



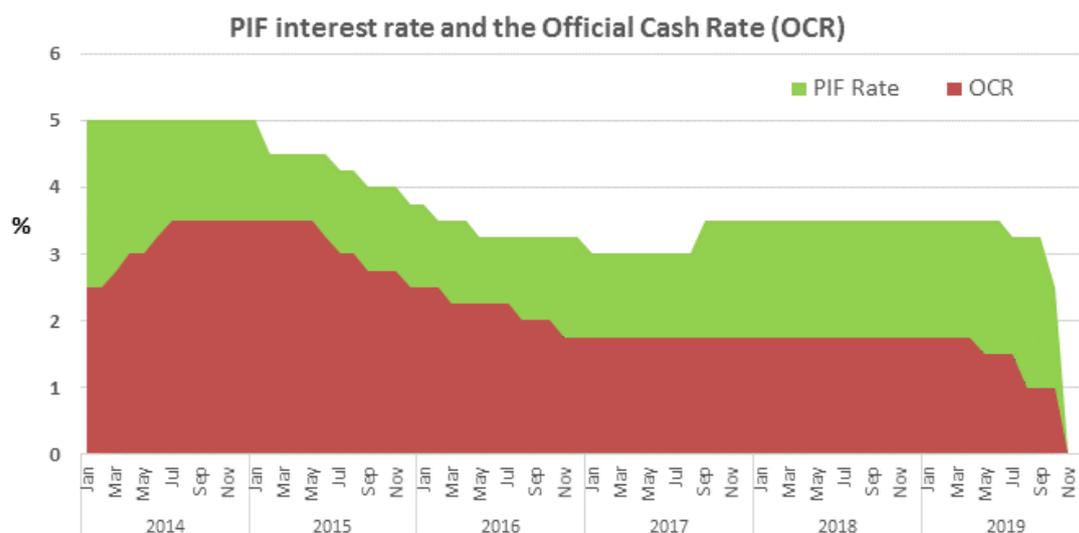
The Presbyterian Church Property Trustees

New (lower) PIF Interest Rate

From 1 October 2019 the interest rate on the Presbyterian Investment Fund (PIF) will be 2.5% p.a. The current rate is 3.25%.

The new rate reflects the incredibly low Official Cash Rate (OCR), which now sits at 1%, following its reduction by 0.75% earlier this year. More cuts in the OCR are likely.

The PIF invests in high quality short-term deposits and securities. This provides parishes with ready access to their funds (balances are available on-call) and confidence their funds are invested securely - while aiming for a better return than bank on-call rates. Consequently, the rate paid by the PIF is strongly aligned to short-term interest rates. The chart below shows the high correlation between the PIF interest rate and the OCR.



The PIF rate compares well to the Official Cash Rate

Depending on if and by how much further cuts in the OCR occur, the PIF rate may have to fall again.

Using term deposits to get the best rate

We are sometimes asked about using term deposits to get better rates. Our investment manager does invest in some term deposits, but does so in a very measured fashion to make sure we always have enough money on hand to meet withdrawal requests. Too much in term deposits would mean that PIF monies would not be available on-call. Parishes would not be able to deposit and withdraw funds each day without notice. It would also mean the PIF interest rate would not be able to track market rates as closely.

As it happens, at the moment, there is very little reward for locking up funds for longer terms. Interest rates on term deposits for three years are not much better than rates on 90-day term deposits.

Property Application Fees

Just a reminder that property application fees increased from 1 September 2019.

From 1 September 2019 the property application fees are as follows:

Application Value	Fee	
Less than \$20,000	\$150	
From \$20,000 to less than \$500,000	\$250	Plus 0.15%
From \$500,000 to less than \$1m	\$350	of the
From \$1m to less than \$3m	\$1,500	application
\$3m and over	\$2,000	value

Applications which involve Borrowing, Lottery Grants or Building Contracts attract a further charge of \$250 each. **All fees shown are exclusive of GST.**

The fees had remained unchanged since 2017, but unfortunately, needed to change to reflect the time, effort and costs incurred by the CPT Office. There are two main reasons for this. The first is that property proposals have become increasingly complex, particularly the large building projects that are upwards of a million dollars in value. Secondly, compliance demands have also increased, meaning that we are spending more time on each proposal. The Trustees would like to make the fee structure more equitable, by having larger projects carry a greater share of the costs.

Additional fee for complex transactions

The Trustees reserve the right to charge an additional fee for complex transactions that require their ongoing involvement during the course of the project.

Last chance to say farewell to Pat and Kos

Yes, it's true: Kos and Pat are about to retire - and sadly, we now know when. Kos will be finishing on Friday 27 September and Pat on Friday 1 November.

Both Kos and Pat have been wonderful servants of the Church, providing unstinting service to the Church Property Trustees and supporting countless parishes and ministers over the years. They have been (and remain) incredibly professional and personable, going about their work efficiently and without fuss. They will be missed.

They won't like me saying this, but please don't hesitate to say thank you directly to them. You can reach Kos on (04) 381 8296 or kos@presbyterian.org.nz and Pat on (04) 381 8290 or pat@presbyterian.org.nz.

We have some farewells planned. We'd be delighted to pass on any messages of thanks and maybe share a story or two where they have gone above and beyond for people. Please let me know on (04) 381 8296 (yes - I'm sharing a phone with Kos at the moment) or 022 548 4903 or at russell@presbyterian.org.nz.

