



Presbyterian Church of Queensland

State Moderator

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Dear members of the congregations of the Presbyterian Church of Queensland

I pray this letter finds you looking to the goodness of our Lord Jesus, who said, *“So do not worry, saying, ‘What shall we eat?’ or ‘What shall we drink?’ or ‘What shall we wear?’ For the pagans run after all these things, and your heavenly Father knows that you need them. But seek first his kingdom and his righteousness, and all these things will be given to you as well. Therefore do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own.”* (Matthew 6:31-34)

On the Saturday of last weekend (29 May), the State Assembly met for a special meeting, to discuss the 12 May decision of the Supreme Court of Qld to appoint Receivers to PresCare and the PCQ Letters Patent Entity (LPE). Representatives of the Receivers were present at the Special Assembly on 29 May and gave a number of helpful clarifications, of which the Assembly wishes the congregations to also be aware.

The Court appointed Receivership became necessary because of the impact of arrangements with other parties (outside the PCQ) meant that PresCare (and thus the PCQ LPE) should not continue to trade outside of a receivership beyond midnight 12 May. This application was made after these developments, which emerged in the days leading up to the 12 May, were carefully considered by the Finance and Administration Board, the PresCare Board, and the Commission of Assembly.

Earlier this year, the 15-16 March Assembly was advised of the history of the commercial arrangements PresCare had entered into in 2017 and 2018, the history of PresCare’s significant financial losses, and the cultural issues within PresCare going back many years. This is a complex set of events, about which the Receivers shall provide a report to the Supreme Court.

The two Receivers are Michael Owen and Phil Carter of PriceWaterhouseCoopers (PwC). Michael and Phil were appointed on 12 May as a result of an Application to the Court made by the PCQ Letters Patent Entity that this occur.

A helpful explanation was given to the Assembly at the 29 May meeting of the difference between a Court Appointed Receiver, a privately appointed Receiver, a Liquidator, and a Voluntary Administrator. It is very important to understand that the Receivers appointed to the PCQ Letters Patent Entity (including PresCare) are Court Appointed Receivers. As Court Appointed Receivers, they are Officers of the Supreme Court and are accountable to the Court. Therefore, they will operate strictly in accordance with the Court Order that was issued on 12 May and their other obligations at law. A copy of the Court Order is attached to this letter. As you would expect from Officers of the Supreme Court, the Receivers are independent, and so they will not favour any party, as they are responsible primarily to the Supreme Court of Qld.

The Assembly is of the understanding that the legal aspects of the trust arrangements within the Presbyterian Church of Queensland are complex, due to (among other factors) the nineteenth century Letters Patent arrangements of the denomination. It is clear that the Receivers have a significant amount of work to do in preparing this aspect of their report to the Court. At this stage it is expected their report to the Court is to be within 3 months of 12

May, unless an extension for the Receivers' report is agreed to by the parties or granted by the court. It is likely that the various affected parties can also make submissions before the court makes any orders.

The position put to the Supreme Court on 12 May by PCQ is that the assets of the congregations are not available to meet PresCare's liabilities. This is a matter the Receivers will address in their report to the Supreme Court and is one of the bases for the Receivers consulting with the congregations and seeking information.

The 29 May Assembly heard from Rev Scott Muir of an informal group offering to assist congregations to make a joint submission to the Court regarding the trust arrangements within the Presbyterian Church of Queensland. It is unknown how long it will take the Court to resolve these complex issues, and it needs to be recognised that decisions of the Supreme Court may be subject to appeal by any of the affected parties.

You will rightly ask about the care of the residents of the PresCare Residential Aged Care Facilities (RACFs). This has been one of our main concerns all through this process, along with the welfare of the congregations and the other ministries of the PCQ. The Receivers are continuing to operate the RACFs with a priority on the care of residents and the support of staff. The Federal Government has continued to give the necessary support to ensure that care of residents continues.

You will recall a notice that you received regarding the sale to Apollo Aged Care of the three RACFs PresCare owns at Rockhampton and Maryborough. This is very positive for residents and staff, with the sale to Apollo expected to be finalised in the near future, with the approval of the Supreme Court. Apollo may continue to use the PresCare name for the PresCare sites they're purchasing. A PCQ Minister, Rev Stuart Hoadley, is also to join the committee that advises the Apollo board on pastoral care across all its RACFs. In the future, members from local Presbyterian churches will be invited to join the steering committees assisting the local managers at each PresCare RACF, as Apollo strongly believes in pastoral care partnerships with the local congregations.

We have been advised that the Receivers are continuing with negotiations on the possible sale of the three RACFs that PresCare currently leases, which are in Townsville and Brisbane (Carina and Corinda). The parties involved are very conscious of the high priority that needs to be given to the care of the residents and are conscious of the position of staff at these three RACFs.

The Court Order made on 12 May, apart from PresCare's assets, does not authorise the receivers to mortgage, encumber, sell, or dispose any non-PresCare assets (except to preserve and maintain, repair, and insure property). The Assembly was also advised that PCQ meets the wages of Ministers and ministry workers (which were last paid on 28 May), and these expenses are reimbursed by the congregations to PCQ Church Offices for the Stipends of their Ministers and ministry workers from funds sent by the congregations.

A number of congregations have funds deposited in the Capital Fund. For now, the Capital Fund is frozen until the Court decides how the Capital Fund and its deposits should be managed.

The Receivers have made it clear that they are aiming, for the time being, for the congregations to continue their ministries as they presently have them. This means the payment of stipends, assessments, and normal operating expenses should continue as they have to date. If at any point a Committee of Management has concerns about their congregation's finances (e.g., ability to pay stipends and assessments) the Committee is asked to let the Receivers and the PCQ Office know ASAP.

On a different but related matter, the Assembly is planning to reconvene in the coming weeks to consider an important proposal from the Board of the Queensland Theological College. It is proposed to reorganise the College as a Queensland Presbyterian entity that is legally distinct

from the PCQ LPE, but with State Assembly oversight in key areas such as board and staff appointments. This change is designed to give the ministry of the College the opportunity to appropriately respond to the challenges that the College faces at this time.

You will also have seen in the news that Fairholme College (Toowoomba), a well-managed educational organisation that's a part of the PCQ family, is also continuing to operate on a "business as usual" basis under existing management whilst working closely with the Receivers.

The Assembly is aware that these events will result in concern and anxiety across the life of our congregations and denomination. The Apostle Paul wrote to the first-century Philippian Christians from a Roman prison cell, out of events that caused significant anxiety in the life of the early church. In those anxious days, the Apostle Paul asked the early church to rejoice in all that God had promised in the gospel, to turn their anxiety into prayer, trusting that God would guard their hearts and minds from being overwhelmed by anxiety. We ask you to meditate on these words of Paul as you continue in prayer for your congregation and for the wider ministry of our denomination.

Rejoice in the Lord always. I will say it again: Rejoice! Let your gentleness be evident to all. The Lord is near. Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus. (Philippians 4:4-7)

Signed on behalf of the PCQ Letters Patent Office Bearers: Phil Strong (Moderator), Stuart Hoadley (Clerk), and Paul Cotton (Treasurer).

Your brother in Christ Jesus,

A handwritten signature in black ink, appearing to read 'P Strong', with a stylized flourish at the end.

Rev Dr. Phil Strong

Moderator