Trusts and Connexional Funds ensued.

Thus the Board was happy to report to the 1979 Conference that in the 12 months to 31 March 1979 deposits had increased from $1,151,000 to $2,482,805, an increase of 116 and that the development of the Long Term Fund "B" (over 5 years and perpetual) was especially gratifying, as it enabled investment in real estate to be considered. In December 1978 a further purchase of Commercial property was made, this time in Hamilton (manufacturers of outdoor equipment). This brought the investment in buildings to $587,000. The Association now had two properties, both leased to sound tenants on long term contracts, with three yearly rent reviews.

In years to come these properties are expected to increase in value and provide a higher rental income. On their sale a capital gain will be obtained. All this will benefit the Trusts and Connexional Funds, assuring them of a healthy financial status and most importantly keeping their strength up to do what they were set up to do.

It is important that it be realised that the Methodist Trust Association itself has no funds. It retains only sufficient to cover its costs of administration.

The Association acts as a custodian of Trust Funds which it safeguards and manages. All profits, all advantages are shared by its depositors on the basis of participation in the various funds and in this way in the concerted effort through a common Fund.

As a mode of operation it proved particularly useful that the membership of the Investment Board, although a separate advisory body, was identical to the membership of the Board of the Methodist Trust Association. In this way the responsibility for investment decisions was coupled with the often more complex task of actual investment activity. This activity, on a day by day basis, was one for which the Finance Manager as executive officer was mainly responsible, but still one which often required consultation. Thus a close working relationship developed between the Finance manager and the General Secretary of the Church, (ex officio a member of both Boards), which relationship emphasised and further assured the role of the Association in support of the Church's mission.
During the year 1979 the Investment Board made considerable progress in the promotion of co-ordinated property management and development. Holdings of ageing property posed problems of redevelopment. Measures had to be taken to ensure future income, income so necessary to provide for theological education as well as for the wider work of the Church. Discussions were initiated with the Trusts with the most pressing problems and the Board could report with appreciation the utmost co-operation received from the Probert Trust, Prince Albert College and Trinity College Boards in the combined efforts to direct property and development oversight to members of the Investment Board. As from 30 September 1979 Property Management and Accounting for these Trusts was co-ordinated within the Administration Division. A Property Development Manager was engaged and some office space in the Prince Albert College building, Auckland, put in use as a base for development work. With preliminaries completed the Investment Board was anxious to study specific proposals for site use and development and as a result of combined expertise and experience to put suitable recommendations to the respective Trusts. The team work, thus commenced by the Investment Board with the Trust Boards which were holding ageing property, gave further impetus to the aim to solve the Church's problems by concerted effort.

The new direction became very much in evidence. Fruits were sure to follow.
Where over a long term you wish to counter inflation but still maintain a reasonable rate of return, use the Long Term Investment Funds of the New Zealand Methodist Trust Association.

And sit back:

What a good idea!

New Zealand Methodist MTA Association

New Zealand Methodist Trust Association

Epworth
Cnr. Hereford & Manchester Streets

Phone 66-049

P.O. Box 931
Christchurch
VII DIVIDENDS.

In the years following 1979, the first full year of the Methodist Trust Association's (M. T. A.) operation, the Association grew in stature and enhanced its safeguarding role.

Day by day it became clearer that the changes which the church had made and was making in the management of its funds had been timely. Double digit inflation had reared its head and was to stay for many a year. Inflation rates for the years ended 30 June were 14.4% in 1977, 12.2% in 1978 and 12.4% in 1979. It climbed further to 17.9% in 1980, dropped to 15% in 1981, rose again to 17% in 1982. Inflation then fell to 8.3% in 1983, fell further to 4.7% in 1984, only to increase to 16.6% in 1985 after the abolition of wage and price freeze regulations. In 1986 it decreased to 10.4% but the introduction of Goods and Services Tax in October 1986 will influence the inflation rate and a higher rate is expected in 1987.

Interest rates climbed as inflation rose. The money market saw volatile movements.

Individual Trusts with often limited amounts to invest and Trustees who lacked the time and or expertise to attend satisfactorily to the type of investment activity required under these circumstances could not hope to match the results which the Association, through its operations, was to obtain. Investment activities included short term deposits with official money market dealers and trading banks, term deposits, investment in transferable certificates of deposit, investment in secured debenture stock, in shares in first class companies, in contributory mortgages, not to forget in real estate.

As small Trusts did not have the bargaining power which goes with the investment of large sums, a special effort was made to combine the funds of these smaller trusts with bigger investments.

Day to day contact with the market and the application of expertise and experience ensured the best protection of church resources, particularly their "purchasing power".

Within the constraints of the M. T. A.'s deposit structure (short and long term funds), smaller Trusts shared equally in the better results of pooled investment.

From the beginning half yearly reporting by the M. T. A. to depositors, together with the announcement of "Dividends" became well established practice.

Not only Trusts but specifically also the Connexional Funds soon found their funds gaining strength instead of being dissipated by inflation. When the "Dividend" was required for future needs, such as in the Supernumerary Fund, and did not have to be uplifted for immediate use, the compounding effect became an important strengthening factor.
Total deposits in the Methodist Trust Association at 31st March 1978 when the first results were reported, stood at $1,151,000 of which $415,000 was invested in the Short Term Funds and $736,000 in the Long Term Funds. In the following years investments in both Funds grew and by 31 March 1986 $5,334,000 in Short Term Funds and $17,208,000 in Long Term Funds bore testimony to the standing of the M. T. A. as the investment facility of the Church. In addition to these term deposits the Association also handled funds of some magnitude sometimes only available for very short periods and others not suitable for inclusion in the normal pooling, e.g. moneys for day to day operational requirements such as of the Central Missions.

The Association's facilities are best equipped to place these funds separately in the market to best advantage.

These non-participatory funds are recorded as loans to the Association, as distinct from deposits, and have often fluctuated sharply. As at 31 March 1986 these loans stood at $1,979,000 which means that the total of deposits and loans in the care of the Association and invested in various ways amounted to $24,521,000 at that date.

The advantageous investment of what was available at any time depended on the periods for which funds were entrusted to the Association, the state of the money market, inflationary trends, future expectations, and the state of the economy, the possibilities of developing church land, and whatever other factors have a bearing on investment decisions.

The Church has been well served by the Investment Board and M. T. A. Board (same membership) as regular Board meetings were held in which the Finance Manager as Executive Officer of the M. T. A. and the General Secretary (both also as Board Members) took part. Not only was investment policy discussed and decided on, but, with full reports in hand, wide ranging consultation took place.

The consequent application of teamed experience and expertise to the operation of the Association surely made its impact.

The fruits of the pooling of resources makes impressive reading, especially the progress over the years.

The first distribution of income announced shortly after 31 March 1978 split a total of $35,118 between Short Term Depositors, $10,351 and Long Term Depositors $24,767.

By 31 March 1982 these Depositors participated to the extent of $430,000 and $515,000 respectively out of the income of $945,000. In the following year the milestone of $1 million distributable income was reached.
For the year ended 31 March 1986 income available for distribution was $2,331,000 of which $981,000 was distributed to Short Term Funds depositors and $1,350,000 to investors in the Long Term Funds.

Each six months the income amount available is allocated to the depositors by a formula which uses both the amount and the days of investment for each of the respective Funds.

"Dividend" earned by the Funds varies. The rate struck for each of the Short Term Funds and for the combined Long Term is different and depends on the earning capacity of the respective Funds.

Over the years the greatest variation resulted from inflationary trends, reflected by the money market. In earlier years money invested in the market for longer terms, say a number of years, earned more interest than short term funds. As inflation rose, so did interest rates, but in addition to that, the uncertainty of the inflation rate and the tendency to follow its trend resulted in many long term funds on maturity being invested for shorter terms. The situation reversed - long term interest rates became lower than short term rates.

The income from the Association's investments and through the Association the return on deposited funds of the participants in the pool of Short Term Funds and Long Term Funds, changed accordingly.

In March 1978 Short Term Funds earned 8%, Long Term Funds 11%. Four years later, March 1982 rates were 14% and 12% respectively. Four years later again, March 1986 Short Term Funds returned 21.75% (A) and 23 (B) and Long Term Funds 9%.

The short term rates reflect movements in the market in the previous six months and these markets have been quite volatile. So, therefore, have been the distribution rates of the Association. Interest rates if not subject to government regulation will and have in most recent years, moved several percentages above the inflation rate. However, for years the market was not completely free to move and a downturn to around 11% in 1983-84 was a result of price and interest regulations.

The reduction of earnings on Long Term investments for the reasons mentioned is well illustrated by the above figures. However, this did not mean that investors in the Long Term Funds were disadvantaged. The low percentage, by comparison; is deceptive as the Long Term Funds, especially Fund D, made it possible to invest considerable sums in real estate.

Investment in property is a real hedge against inflation. As building projects and purchase of buildings were undertaken, subsequent accretion in the value of property benefited investors in the Long Term Funds. In this way they were provided with real protection against the toll inflation would otherwise inflict on them.
The Association deliberately set out to gather sufficient Long Term Funds to enable the Church to develop some of the very good sites which for a long time had been church-held land. Some of these sites such as the land in Queen Street, Auckland, in the case of the Prince Albert College Trust, on the Main North Road in Ponsonby, Auckland of the Probert Trust, in the centre of Rotorua, and Christchurch (Cambridge Terrace), were occupied by buildings which for a long time were ripe for demolition. In fact, if it had not been for some leniency towards the Church, demolition orders would have been received well before the time the redevelopment could be undertaken.

Because of the excellent location of these various sites they were recognised by the Investment Board as most suitable investment opportunities. The Trusts concerned could not better safeguard their future, their aims and the real value of their funds, make their contribution to the welfare of the Church and the wider community than by fully supporting the proposed projects.

To propose that rebuilding should be undertaken and that it be done with the help of pooled funds from the M. T. A. is one thing, actually to execute such projects is quite another.

Preliminary costs are not inconsiderable. Where was the money to come from? Where did it indeed come from to meet these costs? Few people in the Church have given thought to that or have actually asked the question.

The answer to that question had to be found long before preliminary project costs could be incurred. It came from generating in addition to a most satisfactory return to investors in the Long Term Fund, a sufficient margin, not only to pay Administration and Management expenses, (which were kept to a minimum anyway) but also to pay for development work. It was fortunate that the necessary funds could be found in this way as previously no specific sources of funding were available for work on as yet unspecified building projects.

As mentioned in the previous chapter once funding was in place, the appointment of a Development Manager was made, whose task was to advise on rebuilding possibilities, or alternatives, and help bring any projects to the building and completion stage.

The investment in property became a very deliberate policy, as was the policy to concentrate property holding for investment purposes in the M. T. A. with the Trusts as Long Term investors.

The aim was to concentrate on commercial buildings with long term leases and triennial valuations with related rent increases.
Connexional Funds and Trusts as long Term Depositors would and did share in the increments, assessed by the triennial valuations, thus protecting their income and capital.

The Capital value of the first two properties purchased rose from $598,000 in 1979 to $1,048,000 in 1985, an increase of $450,000 (75%) in 6 years.

In the year to March 1985 four properties were revalued and together with the proceeds of some shares transactions $2,382,000 became available to Long Term Depositors. Growth in property values over the 3 years was from $4,530,000 to $6,800,000, an increase of 50%. In 1986 revaluation of two other properties (on a three yearly cycle) showed an increase from $1,102,000 to $1,652,000, an increase of $550,000, again 50% over three years.

The results have been remarkable. The figures quoted of course reflect inflation, but at the same time demonstrate the protection the Church's funds for Mission did obtain.

The accretion rate of 50% was higher than the inflation rate of around 33% in the comparable periods. All Long Term Depositors share in the accretion of values of property bought with their investments proportionally, based on the size of their deposit and the length of time their funds have been invested in the Association. They are credited with that share at the end of the year in which revaluations take place. This is additional to the "dividend" paid from income shown in the earnings percentages above and put these in a different light. The amount of the increment allotted increases their investment with the Association.

It is the policy of the Investment Board to recommend "cashing in" on capital accretions from time to time with consequent changes in the property portfolio.

The operations of the New Zealand Methodist Trust Association although forming the main activity related to the Management of the Church's financial resources, is still only part of the overall scene.

Earlier mention was made of the establishment of the Connexional Banking Scheme. Since its inception it has proved to be a real boon to the Church. Mention of this was already made in chapter four.

The details of the operation of the scheme are rather technical and, may we say, very boring, but the fruits spectacular and exciting. The extra income generated by the Special Account which in 1978 was $12,000, but by 1986 had increased to $42,000, making in these nine years in total $232,700 available to Conference to support the Connexional Budget.

This pooling of its resources through the Banking Scheme benefited the whole Church, even its smallest congregation.
As a vehicle to channel available resources from individuals towards fruitful uses in the church the Methodist Provident Society Limited is still in its infancy. Its development deserves close attention in the future and is full of promise, if nurtured.

Apart from its role of enabling local church building projects to be financed through its Nominated Trust Advances Scheme, the Society has through the generosity of members who have made funds available at sacrificial interest rates, been able to make annual grants from its Church Purposes Account.

The wide variety of projects supported, projects for which otherwise the funds would have been difficult or impossible to find is impressive. It enabled successive Conferences to allocate already $70,000 from this source for (part) funding the purchase of Hymn Books (by supporting all Districts), for training programmes, the appointment of a Resource person by the Maori Division, a Church History project, the establishment of the Auckland Methodist Archive, a storage system for the Christchurch Archives, Project Waitangi and several other purposes.

Pooling resources in various ways indeed bore fruit, not only for the Trusts and Funds especially those taking part in the M. T. A., but for the whole Church.

That it did so much to foster the Connexional Spirit was perhaps its sweetest fruit.
VIII INHERITANCE II.

Rev. L. Fiebig.-B.A. in his "Inheritance" story, published in 1967 traced and fully described the historical origins of the Connexional Funds and their development up to that time.

As this precis "With Renewed Vigour" is written particularly to recount what was done since 1967 to retain and improve on the strength of these Funds, the results in respect of each particular Fund are reported in this Chapter.

We saw that the New Zealand Methodist Trust Association, by its mode of operation and its strength as it grew, became the vehicle par excellence to protect the financial resources of the Church. The Association was particularly suited to assist Trusts and Funds in the turbulent years, since experienced, when recessions, inflation, adverse terms of trade and government intervention shook the New Zealand economy.

Thus the M. T. A. opened the possibility for Connexional Funds to channel their finances into a Common Pool whilst their aims and objects and powers of management were retained, and by their participation share in what was achieved by combined strengths.

Nearly all Connexional Funds became involved in the Association, although not all in the same way. Their involvement depended on the nature of the Fund or Trust. All have fared well by joining.

EMSLEY TRUST.

At its inaugural meeting of 3rd August 1978 the reconstituted Probert Trust Board decided to urge that the funds of the Emsley Trust be invested in the Long Term Fund D (perpetual) of the Methodist Trust Association.

As the objects of the Emsley Trust and Probert Trust were identical the Trustees were the same too. They recommended to the 1979 Conference that, there being no point in maintaining this now relatively small capital as a separate endowment, it be vested absolutely both as to capital and income in the Board of the Methodist Theological College Council at Auckland with power to merge the funds representing this bequest with its General funds without being required to account for it separately thereafter.

These funds ($3,000) found their way to the M. T. A. as an investment by the Methodist Theological College. Thus, although no separate Emsley Trust now exists the Emsley bequest will in future years assist the training of students for the Ministry, as it has done in the past. Moreover, by its incorporation in the pooled funds which are as much as possible "inflation proofed" this assistance will hold its value from now on.
WELLINGTON METHODIST CHARITABLE AND EDUCATIONAL ENDOWMENTS.

The property developments and changes which tell the history of this Trust since 1967 can best be gleaned from this Trust's regular reports to Conference. In consultation with the Investment Board the Trust in 1981 started to restructure its investments. When it completed this it invested $500,000 long term with the Methodist Trust Association.

In the year ending 30th June 1982 the Trust made grants totalling $28,365, from an income increase of 42% over the previous year.

The restructuring made it possible to widen the range of beneficiaries in 1982/83 and to distribute $38,840 in addition to paying a substantial portion of the expenses concerned with the appointment of a Director of Youth Ministry.

In the following years the Board's financial base was appreciably strengthened by capital accretions earned on its long term investment with the New Zealand Methodist Trust Association. Sales of its subdivision sections adjoining the former Masterton Children's Home continued and further strengthened the Trust's finances.

Each ensuing year the Board was able to support a wider range of beneficiaries from increased income. For the year ending 30th June 1986 the restructuring of its investments resulted in a 130% increase in the level of grants to $89,700 of which $15,000 went to the Education Division and the remainder to the Child and Family Care.

The Trust's assets now total $1,572,000.

The Board's initiative in establishing the Moutoa Scholarship which will enable the Maori Division to encourage people through the education system, particularly tertiary education, is most commendable. The Scholarship is particularly valuable as it enables this assistance to be directed to those parts of the system, for which other forms of financial assistance are not readily available.

The sound basis of this fund holds many promises for the future.

THE CONNEXIONAL FIRE INSURANCE FUND.

The changes made since 1976 in the financial structures which support the life of the Church did not leave this Fund untouched.

For many years it acted as intermediary in arranging insurance cover required by local Churches, Trusts and Institutions, and also as a source of loans and grants.
Streamlining of the finances of the Church caused the Co-ordinated loans policy to stop the Fire Insurance Fund from acting as lender, whilst a thorough investigation of the insurance functions showed that better and cheaper ways could be found to provide the insurance cover which the Church needed. The Board of Administration which in 1977 had assumed the responsibilities of the previous Fire Insurance Fund Board set itself several insurance objectives - First of all proper risk management. Alarming under-insurance was to be remedied as soon as possible. Then, good service to all insured by review of insurance covers and the prompt processing of claims. Finally and certainly not least to seek adequate financial loss protection at lowest possible cost compatible with the ability to pay. It was indeed a tall order and particularly also an urgent one, as inflation affected both the values to be insured and the value of the Insurance Fund and Connexional resources, which by now could not stand a major loss.

The Board of Administration reported to the 1978 Conference that adequate insurance cover at reasonable cost could only be obtained when it would be negotiated for all Methodist property under one policy. This would also entail a considerable reduction in the costs of Administration. As Synods had already unanimously supported the direction of the report Conference was equally fully supportive and authorised the Board to go ahead.

Go ahead it did. It designed with expert help a policy fitting the particular needs of the Church and scooped an Australasian first by requesting - through a broker - Insurance Companies to quote a premium on this policy (which contained various favourable clauses for the Church and a minimum of exclusions) instead of the Church receiving premium quotes for Companies designed insurance policies.

The Insurance cover since 1978 annually negotiated on this own policy basis has given the Church the risk management it needs. No longer is the Church under insured. Many other advantages have accrued. There is one master policy instead of many. One premium payment by the Connexional Insurance Fund. The workload for the Administration Division is very small. Fifty percent more cover was obtained for the same premium, or where the cover was already adequate the premium was reduced. Overall simplification with commensurate cost deductions was a real boon and ensured ease of operation of the scheme. The only disadvantage, actually more imaginary than real, was the loss of Commission earned when the Fire Insurance Fund acted as intermediary between Insured and the Insurance company. With the advent of the new insurance arrangements the contract with the Insurance Company, which for many years had been the basis of the Fund's operation, was terminated ending a long association which had outlived new insights.
The accumulated capital of the Connexional Insurance Fund which by 1976 stood at 
$165,328 gradually grew, especially by later investment in the N Z Methodist Trust 
Association. As at 31st May 1986 it amounted to $750,488.

The Connexional Insurance Fund has been retained as the insurance backstop of the 
Church and for the future possibility of self-insurance under a certain level. The 
extraordinary success of the New Zealand Methodist Church's unique policy has 
already attracted attention of sister churches and churches overseas.

THE METHODIST GENERAL PURPOSES TRUST BOARD.

In 1967 the Board administered Trusts and Deposit Accounts, totalling $246,120. 
These consisted of accounts operated on behalf of Church Trusts, accounts for the 
benefit of various Churches and organisations and Trusts operating on behalf of the 
Connexion generally.

For many years this Fund was administered by a separate Board. In 1978 the General 
Purposes Trust Fund became the responsibility of the newly established Board of 
Administration.

Amongst the Funds invested in and through the General Purposes Trust Fund are 
several mentioned in "Inheritance"; The Winstone Memorial Trust Fund, the 
Kingswood Trust Fund, the Oldham Trust, the Newbold Trust and the two Walters 
Trusts. They are all, as they have for many years, benefiting aspects of Church life, 
serving the aims for which the generous settlers intended their gifts.

The farm property at Elston, Waikato which founded the Walters Farm Trust, and also 
the farm property at Springdale of the William F. Walters Methodist Farm Trust were 
both sold after consultation with the Walters Family and the proceeds invested. This 
action considerably boosted the income available to the many causes these Trusts 
support. In 1985 the W. Walters Trust distributed $23,250 and the F. W. Walters Trust 
$12,799.

All the Trust Funds invested by and through the General Purposes Trust Fund have 
benefited in the same way.

The Kingswood Trust in this same year distributed $22,250 supporting Youth 
Ministry, as well as supernumeraries and widows of Ministers. The Winstone 
Memorial Fund gave similar support and most importantly, supported Ministers in a 
number of Parishes to a total of $155,655 thus ensuring that all Ministers receive the 
standard minimum stipend. The majority of the funds of the General Purposes Trust 
Fund are invested in the Methodist Trust Association.
The considerable growth of the capital invested, through capital accretion distributions, strongly improves the income earning prospects. The General Purposes Trust Fund in 1986 administered Trust Deposits of $3,995,642 and $161,463 in parish deposits, together amounting to $4,157,105.

**CHURCH BUILDING AND LOAN FUND.**

Since its inception in 1882 this most useful Fund in the life of the Church had been built up to the level so that in 1965 current loans for building purposes on an interest free basis amounted to nearly $270,000 (One hundred and thirty five thousand pounds). In that year more than one third of the circuits were engaged in some form of building-activity and total projects in hand were costed at close to $1,000,000 (Four hundred and ninety thousand pounds). One condition to eligibility for a free-interest loan was that the Trust applying for assistance had to qualify by having raised locally an amount equivalent to the loan sought.

In the years between 1965 and 1976 the Fund remained active and grew to $421,625. The increase reflects the receipt of grants, bequests and donations and also the disbursement of grants by the Fund to needy parishes. No interest was charged on loans but an administration charge of 1 per annum of the amount of the loan was introduced. The Fund's method of operation had served the Church well over many years when inflation was low and grants and bequests helped to preserve the integrity of the Fund measured in terms of their continuing contemporary purchasing power.

However, it became clear that the Fund would not be able to stand the strain of the gradually increasing rate of inflation, or in any case, would become less effective as time went on.

A change to a more realistic policy seemed unavoidable. The 1976 Conference therefore received a proposal that loans from the Church Building and Loan Fund to parishes in the future would carry a flat rate interest charge of 6% over the full 5 year period of the loan and repayment in equal monthly instalments would be mandatory. This would result in an effective interest rate of 11%. Conference did not favour this proposal. It decided that the 1% Administration charge be increased to 2.5%.

The matter did not rest there. During 1977 the new Board of Administration had reason to have another look at the Fund. In that year the various Connexional Funds became the responsibility of the new Board which understandably surveyed each Fund's area of activity, its place in the life of the Church, its potential and its relationship to other Funds. It was quite clear that there was an overlap in that not only the Church Building and Loan Fund, but also the Fire Insurance Fund and the
Auckland based Investment Funds Board, independently of each other made loans to Parishes for a variety of years on widely different terms and conditions.

The subject was raised again at the 1977 Conference and a new proposal, this time for a co-ordinated Loan Policy, was adopted. It provided for a concentration of the building loans function in the hands of the Church Building and Loan Fund Committee only. It also aimed at the charging of a composite rate for the lending of funds. The particulars of this policy are recorded in detail in the Reports and Resolutions of the 1977 Annual Conference.

These Conference Resolutions enabled the Committee in consultation with the Board of Administration to bring a suitable package together and start operating along new lines.

How this was done and fitted into the overall restructuring of the Church's finances has been told in Chapter Four.

The Church Building and Loan Fund has since continued to fulfill its aims. In the ensuing years building costs rose steeply, even at times sharper than inflation.

After making grants of nearly $175,000 in this ten year period, the Accumulated Funds stood at $1,137,287 at 31st May 1986, whilst at that date deposits held from Church property realisations and nominated Trust advances amounted to $1,082,103.

The Fund is in a sound position and well prepared to meet the challenges future years may bring. It is ever ready to support sound Church building initiatives.

**ROBERT GIBSON MEMORIAL TRUST**

In 1967 the Trust owned two farms valued at $64,000 and other assets worth $104,000. In that year it made grants of $1142 mainly for the work of Methodist Children's Homes, bursaries to students and work among children and young people. Subsequently two more farms were bought and one sold.

Over the years the Trust continued operating its farms and distributing the income in line with the purposes of the Trust. In the year ending 30th June 1986 grants amounted to $67,906, at which time the Trust's assets totalled $957,938.

Recently the outlook for the future of farming has declined and the prospect of reduced income distributions has become very real.
KAI IWI FARM TRUST (WANGANUI)

This Trust, planned from its early days to benefit the Maori people, has over the years, fulfilled its aim by making contributions to the Maori Mission.

The farm property it owns is well maintained and valuable. The Trust has created a Reserve Fund which now stands at $102,806. Both the income from the farm and the Reserve Fund are available to serve the purposes of the Trust and new initiatives from the Maori Division are awaited.

SUPERNUMERARY FUND.

This most important Fund in the life of the Church is primarily concerned with the Welfare of the Ministers of the Church, and their widowed spouses. By now a number of self supporting stipendiary and part time ministers are also members of the Fund, which is basically a Mutual Fund. Over the years developments have been frequent, varied, and affected by Government legislation, particularly so in the last 20 years. To record the full story of the Supernumerary Fund and related Funds would require another publication. Relevant and decisive are the benefits which in the end accrue to the participant members on retirement or to a widowed spouse in case of early death of a member. This depends on the value of the Fund and the Actuary's recommendation of the benefits which the strength of the Fund allow to be paid. Because of its social impact the Supernumerary Fund has always enjoyed the particular care of the Connexional Secretary of the Church and in the context of the restructuring of the Church's finances also of the Finance Manager.

MORLEY HOUSE

The new Connexional office building in Latimer Square, Christchurch owned by the Supernumary Fund.
A study of the position of the Fund, the benefits to members and economic circumstances since "Inheritance" was published in 1967, reveals that for many years the increasing cost of living continued to fall heavily on a section of the beneficiaries, especially those who had to commute their interest in the Fund to finance the purchase of a home for their retirement. Although benefits increased from time to time, for many years these increases were insufficient. They helped but the need remained. The invaluable Winstone Memorial Fund provided relief in many a case of hardship. In 1968 the annuity for a supernumerary minister for each year of service up to a minimum of 40 years was increased from $12.50 to $16, then in 1971 to $22.50.

Consequent upon increases in stipends which resulted in an increase in contributions the actuarial report revealed the possibility to lift the maximum pension for a minister with 40 years service as from 1st February 1974 from $900 per annum to $1170 per annum and to set the pension for a widowed spouse at $702 per annum.

Appreciated as these increases were, they were of little help as inflation constantly pushed up the cost of living and the prices of properties.

No wonder that the Board came to the conclusion that it wanted to seek approval of Synods and Conference for the launching of a special appeal for $150,000 to be spread over three years (1975/77) to boost its Home Acquirement Fund. Each District was given a target figure. The full target was never reached, but the $125,000 which came together was most helpful to those ministers who were eligible for assistance and retired within the 5-10 years after the appeal was made. They were the ones most in need.

The increase in property values had some beneficial effect for the Trust as well, in that its property income grew and strengthened it. This together with the increase in contributions resulting from stipend changes, made it possible that the maximum annuity (for 40 years service) could be lifted to $1520 in 1975, and $1824 in 1977.

In the ensuing years the pension was increased nearly annually. At present (1987) the annuity for each year of service is $152.03 which brings the maximum to $6,081.20.

Changes in the Superannuation legislation since 1974 have the effect that, depending on years of contributions to the fund the percentage of annuity that can be commuted to a lump sum payment is restricted. This together with the sharp increase in property values means that Ministerial housing has become an even greater problem.

The Board's concern is evidenced by its report to the 1986 Conference which resulted in a request that the Board undertake a survey to identify more clearly short and longer term retirement housing needs and prepare suitable proposals.

Since 1977 the Board has invested part of its funds through the Methodist Trust Association and made further investments in property. The sale of Epworth Chambers,
capital accretions and increased property income has boosted the accumulated funds to $5,300,000.

Whilst this is an impressive amount it should not be forgotten that much leeway had to be made up. The low contributions of earlier years could never sustain the level of annuities now expected in years to come. Only a strong basis will provide these as well as provide for the death in service cover which was introduced in 1984.

The increases in the benefits which the Supernumerary Fund has been able to attain over the years, together with National Superannuation income, ensure that ministers can look forward to better retirement conditions if housing needs can be catered for.

JAMES AND MARTHA TROUNSON BENEVOLENT FUND.

This Trust which has for many years assisted spouses and children of deceased ministers of the Church and ministers in ill health or special need is based in Auckland. At present (1986) it has assets of $57,605 of which $45,000 is invested through the Methodist Trust Association. Its 1986 income was $7,657.

THOMAS EVE TRUST.

Created in 1933 by a bequest of Thomas Eve this Ashburton Trust still supports the work of the Baring Square Church and assists Methodism in the Ashburton County. Its assets total $34,545.

GREY INSTITUTE TRUST - NEW PLYMOUTH.

The origins of this Trust are well documented in Rev. Herbert L. Fiebig's "Inheritance".

When the initial Crown grant was received no reference was made to any specific Trust. The school in 1846 established on the property catered both for Maori and European children. Part of the property was farmed to assist in the maintenance of the School. In later years income from the property which from the beginning was vested in the Wesleyan Missionary Society, was still used to help maintain a School on the premises, the Rangiatea Maori Girls College. In the years between the closing of the old school and the establishment of the Girls' College the net income was used for Maori Mission purposes.
Over the years the Trust had subdivided the greatest portion of the land and leased the sections for 21 years. In 1965 all these leases were renewed for a further term of 21 years.

In 1968 the Trust reported to Conference that "there has been a divergence of opinion between the Trust and the Home Mission Department as to the disposal of the annual surplus of income which due to the recent renewal of leases at a higher rental, has increased substantially. This resulted in the appointment by Conference of a Commission to report on the future use of the income of the Grey Institute Trust. The 1969, 1970 and 1971 Conference Reports contain the details of the extensive study made of the subject and of the findings of the Commission and its recommendations:

"That the Grey Institute Trust, after consultation with the Home and Maori Mission Department, present annually to Conference recommendations for the distribution of its surplus income and in making its recommendations the Trust be asked to take account of the following factors:

(a) The history of the usage of the funds of the Trust in support of the Maori work.
(b) The circumstances by which the Ministry of the Church among the Maori people must be exercised.
(c) Particular instances of need or opportunity in the general work of the Church which might be assisted from the funds of the Trust.

In subsequent years on the joint recommendation of the Trustees and the Maori Division of the Church surplus funds of the Trust were disbursed as contributions towards the maintenance of Mission property. Church, old Mission House and Maori Ministers' residence, and the Girls' College, whilst funds were spent to develop unleased areas to the stage where they were suitable for housing and commercial sections.

The decade which followed saw the Trust at times consider the prospect of the sale of leasehold residential properties and reinvestment of the funds in commercial properties and also "the prospect of supporting services of the Church other than those generally accepted". It considered that "with changing times the purposes which have been accepted over the past century can be expected to alter and some future Conference might well authorise a departure from the present limitations". (Conference Report 1974).

In 1976 Trustees voiced the opinion that the year's income of $10,872 could not be said to be a satisfactory return on lands worth in excess of $700,000 at 1970 Government values alone. Current land values at that time were double this amount. Selling the freehold of the residential sections and investing the proceeds in commercial land and premises was discussed with the Finance Manager of the Church especially in view of the fact that all leases would expire in 1986.
With Renewed Vigour by D.J.Janus 1987

A report to the 1978 Conference records that Rangiatea was discontinued as a Girls' College and the building put to use to provide accommodation for Maori apprentices following a course at the New Plymouth Technical College.

Suitable financial arrangements had been made with the Department of Maori Affairs.

In the ensuing year the plan to freehold the majority of the sections under the control of the Trust was further researched and extensively discussed with representatives of the Church and the Maori people. The decision was made that land with historical and traditional associations be retained and part of the income used to purchase lessee's interests in those sections with particular Maori significance.

On the understanding of agreement on this basis the Board went ahead with freeholding a number of sections only to be disappointed in its efforts to improve the income of the Trust when it was advised that the local Maori people withdrew their goodwill from the freeholding proposals.

The Board however, was adamant that it "free the balance of capital funds tied up in the remaining sections under lease so that the Trust would have a greater income to fulfill effectively the purposes for which it was established." Discussions with the Maori people having ancestral associations with the land as well as with members of the Taranaki Maori circuit continued.

In the light of the circumstances the Trust offered no basic proposal to the 1982 and 1983 Conferences for the general distribution of surplus income. The Conference however made a decision and resolved that of the distributable income of the Grey Institute 55% of the total income be passed to the Maori Division for distribution in consultation with the Grey Institute Trust.

This resolution caused some dissatisfaction amongst the local Maori community as it was felt that decision making was transferred from the District.

During the year 1983/84 nine new Trustees were appointed to fill vacancies of the Board which then had 17 Trustees, 14 of whom were Maori.

One of the vacancies occasioned from the death of the highly respected Secretary and long time Trustee Mr Max Burn whose guiding hand was to be sorely missed.

In 1985/86 the Board continued its policy to buy back the leasehold of sections in a block of land on which eventually a Marae could be built.

However, although all leasehold sections were subject to a 21 year rent review in December 1986 and this date was fast approaching, no progress was made in the consultation with the Maori people about the freeholding of these sections. This is regrettable as possibilities to greatly increase the income available for the purposes of the Trust are going to be missed.
The Trust income from rents will increase but be a poor return on its investment in land by now worth well over $2,500,000. Its other investments of over $1,000,000 will provide a much higher income.

The Grey Institute Trust is one of the oldest Connexional Funds. Its income to date has been on the low side and the Trust's contributions to the Church and the Maori people limited in nature. With goodwill on the part of beneficiaries much more can be achieved in future years. How the Trust will fare from now on will be interesting to watch.

PROBERT TRUST.

In his "Inheritance" Rev. H. L. Fiebig not only heralded the magnificent endowment by John Probert of eleven thousand, one hundred and thirty five pounds (in 1890!) for the establishment of a Theological College in Auckland, but also mentioned that the assistance to Trinity College by annual grants from the Trust "will go on in perpetuity". To make this a reality proved a task fraught with difficulties as is well told by Rev. E. W. Hames in "The Saga of the Probert Trust".

In 1977 the Probert Trust could still allocate $30,000 as an annual grant to Trinity College, but the question was how long this could go on as the buildings in the Great North Road, Auckland were rapidly deteriorating to the point where demolition would be unavoidable. Although there was a Building Fund (of close to $250,000) building costs were rising fast. Rebuilding became so costly that the Trust itself could not hope to undertake the redevelopment of the big site itself.

As training for the Ministry is paramount for the Church the funding of its Theological College should be well assured. Rising operating costs of the College had raised the prospect that it would become necessary to include substantial allocations for its running in future Connexional budgets whilst this budget was already under stress.

Fortunately, by the end of 1977 the Methodist Trust Association had taken root and had advanced to the stage that building projects could be undertaken. It enabled the Investment Board to consider that priority should be given to solving the problems of the Probert Trust.

The 1977 Conference acting on this advice resolved that the task of redevelopment of the Probert site be transferred to the Members of the Methodist Trust Association Board. The Probert Board of Trustees accepted this solution and then reconstituted itself with the members of the Methodist Trust Association Board as Trustees. The date was 3rd August 1978.
Mr. G. H. Peak became Chairman, Rev. A. K. Woodley Secretary, and the Finance Manager Dr D. J. Janus Executive Officer. Mr. F. M. Tizzard remained Minute Secretary for the time being.

The decision to fully investigate the possibilities of the Probert site was taken at the same meeting of 3rd August 1978 after a lengthy discussion about maintenance problems posed by the decadent buildings and the requisitions for extensive repairs received from the City Council. The Property Development Manager who had earlier in the year been appointed by the Board of Administration to assist the Church in property matters was available to help the Board in its investigation.

Subsequently, various ideas for redevelopment of the site were worked out in some detail and studied.

A preliminary decision of the Board "that the site be developed utilising the value of the land with minimal outlay for building and to obtain a satisfactory return on this basis" provided a guideline for the direction of building proposals.

The most promising proposal considered was for a Service Station complex combined with a Used car sales yard.

To facilitate this type of development the Board decided in its April 1980 meeting that the site be subdivided into at least 3 Titles, each of which could be developed as a separate project. According to the 1979 Government valuations the three sites of 2339 m2, 1930 m2 and 3103 m2 respectively had been valued at $285,000; $211,000 and $330,000 thus $826,000 in all. The biggest section was on lease to the N Z Motor Corporation.

In trying to buy this lease back the Trust was outbid by a well known car dealer. Subsequently, agreement was reached with a Datsun Motor Vehicle Franchise holder for the long term lease of a suitable complex to be built on the two other sites, a project which was duly completed at a cost of close to $1,200,000 and formally leased as from 9th March 1982.

To mark the completion the Probert Trust held an "Open day" on Saturday 17th April 1982 which gave over 200 Church members and interested public an opportunity to see the over 55,000 square feet "Datsun Corner" complex. The project was financed as a Connexionally important project with assistance from the Methodist Trust Association and through Methodist Provident Society development deposits by individual Church members of in excess of $120,000.

In the meantime redevelopment of the balance of the land had also gone ahead after agreement with another Vehicle Franchise holder, the car dealer mentioned above. When this second project was completed at a cost of $583,722 negotiations between the various parties involved led to the outcome that the complete Probert site and
buildings on all three sections were leased to one occupant John W Andrew and Sons Limited, Ford franchise holders of long standing.

Rev. E. W. Hames, M.A. concluded "The Saga of the Probert Trust" with the words: "If old John Probert could see what has happened to the site since his death he would be amazed. The traffic would make him giddy. But he would also be thankful that his gift has done so much for the Church that he loved."

May we add that the 1982 redevelopment, ninety two years after his death, promises to ensure that John Probert's gift will continue to fulfil his intentions in decades to come, well into the 21st century.

**PRINCE ALBERT COLLEGE TRUST.**

Rev. H.L. Fiebig, B.A. mentioned in "Inheritance" that in 1956 the land at the top of Queen Street, Auckland had reverted to the Church after having been leased for 50 years. This left the Trustees with a valuable block of land, aged (school) buildings and no financial resources. Commercial development since planned and undertaken produced, an office block in Turner Street with later additions thereto so that by 1967 the Trust owned buildings valued at two hundred and fifty thousand pounds and had borrowings of ninety thousand pounds. The space was fully let. By 1971 a further development was underway but as recorded in the first chapters of this booklet and also in Rev. E.W. Hames' "Prince Albert College Trust - A Footnote to New Zealand Methodist History" (No 34, published in April 1979) Trustees were compelled to call a halt when the prospective tenant invoked an escape clause in the contract and had to abandon the project in December 1974.

What looked like a calamity at the time now appears a blessing in disguise as greater things were to come, be it only after 10 more years elapsed.

In those intervening years the Trustees did not let the grass grow under their feet. It was a period of much activity in various ways, as well as changes.

The Secretary Mr. R. A. Barfoote who from 1962 onwards with great dedication had served the Trust "At a period of unexampled crisis and development", as Rev. E.W. Hames the senior serving Trustee put it, suggested in 1979 that after 17 years some responsibility be transferred to other shoulders. This especially so, because the operating of the Investment Board and the formation of the Methodist Trust Association had opened up new possibilities for development which needed further exploring.

The Finance Manager became Treasurer of the P.A.C. Trust and development studies were to be undertaken by the Church's Development Manager under the guidance of the Investment Board.
An unexpected opportunity to make purposeful use and earn income from available land occurred in 1980 when it was learnt that the building of the Sheraton Hotel Complex could proceed only if sufficient carparking was available. The Auckland City Council was keen to lease or buy P.A.C. land for this purpose, but after much consideration it was decided not to accept their proposals.

In the meantime it became obvious that it would be uneconomical to spend money on the old Rembrandt Hotel to bring it up to City Council requirements. Demolition and leasing the area for parking seemed the answer, which was duly decided on. The Trustees notified the lessee of the Rembrandt Hotel to vacate the premises. Vacant possession was obtained by 3rd October 1982.

Negotiations for a parking area lease to the Sheraton Management were successfully completed and two main areas on the previous Hotel site were made available to the Sheraton Hotel in June 1983. The completed cost of the Carpark was $94,602 and the annual revenue $21,537.

This development was however only of a temporary nature and the redevelopment of the site was still very much in the Trustees' mind.

Earlier plans to sell part of the land at a satisfactory price were abandoned when Trustees broke off the negotiations with the City Council. At that time it was decided that the leases for the Shops in Queen Street which were up for renewal by the end of 1980 would no longer include an automatic renewal clause. This would in due course leave Trustees free to deal with the site as a whole. Developments could be awaited. In the meantime land values started to escalate at an increasing rate.

Mr. R.A. Barfoote who had remained a member of the Trust and its Secretary, requested in 1982, because of heavy commitments, to be relieved of this task. Rev. A.K. Woodley became the new Secretary. As Rev. R.F. Clement, who for many years had chaired the Trust had retired from the active ministry, Mr. G. H. Peak was elected as the new Chairman.

In recognition of the services of Rev. E.W. Hames over the years the Trustees decided to rename the Turner Street building Hames House.

The newly constituted Board at one stage contemplated the erection of another high rise building on the corner of Queen Street and City Road, but piecemeal development of the site did not appeal.

Extensive discussions were held with the Town Planning Department of the Auckland City Council, mainly of an explorative nature and to remain in contact with the changes around the area.

The retirement of the Finance Manager of the Church in January 1984 entailed his succession as Treasurer of the P. A. C. Trust by Mr. G. D. Wright, whilst Mr. R. J.
Fraser was elected Chairman of the Trust following Mr. Peak's relinquishing of this position in December 1983.

During 1984 a proposal to build a new High Court Complex on the P. A. C. site foundered when Trustees refused to look at this project other than on a general lease basis.

In November 1985 Trustees instructed a nationwide firm of Registered Valuers and Property consultants to supply a detailed valuation of the property owned by the Trust. The continuing upward trend in land values resulted in an updated valuation in May 1986. In its first meeting in 1986 the Board fully discussed alternative new possibilities to deal with the site and decided that the granting of a terminating long term lease of the entire site was favoured. In this connexion a submission for a proposed development by a substantial overseas company was considered the most preferred one as it promised to be a major asset for the city. They offered a cash payment to acquire the sole development investigation option for the site and trustees decided to further explore this with the principals of the Group concerned.

Negotiations with the Group continued during the following months. This resulted in the signing of an agreement providing for the lease of the Prince Albert College Trust site for 100 years as from 31st December 1986 for an up front lump sum payment to be paid on 31st December 1986.

The receipt of this amount on the due date brought the efforts over the years of Trustees of the P. A. C. Trust to safeguard the use of the site for the financial support of the Church's Mission to a very satisfactory solution.

The Trustees have declared their intention that the majority of the sum received be transferred to the General Purposes Trust Board as a perpetual deposit called "The Prince Albert College Trust Fund" with the income available to the Conference each year. A lesser sum has been set aside as a "Redevelopment Fund".

It is expected that each year initially $1,400,000 can be allocated for the life and mission of the Church and Trustees have expressed the fervent hope that this will provide a means for the Church to undertake work of vision, mission and development within the Methodist Church.

Before bringing this chapter to a close it is relevant to relate the comments of the Secretary upon the unique situation of the Prince Albert College Trust Board within the life of the Church.

He stated that there is a common belief that the income made available was to be used for Education. It was resolved at the 1974 Conference that "While recognising that the traditional intention of the Trust has been to assist educational purposes in the Church,
the Prince Albert College Trust be authorised to broaden the areas of support for which monetary grants may be made to assist the wider work of the Church''.

The granting in 1985, of $60,000 for capital purposes for the Epworth Bookshops is an example of such broadened support.

It is close to 140 years since the site was bought for the Church. Successive Trustees have guarded it well and its use for various purposes over that period has contributed much to the Mission of the Church.

Part of the land had been earlier leased for 50 years after which it reverted to the Church. The complete site has now been leased in a similar way for 100 years.

It is the earnest hope that in due course ways will be found to again safeguard this inheritance for what is then the future.
ADDENDUM


Mr. President, Members of Conference, Tena Koutou Katoa.

The generous remarks made about my services as Finance Manager have touched me deeply. I must confess I can accept your praise only with great humility because more than anybody else I am convinced that what has been achieved has been achieved only by the grace of God, the help of your prayers, my own prayers, your co-operation in my work and thanks to the support I received from my wife.

You may remember that when I was first introduced to you at the Ngaruawahia Conference in 1975 and had the opportunity to say a few words, I remarked that early in my life I was struck by the words of Ignatius of Loyola, the Spanish nobleman who became the founder of the Jesuit Order, who said that everyday he prayed as if everything depended on God and everyday he worked as if everything depended on himself. I mentioned then that Ora et Labora, pray and work, had been a driving force in my life ever since I was struck by those words.

At Ngaruawahia I also asked that you support me in my work as Finance Manager with your prayers, and I was delighted to find out some weeks later that some good ladies of the Methodist Women's Fellowship had seen to it that a prayer for the Finance Manager was included in a Service. That really meant much to me because I felt that I was not on my own, shut away in an office, but there was a Methodist Connexion that wished me to be God's instrument to help it in its mission.

I still had to find out what that Methodist Connexion was all about and I must say it was a most interesting journey of discovery into territory totally unknown to me.

Perhaps just as well that I was a stranger, because I went into it with an open mind, a determination to find out, unbiased and undeterred.

I found the Connexion rather more loose than what one would expect. This showed up for example just around me in the multiplicity of Boards and Committees that met in the Connexional Office:

- The Board of Management of the Connexional Office
- The Supernumerary Fund Board
- The General Purposes Trust Board
- The Transport Trust Board
- The Church Building and Loan Fund Committee
and several other Committees, all engaged in facets of administration often interrelated and ultimately integrated. The establishment of the Board of Administration strengthened the links between these areas of activity and brought the operation of the various Funds into a more complete Connexional perspective.

The situation was no different when one looked at finance and investment. To mention only one aspect - loans to Parishes: The Church Building and Loan Fund, the Investment Funds Board, the Fire Insurance Fund, independent from each other, made loans available for building purposes for a variety of years on widely different terms and conditions. The Co-ordinated Loan Policy introduced in 1977 changed this, again strengthening Connexional convergence.

I will never forget the Church Council meeting in Wellington where I went to explain the Connexional Banking System to the Finance and Stewardship Committee. There Eric Heggie stood up and asked a good question: "How much are we going to make out of that?" It was a question I could not yet answer and honestly it was not my first concern because I saw more important merits in the scheme than just money earning. I know that Eric Heggie has since forgiven me for my rather curt answer when I quoted an overseas proverb which says that one cannot skin a bear before you have shot it.

To implement the Connexional Banking System took some doing as more than 800 different bank accounts were used by the Church in New Zealand, accounts spread over all banks operating in the country. But more importantly we had to convince all concerned in the Connexion that the scheme was not going to take away the stewardship of the funds in their care, but would give us a strong tool to further the Church's mission.

Since its inception the Banking Scheme has not only forged a stronger Connexional feeling and in the last 7 years made a solid contribution to the Connexional Budget, it has on many occasions allowed initiatives to be translated into action; action that otherwise could not have been undertaken, because nowhere could the money be found to start it off, or because money was not available at short notice.

As an example I mention the Hornby Community Project, a Methodist initiative and the first project of its kind in New Zealand. We were able to provide funds, when not even the County Council which participates in the project, nor the other participating denominations, were able to do so. Because we could, this successful project got off the ground.

And I will never forget what happened when Rua Rakena had plans for the Maori Centre in Mangere. He found the land, but it had to be bought at once as others were interested in buying it too. The Division could not pay for it then, but would have funds available later. After Rua had told his plight we surprised him by producing a cheque for the purchase price. He just about fell off his chair.
There are quite a number of other instances. In each case the funds were made available once we ascertained that the loan could be repaid within a short period - 6 months, sometimes a little longer. This bridging finance facility within the Church has proved to be a great boon and it has been the pooling of resources, without loss of individual stewardship, which made it possible.

Pooling of resources is also the theme of the Investment Board and the Methodist Trust Association.

Over the years the various Connexional Funds and Trusts, as well as local Trusts, looked after their financial affairs the best they could. I will be the first to appreciate the efforts of many fine people who over the years gave of their best to help the Church run its finances. But we are living in a hard and changing world where, especially in the last decade, inflation played havoc with purchasing power. The value of many funds for future mission was in jeopardy. It called for a different way of operating.

This hard fact and the growing needs of the Church made Conference resolve in 1974 on some restructuring. It saw the need for two Executives, one secretarial and one investment, and for the setting up of an Investment Board.

The Investment Board was established in 1975 and my appointment followed soon after.

The Board's major project was the formation of a Methodist Trust Association. Conference approved its establishment in 1976. After the Constitution was prepared and approved the M.T.A. became a reality early in 1977.

The Methodist Trust Association, by operating professionally in the field of money management, is able to take full advantage of prevailing conditions in the investment market. By earning more from Church investments it makes more funds available for mission. For example it invests funds from smaller Trusts together with bigger amounts. This pooling results in better interest rates being earned for all.

But that is only part of the story. The great advantage of the M.T.A. is that by pooling funds the means are provided to do what no Trust by itself was or will be able to do. And so we saw the development in Auckland which now safeguards the Probert Bequest made in 1890 for the next 50 years, well into the next century, so that it can continue to provide funds for theological education for generations to come.

We saw new churches built in Rotorua and Wellington in conjunction with commercial developments and a variety of other projects coming to fruition. Much attention is given to development of Church land.

These investments not only provide income for the mission of the Church, but also a hedge against the inroads of inflation, safeguarding the future as much as is possible.
May I add that all our investments are socially responsible investments and in line with Christian ethics.

The success of the Methodist Trust Association which by now has funds of $13 million, has been achieved by real Connexional effort. If I have given a lead, you have given it all the support you could. I want to acknowledge this and thank you warmly.

I said that in 1975 I found the Connexion rather more loose than I expected. Now in 1983 not any more so. Certainly much more co-ordinated in the area of the Church's material resources. In that respect the Connexion has become truly a Connexion. That this is so is also clearly demonstrated in the field of risk management. We now have one only tailor-made Connexional Insurance Policy which covers all Methodist Church property and risks in New Zealand at reduced cost and with a minimum of administration. Generally the Church is no longer under-insured. Only full support made this possible.

Speaking about support I must not forget to mention the closer bond created within the Methodist family by the Methodist Provident Society which is gaining in strength and momentum and will do much for development in various areas through the local and Connexional support which the Provident Society engenders.

Mr. President, I have been talking about investments, money and property, and that might give the impression that your Finance Manager forgot that the Church is people. Nothing is further from the truth. For me, money and property are only a means to an end and what they can do for people, for the mission of the Church, for the Kingdom, is what I was and am interested in. It is my hope and wish that the pooling of resources so far achieved by the Banking Scheme, the Methodist Trust Association, and the Provident Society will help to do more for people, more for the mission of the Church and more for the Kingdom in the years to come.

Mr. President, members of Conference, in the course of my work it has been my privilege to have contact with many of you, to have been involved in many aspects of New Zealand Methodism and as little as I knew about it 8 years ago, I feel now well qualified to write a booklet on those aspects of Methodist Church life in New Zealand which more specifically lie in the areas I have talked about. To fulfill a promise made to our good friend, the late Les Gilmore, I will. God willing, in the coming months write an update of "Inheritance" and record the happenings of recent years and the shape of the various Funds.

Mr. President, my years as Finance Manager of the Methodist Church have been very interesting years, years which have enriched my life, not the least because of the many fine people I have met and the friends I have made. I am most grateful.

Grateful to the members of the Investment Board who nominated me for the position and to the then President, the Rev. Bill Morrison, who appointed me. That was quite a
momentous decision when they chose a staunch Roman Catholic to fill an executive position in the Methodist Church of New Zealand a position which I accepted with the graciously given consent of his Lordship, Bishop Dr. Brian Ashby of Christchurch. I am most grateful to the members of the Investment Board and Methodist Trust Association and to the members of the Board of Administration for the pleasant way we have been able to work together over the years. Grateful, particularly at this moment, for the kind remarks made on behalf of those Boards this morning.

I have enjoyed my involvement with the Central Missions, with the Methodist Theological College Council, with the Methodist Women's Fellowships, with the Divisions, the Circuits, Parishes and Union Parishes, and I wish to thank all whom I had contact with for their co-operation, kindnesses and sometimes forbearance.

When after the Ngaruawahia Conference I had to take up my duties in the Connexional Office, the General Secretary, the Rev. Bill Laws, had fallen ill and the Accountant was in hospital. There I was, as the saying goes, like a cat in a strange warehouse. I had to find my own way, learn the hard way, and try to ask the right questions.

I owe a lot to Eric Heggie, who was Acting Secretary for a while in those days. So thanks to Eric and also to the Rev. Bill Laws, who after his recovery did much to help me find my feet.

By the time I had found them the 1976 Conference was on. It was at this Conference that the Resolutions were passed to introduce the Banking Scheme, to establish the M.T.A., and another important one, that the Rev. Alan Woodley was appointed General Secretary.

All was now in place to make a concerted effort not only to pool the resources of the Church together, but also to better relate these to the overall mission of the Church. Working with the General Secretary on a day to day basis ensured that this was indeed the case.

For nearly seven years Alan and I have worked closely together as a team, constantly sharing the work load, each in his own field basically, but always checking, discussing, looking into and deciding on the many facets of the matters before us. No important letter went out that we had not both thought through. We have been each other's sounding board and just as well, because I believe that not many in the Church have a real conception of the variety, complexity and intricacy of the many matters which the Connexional Office has to deal with: questions of theology, mission and ministry, matters of law, finance, property, economics, and, of course, relationships, relationships with other Churches, human, industrial, overseas relationships, and many, many problems. The list is endless. You name it - the Connexional Office comes across it.
Your hard-working General Secretary has to cope with much of it and even if he was not directly involved in my task in matters of finance and investment, we shared sufficiently to make him now quite knowledgeable in that field too. He is picking things up quickly, you know. I have a hobby, which is knowing lots of proverbs which are very hand to use at appropriate times. You remember what I said to Eric Heggie, but Alan Woodley has been on the receiving end also. However, he has often turned the table and paid me back in my own coin. It has all been good fun, hard work, but good times. I want to say a heartfelt thank you to you, Alan, for your helpfulness, your interest, your support in my work, and for your friendship over those years in which we formed a real partnership. I feel you share with me the gratitude which the Church expressed this morning.

I also want to thank all the members of the staff in the Connexional Office, especially my assistant, Greg Wright, who is well versed in property and investment dealings and who has been a wonderful companion. I am not going to name all the staff members individually as I have a later occasion to do so, but I want to include them all in my thanks today. They are a very dedicated group of people who have always given me every support.

Thanks to your invitation, Mr. President, I am very happy to have my wife with me here today, to share in the occasion. It must have been heavenly inspiration which made us decide to come to this beautiful land. New Zealand, and make it our home. It was quite a step, but she fully supported the move, determined to make a success of it. With the same determination she has supported me in the last eight years in what I did in service for the Methodist Church. But for her I had not been able to do it. With you I want to thank her. Thank you for the presentation you have made to us on behalf of the Church. Both my wife and I are most grateful for this token of gratitude which in future days will make us look back on these years of service even more happily, remembering that the contribution we have endeavoured to make was so much appreciated. We in turn want you to know that we are thankful for the opportunity given to serve and for today's acknowledgement of our services and for this special function in our honour. Many, many thanks.

My wife and I thought that we should give something to Conference which in years to come will remind Conference of my being part of it. Mr. President, please accept on behalf of the Methodist Church this blue banner which shows the Cross of Christ, the sign of our redemption, in which we found each other; it also shows the stars of the Southern Cross. My wife and I and our children came to New Zealand in 1951 by boat called the "Zuiderkruis" which translated means the Southern Cross. Both the Cross and the Southern Cross have much significance for us. Both are also incorporated in the seal of the Conference. We therefore thought the design most appropriate and we
hope that this banner will be used on suitable occasions, especially in Conference, for many years.

Mr. President, members of Conference, I said earlier that the Methodist Church made a momentous decision when it chose a Catholic for the position which I have filled. I believe it was a decision of significant ecumenical importance. Unity starts with talking to one another, with getting to know each other. What you don't know, you can't love. Dialogue therefore is all important and ecumenical dialogue aims to reach towards a unity beyond present denominational divisions and leads to the discovery that our unity in Christ is greater than our differences. I have certainly discovered that in my years in your midst and hope you have likewise. If in a small way I have contributed towards the find of a mutual trust in which differences can be discussed I will feel well rewarded.

Mr. President, members of Conference, may I conclude with the words of St. Paul in his second letter to the Corinthians, chapter 13, verses 11 and 13:

"Finally, brothers and sisters in Christ, we wish you all joy, perfect your lives, listen to the appeal we make, think the same thoughts, keep peace amongst yourselves and the God of love and peace will be with you. The grace of our Lord Jesus Christ, and the love of God, and the fellowship of the Holy Spirit be with you all."

Thank you all. Thank you Mr. President.
Tena Koutou, Tena Koutou, Tena Koutou Katoa.