

LCA NSW District Special Convention of Synod

Holy Cross Belconnen, Saturday 18 October 2014

Minutes

Date: Saturday 18 October 2014
Chair: Bishop Mark Lieschke
Minutes: Dianne Bergen, Ann Robertson, Pam O’Keeffe
Location: Holy Cross Lutheran Church Belconnen 9:30am-4pm
 Corner Emu Bank & Eastern Valley Way
Attendance: See Appendix 1

1. Opening Formalities

i. Welcome

Garry Watson from Belconnen welcomed convention attendees.

Bishop Mark welcomed and introduced new Pastors in NSW District:

Pr Simon Mackenzie, LifeWay, Epping

Pr Mike Fulwood, Bethlehem, Wagga Wagga

Pr Mat Eckermann, Good Shepherd, Sutherland

Bishop Mark announced the appointment at the last DCC meeting of Dianne Bergen as NSW DCC Secretary and thanked Dianne for her willingness to serve.

ii. Appointments

a. Synod Chairperson	Pr Mark Lieschke
b. Minute Secretary	Dianne Bergen
c. Committee for Verification of Minutes	Ann Robertson, Pam O’Keeffe
d. Tellers	Kaye Simpfendorfer, Sharon Hage, Sue Waterson

Be it resolved that these appointments be taken as a block.

Moved	Bishop Mark Lieschke	Seconded	Asst. Bishop David Grulke	Carried
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Be it resolved that the above named persons be appointed to serve this Special meeting of NSW District Synod.

Moved	Bishop Mark Lieschke	Seconded	Asst. Bishop David Grulke	Carried
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iii. Conduct of Business

a. Voting

Be it resolved that decisions be reached by consensus or by vote in the manner decided by the Chairman

Moved	Bishop Mark Lieschke	Seconded	Asst. Bishop David Grulke	Carried
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iv. Apologies

Robert Hamann	Pastor, Springwood	Ian Unger	Visitor, Parkes
Ervins Trankels	Delegate, Springwood	Marion Unger	Visitor, Parkes
Michael Rudolph	Pastor, Newcastle	Steve Hibbard	Pastor, Dubbo
Bruce Hohnberg	Pastor, Coffs Harbour	Ros Hartwig	Visitor, Temora
		Colin Wood	Henty

v. **Roll Call**

Attendance Report: NSW District Secretary

Quorum for Synod = One half of voting delegates + 1. Being **53** Synod attendees

Voting delegates are

- a. **64** congregation delegates
- b. **32** pastors (29 parish pastors + 3 District pastors)
- c. **6** standing DCC lay members
- d. St Paul's College Principal

TOTAL = **103** One half = 52+ 1 = **53**

Registered attendance at Synod: **114**

Delegates attending: 69

The Chairperson declared that a quorum for Convention had been formally convened.

vi. **Minutes**

Convention Minutes

Be it resolved that the appointed Committee for the verification of minutes, vet Convention minutes, correct where necessary and recommend printing of the minutes to the Secretary.

Moved	Bishop Mark Lieschke	Seconded	Asst. Bishop David Grulke	Carried
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2. Introduction

Bishop Mark handed over the Chair of convention to Assistant Bishop, David Grulke, to give his opening remarks to convention.

- i. Bishop Mark opened by acknowledging the emotional tie many in the NSW District have to Warrambui. Mark also thanked the team at Warrambui and the Warrambui Board for their time and commitment running Warrambui on behalf of the NSW District.
- ii. Over recent times, the Warrambui Board has drawn NSW DCC attention to the ongoing viability of Warrambui and this is the reason for gathering NSW Convention together. The objective for convention was to review two options placed before the NSW District for the future of Warrambui.
- iii. Bishop Mark pointed to Pastors Hans Peethala and Mike Fulwood who were available at any time in the day to pray for and together with convention attendees.
- iv. Bishop Mark acknowledged that Warrambui has not always grown with clear direction from the NSW District.
- v. Bishop Mark updated convention on
 - a. Engagement of consultants to review NSW District vision, ministry direction and operations;
 - b. Sale of the Trinity property at Valentine Street in Sydney;
 - c. Offers to lock up the sale of Concord House for up to two years.
- vi. Bishop Mark closed by inviting convention to listen and consider openly all points of view. The Bishop also advised delegates that they were not required to vote along congregational lines. Convention was the opportunity to work as synod and take on board all information presented on the day.
- vii. Convention is an opportunity to serve together as the body of Christ; to listen to the Holy Spirit; to speak in love, to challenge and be challenged.

Assistant Bishop David handed the Chair of convention back to Bishop Mark at the conclusion of his opening remarks to convention.

Pr Adam Eime led convention in prayer.

3. Resolution from District Church Council

Be it resolved

That the NSW District enter into negotiations with LYQ to purchase Warrambui.

Moved	Asst. Bishop David Grulke	Seconded	Pr Tim Zanker
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Assistant Bishop David Grulke read the motion. Simeon Prucha, Chairman of Warrambui Board and Aaron Glover of LYQ joined David to present on the DCC motion.

- i. The reports to Convention were taken as read.
- ii. Warrambui Board Directors advised DCC that Warrambui might be considered insolvent. However, from a legal perspective, neither Warrambui nor the NSW District is a legal entity and therefore, neither can be formally declared insolvent.
- iii. DCC established a Working Group to review Warrambui.
- iv. NSW District invited LYQ to participate in the Working Group because of their proven skills running equivalent operations in Queensland.
- v. The Working Group conducted an in-depth review of the management of Warrambui. External accountants (PricewaterhouseCoopers) were engaged to conduct a review of Warrambui's finances. PwC's conclusion was that debt was crippling Warrambui.
- vi. The Working Group sought professional valuations. There are two types of valuation: an operational valuation for audit purposes and a market sale price valuation.
- vii. LYQ withdrew from the Working Group due to a conflict of interest as they considered making an offer to purchase Warrambui.
- viii. LYQ presented an offer, in good faith, of \$2.63m for the sale of Warrambui. The offer was made in the context of the Queensland District partnering with NSW District to continue to serve in shared ministry at Warrambui.
- ix. The Working Group reported back to the NSW District Finance Advisory Committee (FAC) and DCC. Several options were considered with FAC unable to advise in favour of sale to LYQ, as it left NSW District with considerable debt. FAC could only advise diversion of Trinity sale funds to clear some of Warrambui's debt and an approach to LLL for an extension in the order of 30 years for repayment of the Warrambui debt.
- x. DCC voted with a strong majority in favour of presenting to NSW District convention the option to partner with Queensland District.
- xi. **Warrambui Board** reported that, with the completion of The Village, Warrambui has struggled to transition from a small to a medium sized business. Refer convention presentations.
- xii. Both recent Warrambui Directors commissioned independent reviews. Both reviews suggested that Warrambui was unable to service its debt.
- xiii. The Warrambui Board broke down the commercial operations into three areas of business: camping, ministry and the quarry. Historically, funds from the camping business and quarry operations were used to fund ministry. Recently, the camping business has not been supporting itself and quarry revenues are declining. Ministry costs have exceeded what could be afforded.
- xiv. Warrambui's cash flow is unable to pay liabilities as they fall due. Warrambui is not a healthy, stand-alone business.
- xv. There are significant work, health and safety issues at Warrambui. These are in conflict with the Warrambui vision of "Serving people by living Jesus". The lofts represent the risks of both working at heights and fire entrapment and have had to be removed from use. There is asbestos in The Dome which needs a management plan. The Dome also has fire risks. Warrambui is non-compliant with water treatment standards legislation which took effect September 2014. All these issues will take capital investment to remediate.
- xvi. Warrambui has been sustained by emergency grants from DCC.
- xvii. The Board reported that Warrambui is not a profitable venture and requires the financial support of the NSW District to operate.
- xviii. The Board members are exposed to personal liability in the event of any law suit arising at Warrambui because it is not a legal entity.

- xix. The Warrambui Board's Treasurer reported that Warrambui did not meet the revenue forecast made in 2007, nor did it meet the revised forecast of bed nights made in 2010. The Board commissioned a 5 year plan that forecasts modest growth, based on achievements to date and reduced quarry revenues.
- xx. Initiatives put in place by the Business Director have helped increase revenues: bunks in The Village have helped attract larger groups; self-catering groups are discouraged; catering waste has reduced.
- xxi. Whilst actual revenues are below previous forecasts, expenses have consistently exceeded forecast. Warrambui takes around \$1m per annum to run. It is a large asset that requires capital expenditure every year to maintain. Most opportunities for cost control/savings have already been put in place.
- xxii. **LYQ Director**, Aaron Glover, introduced the visitors from Queensland:
 1. Michael Stolz, Queensland DCC
 2. Helen Mibus, LYQ Head Office
 3. Peter Schilling, LYQ Operations Manager
 He noted that their attendance at convention was intended to demonstrate Queensland District's good faith and commitment to Warrambui.
- xxiii. Convention was given an overview of Child, Youth and Family Ministry in Queensland. Refer convention presentations. For some time, LYQ has been looking to expand its camping ministry and Warrambui is a perfect fit.
- xxiv. LYQ indicated the serious due diligence behind their offer which included 11 separate reviews of the proposal made to NSW District.
- xxv. **Queensland DCC** representative, Michael Stolz passed on greetings from Queensland District Bishop, Noel Noack. Refer to convention presentations. Michael spoke of grace and peace to NSW District.
- xxvi. The offer is a friendly offer as brothers and sisters in partnership.
- xxvii. LYQ has the gifts and financial strength to support Warrambui.
- xxviii. LYQ's offer had a time limit which could not be extended. Queensland District is unable to guarantee the same generous offer in the future.

Be it resolved that this resolution be tabled for debate after presentation of second resolution.

Moved	Leon Schoff	Seconded	Shane Burdack	Carried
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Pr Hans Peethala led Convention in prayer.
Pr Robert Bartholomaeus led Convention in prayer.

4. Resolution from Immanuel, Woden Valley; Good Shepherd, Tuggeranong; and St Peters, Gerogery

Be it resolved

That the NSW District commits to supporting Warrambui until NSW Synod 2017 as Warrambui seeks to renegotiate the LLL loan from its current 15 year term to a 20 year term and works to demonstrate it can generate a level of revenue that will allow payment of both interest and principal on the LLL loan as well as for provision of asset replacement.

Moved	Ward Westphal	Seconded	variously
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Ward Westphal from Looking Ahead team read the motion.

- i. LYQ was complimented on their capability for and commitment to Youth Ministry.
- ii. The Warrambui Working Party was thanked for their work. The Working Party has uncovered significant issues at Warrambui.
- iii. The Warrambui Board was thanked for all their effort and hard work.
- iv. Convention and NSW District were asked to look ahead and give Warrambui a period of grace to improve its performance.
- v. Business management at Warrambui has been improved.
- vi. In terms of NSW District ministry, all activities and service at Warrambui is ministry.

- vii. Working Party issues identified are real and need to be addressed.
- viii. The Looking Ahead team has a plan to address the issues identified.
 - a. NSW District support will be required regardless of which option is adopted by convention.
 - b. If Warrambui is retained then NSW District maintains a liability but retains control of the asset.
- ix. **Garry Watson** from Belconnen introduced himself as the first manager at Warrambui. His professional role is the business of bringing students to Canberra. Research from University of Canberra shows the growing value of the visiting student market to the ACT economy.
- x. The number one problem in the visiting student market is finding sufficient appropriate accommodation. Warrambui needs to change its focus and concentrate on attracting custom from this market rather than measuring itself against Christian camps. If LYQ runs Warrambui, it will target the student market as an accommodation provider.
- xi. YMCA of Canberra runs the Bush Capital Lodge which is located in O'Connor. YMCA turned away 30,000 students because this location is at capacity.
- xii. Warrambui has not been effectively marketed to schools including Lutheran schools. For example, Lutheran Schools in Qld were not aware of Warrambui as an accommodation venue when visiting Canberra.
- xiii. Every venue has strengths and weaknesses. Warrambui's weakness, and also its strength, is that it is 40km out of Canberra.
- xiv. The Warrambui focus can be tailored to fulfilling the new national Civics and Citizenship curriculum requirements.
- xv. Warrambui will need nuanced, subtle operation to keep it running at maximum occupancy. LYQ has this expertise. Others also have this capability.
- xvi. A workplace management program will be instituted for Warrambui staff – focused on performance and accountability. A team will be established to mentor the Warrambui staff.
- xvii. Issues at Warrambui have been ignored by members of local congregations of NSW District. A team from Canberra has stated they are willing to step up and take responsibility for operations at Warrambui.
- xviii. Convention was asked, as a District, to support collectively this asset that collectively has been neglected. There is absolute commitment to
 - a. Servicing of the existing loan.
 - b. Continued ministry at Warrambui
 - c. Establishing the right management team to implement the Looking Ahead management plan.
- xix. The Looking Ahead team listed individuals who have indicated that they are prepared to put the proposed plan into action and would make themselves available for nomination to the Warrambui Board.
- xx. The plan is to seek Incorporation for Warrambui.
- xxi. The management team would work closely with NSW District Finance Advisory Committee on the management of Warrambui.
- xxii. There will be a detailed update to NSW Synod in March 2015 -based on KPIs.

Be it resolved that this resolution be tabled for debate after questions.

Moved	Kaylene Williams	Seconded	Dean Salzke	Carried
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5. Questions and Debate on presentations

Convention agreed to extend duration to enable vote to proceed.
After much discussion Bishop Mark called a halt to debate.

6. Motions to Convention

Bishop Mark called for a secret ballot.

Motion 5:

Be it resolved that NSW District enter into negotiations with LYQ to purchase Warrambui.

Lost. 27 in favour. 41 against.

Motion 6:

Be it resolved that the NSW District commits to supporting Warrambui until NSW Synod 2017 as Warrambui seeks to renegotiate the LLL loan from its current 15 year term to a 20 year term and works to demonstrate it can generate a level of revenue that will allow payment of both interest and principal on the LLL loan as well as for provision of asset replacement.

Carried. 47 in favour. 18 against.

Motion 4:

Be it resolved that the funds from the sale of Trinity be diverted to the Warrambui loan.

Motion 7:

Be it resolved that Motion 4 be tabled until next Synod.

Moved	Graeme Schulz	Seconded	variously	Carried
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Bishop Mark Lieschke declared convention closed and welcomed convention attendees to join in closing worship. Garry Watson invited convention attendees to join the congregation at Woden for a concert by Robin Mann commencing at 7:30pm.

7. Closing Worship & Farewell

Appendix 1 : Synod Attendees

Albury	David Grulke	Pastor
	Ruth Grulke	visitor
	Ian Bahr	Delegate
	Gillian Bahr	Delegate
Belconnen	Hans Peethala	Pastor
	Neal Mason	Delegate
	Garry Watson	Delegate
	Kaylene Williams	DCC Member
	Rufus Pech	Pastor Emeritus
Burrumbuttock	Sonya Salzke	Delegate, Gerogery
	Noel Salzke	DCC Member
	Ian Pertzel	Delegate, Jindera
Campbelltown	Fred Veerhuis	Pastor
	Graham Andrews	Delegate
	Peter Weber	visitor
Canberra - Queanbeyan	Gabor Szabo	Pastor
	Ronald Falkenberg	Delegate, Canberra
	Des Pfeiffer	Visitor
	Trudy Kuhn	Delegate, Queanbeyan
Canberra Finnish	Janne Pekkarinen	Pastor
	Tuula Kokkonen	Delegate
Central Coast	Alan Waterson	Delegate
	Sue Waterson	Visitor

Central West	Paul Hage	Pastor
	Sharon Hage	Visitor, Parkes
	Grant Weckert	Delegate, Orange
Cooma	Melvin Salzke	Pastor
Epping - Newcastle	Mark Schultz	Pastor
	Simon Mackenzie	Pastor
	Mark Simpfendorfer	Pastor
	Dianne Bergen	DCC Member
	Shane Burdack	Delegate, Epping
	Meredith Lieschke	Visitor
	Maureen Macpherson	Delegate, Newcastle
Newcastle	Geoff Purvis	Delegate, Gilgandra
Gilgandra - Dubbo	Adam Eime	Pastor
Henty	Graham Lieschke	Delegate, Henty
	Dennis Lubke	Delegate, Henty
	Alan Zweck	visitor
	Leon Schoff	Delegate, Culcairn
	Pamela Schoff	Visitor
	Cathy Terlich	Delegate, Pleasant Hills
	Graeme Schulz	Delegate
	Tim Zanker	Pastor
	Anne McVay	Delegate, Liverpool
Anne Sweeney	Delegate, Yagoona	
Mark Tarmo	visitor	
Port Macquarie	Michael Grosas	Pastor
	Don McLean	Delegate
St Marys	David Thompson	Pastor
	Martin Vanags	Delegate
Sutherland	Mat Eckermann	Pastor
	Ann Robertson	DCC Member
	Gaidis Zids	Delegate
	Marja Zids	Visitor
Sydney - Narraweena	Jason Sander	Pastor
	Ian Pietsch	Delegate, Sydney
	Rene van den Tol	Delegate, Narraweena
Temora	Mark Welke	Pastor
	Robert Pfeiffer	Delegate
	Janelle Pinney	Visitor
	Dale Wiencke	Delegate
Tuggeranong	Greg Fowler	Pastor
	Peter Grosse	Visitor
	Arthur Schuster	Delegate
	Judy Temme	Delegate
	Mike Fulwood	Pastor
Wagga Wagga	Narelle Fulwood	Visitor
	Rhonda Lieschke	Delegate, Wagga Wagga
	Malcolm Kohlhagen	Delegate, Wagga Wagga

Walla Walla	Max Lieschke	Delegate, Milbrulong
	Darren Kupke	Pastor
	Mark Doecke	Principal, St Pauls College
	Gavin Kotzur	Delegate, Alma Park
	Charmain Lieschke	Visitor
	Rex Lieschke	Visitor
	Joan Evans	Delegate, Walla Walla
	Monica Simpfendorfer	Delegate, Walla Walla
West Wyalong	Richard Grunow	Delegate
	Marlene Grunow	Visitor
	Gordon Steinhardt	Visitor
	Naomi Steinhardt	Visitor
	Peter Wiencke	Visitor
	Robert Bartholomaeus	Pastor
	Kira Grantham	Visitor
	John Grosse	Pastor Emeritus
Woden	Andreas Mayer	Visitor
	Pam O'Keeffe	Visitor
	Brianna O'Keeffe	Delegate
	Dean Salzke	Delegate
	Virginia Westphal	Visitor
	Ward Westphal	DCC Member
	David Menzel	visitor
	Shane Buckland	Warrambui Board
	Tanya Cunningham	Warrambui Board
	Paul Gabriel	Warrambui Board
	Jarrold Graetz	Warrambui Board
	Rex Packer	Warrambui Board
	Meryl Packer	Warrambui Board
	Simeon Prucha	Warrambui Board
	John Dickinson	Warrambui Board
	Ben Dachs	Warrambui Staff
Lahne Graham	Warrambui Staff	
Thea Janetzki	Warrambui Staff	
Paul Killingback	Warrambui Staff	
Michael Turner	Lutheran Youth of Queensland	
Aaron Glover	Lutheran Youth of Queensland	
Helen Mibus	Lutheran Youth of Queensland	
Peter Schilling	Lutheran Youth of Queensland	
Michael Stolz	Lutheran Youth of Queensland	
John Henderson	LCA Bishop	
Peter Schirmer	LCA Executive Officer	
Mark Lieschke	NSW Bishop	
Russell Veerhuis	District Administrator	
Kaye Simpfendorfer	NSW District Office	