



# The Presbyterian Church **Property Trustees**

*Building up the Presbyterian Church for God's Mission*

**JUNE  
2024**

## **NEWSLETTER**



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### **PIF Interest Rates steady**

The Interest Rate for the Presbyterian Investment Fund **On Call Fund** remains at **5.50% p.a.**

Around this time, we often get asked what the rate will be for the next year, so parish treasurers can prepare their budgets. Of course, we don't know what interest rates will do, and the PIF On Call rate tends to closely track interest rates (as you would expect for a fund that offer on call access).

It is expected that the RBNZ will hold the Official Cash Rate at its current level for most, if not all, of 2024 – at least until it is confident that inflation has settled back down closer to 2% p.a. This will likely require the economy to continue to slow even further (and we already know people are finding it tough). At this point, the RBNZ may need to reduce interest rates to encourage the economy to grow again. This means that interest rates, and therefore, the PIF On Call rate, might fall before the June 2025: by how much and how quickly, nobody knows.

We think it would be prudent to budget for income based on a PIF On Call rate of 4.5% for the year.

The **Long Term Fund** continues to pay regular interest of **3% p.a. plus inflation**. Inflation for the year to 31 March 2024 was 4.0%, so this has been added to balances. Investment returns for the first quarter of the year were positive, with returns for the second quarter to date being mixed.

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You can get in touch with us via email at [trustees@presbyterian.org.nz](mailto:trustees@presbyterian.org.nz) or by calling 04 381 8296.

For Beneficiary Fund enquiries, please contact Melville Jessup Weaver (MJW), the Fund's Administrator, via email at [presbyterian@mjw.co.nz](mailto:presbyterian@mjw.co.nz), or calling 0800 266 787.

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# Changes to Earthquake-prone Buildings Policy

The 2023 General Assembly asked the Trustees to consider amending the Earthquake-prone Buildings Policy to align the strengthening targets and timetables with those set out in the Building (Earthquake-prone Buildings) Amendment Act 2016.

The Trustees have agreed to do so.

## What does this mean for you?

Church Councils (and Presbytery Councils for Presbytery property) will be solely responsible for meeting the obligations under the Act.

This includes obligations to ensure buildings are safe and carry out seismic strengthening in accordance with the standards and timetable set out in the Act (although we note the government has indicated there may be changes to the timetable).

This responsibility (and the liability that comes with it) has always rested with Church Councils, but compliance with the former Church Earthquake Policy automatically ensured compliance with the legislation. Church and Presbytery Councils now need to manage this liability themselves. Presbyteries will need to monitor Church Councils to ensure they are aware of their obligations and acting in good time, if and when required.

The Trustees will be amending the Policy wording in due course, but the new position applies immediately.

## Still no excuse not to act

In summary, those buildings with a seismic standard above 34% NBS will not require any strengthening, nor will congregations need to apply to the Trustees for a strengthening exemption (if the current standard is below 67% NBS).



However, the Trustees still hope that congregations will get on and strengthen their mission critical buildings to at least 67% of New Building Standard. There are several reasons to do so:

1. The longer we wait, the more it will cost. If you think it's too expensive to act now, how will future congregations feel?
2. Mission-critical buildings at or above 67% NBS are more likely to remain standing after an earthquake. This standard remains the recommended standard by engineers. The Trustees will question spending material amounts on critical buildings that are not strengthened to this level.
3. The better the seismic standard, the less it costs to insure the building.
4. The standards are periodically reviewed, and the recent trend has seen the demands increase each time. Buildings that just scrape through now might not meet future standards.

The Trustees were pleased to recently receive an application to strengthen a church building to 67%. The building, which is used extensively, was already above 34% NBS, so there was no obligation to strengthen. However, the congregation wanted to ensure that staff and users felt safe and that the building could continue to be used by the community, especially in the immediate aftermath of an earthquake.

## Right of First Refusal Guidelines

The 2022 Special Assembly carried a motion that those bodies responsible for the sale of Church-owned land and/or buildings offer these assets for purchase to relevant Māori entities before the asset goes on to the open market. This has been given effect by a new clause inserted into the Supplementary Provisions as agreed at the General Assembly 2023.

The clause provides that: *Property that is to be sold on the open market must, subject to the Trustees' overriding discretion, first be offered to relevant Māori entities for purchase in accordance with the relevant guidelines issued by the Council of Assembly ...*

The Council of Assembly issued those guidelines on 5 June 2024 and they have been circulated to congregations and presbyteries. The guidelines are quite detailed and address the following areas:

- When the guidelines apply - and when they do not apply
- What happens if the property is offered directly to a third party
- The process to be followed when offering the property to relevant Māori entities
- How to identify who those entities might be
- What the offer should consist of, which in reality, is an invitation to offer
- A sample letter inviting an offer

## 2024 Insurance Renewal

Insurance renewal packs have been distributed to congregations. If you have not received your pack or have any questions, please contact the Presbyterian Insurance Collective's broker, Gallagher, (formerly called Crombie Lockwood) at [presbyterianinsurance@ajg.co.nz](mailto:presbyterianinsurance@ajg.co.nz).



Congregations are asked to:

- Update your building valuations, using the free [modal system](#) if you have not used an independent valuer.
- Provide as much construction and risk information as possible to ensure you get any discounts available. There are discounts for things like high seismic standards, fire alarms, and sprinklers.
- Choose the type of cover for each building, for each of perils (fire, flooding, storms, burglary,...) and natural disaster (earthquake, volcano, tsunami,...) cover.

The Premium Pricing Tool provided as part of the renewal pack will help you compare the cost of the different options. You do not need to insure all your buildings for full reinstatement. For some congregations, lower forms of cover for some or all buildings will be appropriate. That said, the Church expects you to insure all manses for reinstatement and to insure all buildings for a minimum of demolition only.

Your return is required by **Thursday 27 June** so we can negotiate the best terms and prices with insurers. We have arranged a series of Zoom meetings you can attend if you have any questions or would like to talk through your requirements. The next Zoom meeting date is:

Monday 17 June: 3.00pm - <https://us02web.zoom.us/j/83836567792> - Meeting ID: 838 3656 7792



## New Location for the Trustees and Assembly Offices

We're excited to inform you about our new office space. In late May, the Trustees and Assembly Offices moved a few blocks from Cuba St to Dixon St in Wellington. You can now find us at:

- **Level 4, 94 Dixon St, Wellington**

The move affords us the opportunity to:

1. Reform – starting afresh brings new energy and an openness to doing things differently.
2. Once again co-locate with the Assembly Office. It's been several years since we've been in the same space. It will be great to work more closely together again.
3. Save money by moving into a smaller space. The new combined office space is nearly 30% smaller than the last office – and we'll be able to share more facilities.

Our phone and email details remain unchanged. You can call us on (04) 381 8296 or email us at [trustees@presbyterian.org.nz](mailto:trustees@presbyterian.org.nz).



*Clockwise from top left: The new entrance foyer, featuring glass panels from Laughton House (former offices in Tory St); a gift from Te Aka Puahou – glass koru and korowai; guests at the office blessing (right to left) – Rev Ryhan Prasad (Convenor, Leadership Sub-Committee), Kat Solomon (Convenor, Council of Assembly), Rev Wayne Matheson (Assembly Executive Secretary), Right Rev Rose Luxford (Moderator, PCANZ), Rev Tamiana Thrupp (Moderator, Te Aka Puahou), Honey Thrupp (Clerk, Te Aka Puahou), Rev Leanne Munro (Moderator, Central Presbytery), Andrew Souness (Chair of the Property Trustees).*