

## AGENDA 14.4

# Loan Management Committee

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## MEMBERS

- GCC appointees: Mark Fielke, Paul Schulz, John Weiss
- LLL Appointees: Richard Bartholomaeus, Alan Kupke, Colin Schultz (Chair)
- Consultant: Michael Schulze (LLL)

The time involvement by LMC members has been significant due to complexity of loan applications and projects placed before it and ensuring all loan conditions are met. Loan Applications were processed fortnightly on line. The level of analysis given to each application has been exemplary.

## BACKGROUND

Receive all loan applications, analyse and approve if complying with LCA Loan Rules

## SUCSESSES

- As majority of loan applications were from schools, a higher level of benchmarking criteria has been put in place and adjusted on a needs basis. KPI's for the various levels of schooling are in place and adjusted as necessary. Scorecards are now in place to assess all schools performance and efficiency.
- Insurance and land valuations are now being updated regularly.
- The level of accountability and reporting within LCA organisations is at a much higher standard than previously existed. The collection of accurate data and its availability now overrides emotional perception.
- Loan repayments are now compliant.
- On line technology has been highly successful and cost saving and recommended for wider use in LCA.

## CHALLENGES AND LESSONS LEARNED

Initially there were doubts that loans could be processed on line without LMC meeting on a regular basis. After processing \$674m of loans on line without issues or inhibiting members' rights to challenge or discuss issues of concerns, it has been a resounding success and of immense financial benefit of time and resources to the LCA.

## RISKS

Description of risk	Summary of action to mitigate the risk
Loan Security	Necessity of all loan analysis and monitoring
Westpac Loan Arrangement	All loans funded by Westpac reviewed and approved by LMC
Borrowers over commitment to loans	Detailed scrutiny of each loan application and compliance with agreed KPI's

## ALIGNMENT TO LCA STRATEGIC DIRECTION 2013-2018

Assets and Resources (3.3.1) – Ensuring that LCA projects can obtain cost effective loans

## COOPERATING LCA BOARDS AND AGENCIES

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General Church Council

Regular reporting to GCC meetings

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<b>Lutheran Education Australia</b>	Consultation with Education Directorates and Regional Business managers
<b>Lutheran Laypeople's League</b>	Regular reporting and communication to LLL Board LMC administration and documentation carried out by LLL staff in a very professional and timely manner

## **FINANCIAL PERFORMANCE**

### **Standard finance report**

Lutheran Super continues to find itself in a Superannuation Industry which is constantly evolving both through competition with other Superannuation Funds and increased corporate governance requirements from the bodies that regulate Lutheran Super, the Australian Securities and Investment Commission (ASIC), the Australian Prudential Regulation Authority (APRA), the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Taxation Office (ATO).

The trustee directors are looking forward to continuing to serve the Lutheran Church of Australia and the members and employers of Lutheran Super.