

Report of Chairperson 2017

Item 7.1

Membership as at 30 June 2017

Trustees: Roger Gyles (Chair), Paul Barber, Marie Burgess, Ray Coster, Chris Elliot, Harriet Enright, Margaret Galt (Deputy Chair), Russell Garrett, John Harvey, John Jones, Perema Leasi, Ron Mills, Warren Potter, Ian Russon and Paul Westbury

Associated: Wayne Matheson (Assembly Executive Secretary), Richard McLean (Council of Assembly representative), Lyn Murray (Synod of Otago & Southland representative)

Executive Officer: Kos van Lier

Administrative Secretary: Pat Griffin

Administrator: Marion Blair

Trustees

I wish to acknowledge the service and valuable contribution made by Paul Westbury during his three-year tenure as Chairperson and thank him for his work on Executive and the Insurance Committee, particularly in respect of the insurance restructuring project. Paul has, subsequent to year end, resigned from Trustees.

Late in the year we reluctantly accepted the resignation of Soo Lang Wong who had joined the Trustees in 2009. We thank Soo Lang for his seven years of service to the Trustees.

Staffing

During the year the CPT office has been extremely busy because of the extra work load brought about by the 2016 General Assembly decisions on the Beneficiary Fund. The small but very effective team headed by Kos van Lier, Executive Officer, with Administrative Secretary Pat Griffin and Administrator Marion Blair has again provided excellent support to the Trustees as a whole and to the various sub-committees. Kos has carried and continues to carry a hugely increased workload leading up to and as a result of the GA2016 decisions but also there is a continuing increasing level of regulatory compliance.

Year in Review

The 2016 General Assembly resolved, in the long-term interests of the Church and its ministers, to close the Defined Benefit Section of the Beneficiary Fund. A new Defined Contribution Section of the Fund has been developed to meet the needs of the Church and its Ministers going forward and was registered on 7 July 2017. The Trustees were asked to develop and open a new Defined Contribution section of the Fund. This work was largely carried out by the Investment Committee under the leadership of its Chair, Ian Russon, and with significant expert input from Margaret Galt, utilising the expertise of their fellow committee members. Other work carried out by the Investment Committee centred on the outsourcing of the investment management of the PIF and later in the year it began work on possibly restructuring the PIF for it to hold funds on longer term investment as well as the present at call fund. Further details are provided elsewhere in the Annual Report.

As the Chairman did last year, I acknowledge the expertise of the Investment Committee and its Chair, Ian Russon and thank them for the huge workload they have borne this year on behalf of our Presbyterian ministers and congregations whose funds have been entrusted to the Trustees. The Committee continues to deal with the ever-increasing statutory compliance requirements. These have necessitated the establishment of a Trustees-owned corporate trustee company.

The Beneficiary Fund Committee, which was co-chaired by Ray Coster and Chris Rosanowski who, together with their fellow committee members, were committed to serving the best interests of both active and retired Fund members. This commitment was brought to the fore as the committee had to deal with a number of difficult issues brought about by the 2016GA's November decision. Now that this committee's work is completed I, as Chair and on behalf of Trustees, gratefully thank Ray and Chris and team for their carefully considered recommendations to Trustees not only over this last year but prior years as well.

The various other Trustee committees continue to perform well in the face of increasing workloads and the priority given to the Investment Committee's work.

The Property Committee, chaired by John Jones, has had a busy year considering and dealing with a range of property applications that can sometimes be complex and challenging. It also deals with issues around claims, heritage status, earthquake strengthening and associated building code requirements.

The Communications Committee, chaired by Chris Elliot, has worked closely with the Property Committee and the Investment Committee on their communications as well as publicity on the Trustees website and IT needs of CPT.

The new Private Trusts Committee, chaired by Chris Elliot, commenced its work earlier in the year but again, as has the Farm Restructuring Committee, it has put its work on hold because of the workload on staff and Trustees.

The Farms Advisory Committee, under the chairmanship of Roger Gyles, continued to provide skilled oversight of Glen Innis and Flaxburn. The performances of both farms are showing the benefits of the appointment of new Farm Advisors two years ago. The new Farm Manager (appointed July 2015) at Glen Innis has worked well with the Farm Advisor and it is pleasing to see, despite two very dry years, the results of the implementation of the new farm policy to ensure less volatile annual returns are expected to bear fruit this coming season. The work on the restructuring of the governance for the farms and the holiday homes at Glen Innis was put on hold after consideration mid year of the workload of the staff and Trustees. It is hoped that this work will recommence later this year.

Crombie Lockwood NZ Ltd, as brokers and manager of the Church's insurance arrangements, together with the Presbyterian Church Insurance Collective (PCIC) have continued to provide insurance services to congregations.

Support Services

The Trustees continue to be well served by our staff and their advisors and those who manage various aspects of our work.

I extend the sincere thanks of the Trustees to Guy Fisher of Aon, our Beneficiary Fund investment advisors; to Ashley Goss (until January 2017) of Aon, the Beneficiary Fund Administrator; to Alasdair McBeth of DLA Piper, who heads our legal advisory team; to the team at Booster (formerly Grosvenor) Financial Services, who administer the Presbyterian Investment Fund; to Linda Caradus and Ian Midgley

of Melville Jessup Weaver, our actuaries; to Steve Grant of Melville Jessup Weaver, Beneficiary Fund Administrator (from June 2017); to Gregg Dell, Consultant who has provided considerable help on the Beneficiary Fund work, to Mercer NZ who, once selected as Fund Manager, provided input into meeting compliance requirements and marketing material for the new scheme, to Harbour Asset Management for their help in the outsourcing and management of the PIF, to Ernst & Young, our auditors; to Aidan Bichan and Sully Alsop, our farms advisors; to James & Stephanie Carter at Glen Innis, to Keith & Jo Dennis at Flaxburn, and to all who have so willingly offered their help and guidance to the Trustees over this past year.

Conclusion

I must express my thanks for the contribution and commitment of all members of the Trustees and for the support given to me in this my first year as Chair. I believe the Trustees are in good shape and are well positioned with a wide range of expertise available and ready to serve our Church.

Roger Gyles
Chair

September 2017