

**17 April 2020**

Warm Greetings from the Council of Assembly

Among recent happenings, the Council has established a Covid-19 Crisis Financial Response Workgroup to consider what steps the Council could take to assist parishes, presbyteries and Assembly Office deal with the Covid-19 situation.

With specific terms of reference, the Workgroup prepared the paper about applying for the Government Wage Subsidy, which was released by the Finance Manager on 7 April 2020 and is available on the Church website. The Workgroup has also produced its first report to Council on 9 April 2020, and this contained recommendations under two headings. The Council met on 15 April 2020 by video conferencing to discuss this report. We update you now on these matters.

### **1. Assembly Assessment**

The majority of parishes pay their Assembly Assessment monthly (a few pay annually in advance). The Resource Sub-Committee of the Council has the authority to vary the Assembly Assessment of any parish, but usually does so only after an application with reasons from the parish; a recommendation by the Finance Manager; and support by the local presbytery. The Sub-Committee also has the authority to write off unpaid Assembly Assessment of up to \$10,000, above which they can recommend write-offs to Council of Assembly. However, both measures take time.

Chapter 16.8(4) of the Book of Order (BOO) requires that Church councils prioritise in this order (a) the payment of stipends, salaries and associated costs before (b) payment of essential operating costs; (c) payment of presbytery levies and Assembly Assessment; and (d) use of funds to achieve the mission of the church.

Some parishes have already indicated they will struggle to pay their Assembly Assessment at this time.

The Workgroup asked the Council to consider whether the collection of Assembly Assessment for May and June 2020 could be waived and provide a welcome short-term relief to parishes, with the additional hope that this may mean that parishes will continue to pay their presbytery levies.

The Finance Manager – Sandra Kennerley – noted that the Church’s current financial position is much improved on budget due to lower expenditure and higher than expected grants income. Assembly Assessment on a monthly basis is approximately \$197,000. This means a waiver of approximately \$394,000. The cash shortfall will be covered from existing Assembly Office funds held in the Presbyterian Investment Fund.

Council believes it would send the wrong signal to have an improved financial position and not offer Assembly Assessment relief now when this would clearly benefit parishes.

The Council agreed to the following recommendations:

- *The Council of Assembly invites all parishes to apply for a waiver of their Assembly Assessment for the months of May and June 2020 if this is necessary to assist with their financial position during Covid-19.*
- *The Council of Assembly invite Cooperative Ventures (where Presbyterian Church of Aotearoa New Zealand is the convening partner) to apply for a waiver of the AA portion of their monthly invoice for May and June 2020.*

*Parishes that are able to continue to pay their Assembly Assessment are encouraged not to apply for a waiver.*

The process for making an application is by email to [katrina@presbyterian.org.nz](mailto:katrina@presbyterian.org.nz) as soon as possible – but no later than 18 May 2020.

## **2. The ability of Church Property Trustees to release funds from property sales to congregations for the purposes of maintaining ministry and mission – Use of Capital Funds**

Council acknowledged the challenges that Covid-19 is presenting to parishes and is mindful that a range of options need to be considered to address these challenges. Even though we are in a time of crisis, these various responses need to be mindful of the overall strategic directions that have been indicated by General Assembly, Council of Assembly, presbyteries and local parish mission plans.

A recommendation from the Workgroup was received and discussed in order to enable one possible option to be considered by those local parishes that have capital funds invested in PIF.

The Council agreed to these recommendations:

- *The Council of Assembly invites CPT to review the existing restrictions on the use of Capital Funds by a parish or a presbytery, with the intention of varying the criteria as a direct response to the Covid-19 crisis to relax the rules on accessing capital funds.*
- *The Council of Assembly invites the CPT Property Committee and the PCANZ Covid-19 Crisis Financial Response Workgroup to work together to establish guidelines, qualifying criteria (including strategic direction of presbyteries) and other matters necessary for this to occur for agreement by the Council of Assembly and adoption and publication by the Trustees.*

## **3. Other matters from the Workgroup**

The Workgroup provided an overview of other matters they are currently considering and taking advice on. We can expect further information in due course.

The AES, on behalf of the Council, thanked the Covid-19 Workgroup for its work so far and continued commitment to work on these matters on behalf of the wider Church.

#### 4. From the Council

Council members are very conscious that many parishes and presbyteries are facing challenging situations, and a few are recognising new opportunities that have been presented. Council acknowledges and thanks everyone who is working hard in this space on behalf of the Church – be it in a local, regional or national setting, and we encourage everyone to remain in prayer and to have the courage to hear what the Spirit is saying to the Church at this time. Psalm 46:1 says “God is our strength and refuge, an ever-present help in trouble” and verse 10 continues: “Be still, and know that I am God.”



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