



Uniting Church in Australia
ASSEMBLY
Assembly Standing Committee

15 - 17 July 2022

DOCUMENT 12

Type of Paper (Information/Decision)	Information
Title	Report from UnitingWorld
Assembly or ASC Minute	
Consultation	
Purpose	To update the ASC on UnitingWorld's recent activities To nominate two new Board members for the UnitingWorld Board To alert the ASC to the likelihood of needing an out-of-sessions decision regarding the appointment of a new interim-Chair.
Rationale & Findings Summary	
Attachments	Attachment A: Expression of Interest – Rev Vinnie Ravetali Attachment B: Expression of Interest – Rev Thresi Mauboy
Recommendations	That the ASC appoint Rev Vinnie Ravetali and Rev Thresi Mauboy to the Board of UnitingWorld.
Submitted by	Dr Sureka Goringe, National Director Ms Lin Hatfield Dodds, Chair, UnitingWorld Board

UNITINGWORLD

The Work of the Agency

Achievement Highlights in FY2022

- We have completed or are on track to complete in the next few months, work on all the COVID-response programming we have undertaken in the last two years. Reporting and acquittals of all grant funds are very close to completion.
- We have managed our operations within our budget and are on track to deliver a budget surplus.
- Recruited Head of Operations, conducted an Operations Review, and restructured the organisation. We have moved to a single Programs Team with stronger collaboration between regions and a dedicated roles to support project effectiveness and operations.
- Six of our partners have done governance and management reviews with an external consultant, to develop their institutional strengthening roadmap. Reviews for other partners underway.
- We have completed 13 partner consultations as part of kicking off a co-design activity to map out programming for the next 3-5 years. Five more consultations coming up soon.
- We have recruited a 5 new high-calibre staff to replace those who have moved on.

Looking to FY23

It is 12 months since we approved the UnitingWorld Strategic Plan for FY22-FY24, which was also the week before the COVID delta-wave hit Australia. We have now lived through Delta and Omicron, and the past 12 months have not been what we had assumed. **Below we set out the major contextual shifts that have influenced the way we have translated our Strategic Plan into the Business Plan for FY23.**

The COVID world is tired

High levels of exhaustion and burnout are the universal human experience in the COVID-19 impacted world¹.

Two years of uncertainty, anxiety, relentless change, and isolation have wreaked havoc with the mental health and resilience of most people; our staff and our partner staff included.

Regardless of passionate commitment to shared ideals and strong alignment between personal values and mission, people simply do not have the same levels of energy or resilience as before the pandemic.

UnitingWorld is our people

Our biggest lesson from the pandemic was this: when we look after our people, our people look after our mission. (or 'It's the people, stupid' to paraphrase Clinton.)

In the past two years, every aspect of the way we work has been upheaved. Almost all our systems, processes and business practices have had to be adapted, jettisoned, or reinvented.

And yet, we have managed to implement programs and deliver impact. And we have held onto our strong culture of relational work and genuine partnerships.

People have innovated, improvised, worked around, and gone the extra mile to get things done.

And they have done all that while carrying enormous emotional strain both from the disruption of their personal lives, as well as the secondary received pain from the struggles of our partners.

¹ <https://www.health.nsw.gov.au/Infectious/covid-19/update/Pages/pandemic-fatigue.aspx>

The primary focus of the leadership team has been looking after the wellbeing of our team: Maintaining social cohesion, creating opportunities for connection and joy, being flexible with work location and time, communicating and consulting with staff to maximise transparency and certainty, and supporting staff health and safety in a variety of ways.

Nevertheless, there has been a cost to all we have achieved in the last two years. We have seen 25% staff turnover (6/24) in the last eight months as people seek fresh starts. While we have progressed with recruitment, the transition has increased workload for remaining staff. Levels of energy and resilience are at historic lows. This is not unique to UnitingWorld, but true across many sectors.

The operating environment is swings and roundabouts.

Cost of living increases are driving up the cost of doing business and putting pressure on wages. The low unemployment rates and the skills shortage is making recruitment hard.

The new Australian government has flagged a stronger priority for international aid and the quality of aid. This may open more funding opportunities for our model of work.

Charitable fundraising is down across all sectors, and the situation is particularly tough for international aid. Furthermore, major humanitarian emergencies such as the war in Ukraine, divert available donations away from sustainable development.

Despite a difficult fundraising environment, our strongest support has come from our own donors, who have been loyal and supportive over decades.

We need a moment to heal and recover ourselves

Before we can take on the next challenge, we need to build up our strength and resilience.

Growth in reach and impact; strategic alliances and collaborations; shifts to our business model away from mere subsistence; these are all things that we should strive for in the coming years.

However, to do these things from a position of strength and confidence, and to maximise our chance of success, our immediate focus needs to be on recovering from the trauma of the past two years and rebuilding our capacity.

- **Partnership capacity:** We need to reconnect with partners, many of whom have new leadership who have not met us in person. Rebuilding trusted personal connections is vital to good future collaboration. If we lose the Assembly grant, we propose a ~\$170k pa drawdown on reserves for a Partnership Manager to support this.
- **Program capacity:** We need to complete the co-design of our programs, spending time with partners and their communities, listening deeply to their post-COVID reality and priorities.
- **Fundraising Capacity:** There is no silver bullet for increasing our revenue. We need a multi-pronged strategy that renews our community support through acquisition, solicits bequests from our long-standing supporters, expands our DFAT grant sources, and builds relationships with highly targeted institutions likely to be interested in our work.
- **Operational Capacity:** Prepare for and achieve DFAT reaccreditation. Improve the agility and responsiveness of our systems.

The key enabler for all of these is staff capacity: We have done the necessary restructure. Now we need to retain and reward existing staff and recruit to fill vacant roles. We need to train and integrate new and current staff to work together as a coherent team with a strong healthy culture.

We need to build up our strength for the next step

The creation of strategic opportunities is a necessary first step to implementing new growth initiatives. We have identified two significant ways in which we must lay the groundwork to create a strong business development environment for UnitingWorld.

- **Brand and Profile:** We need to become known in the international aid sector and in the Christian community as a desirable partner; known for innovation and effectiveness.
- **Robust evidence base:** We need easily accessible evidence that our programming has had sustainable impact, linked to our partnership modality.

We estimate this will require a \$20-30k draw down on reserves per year.

The Long Game

The 3-5 year strategy is a significant shift in UnitingWorld's business model, that transitions us from being barely critical mass, to where the scale of our programming has grown to better leverage the capacity of our quality systems and relational networks.

In Summary

Our strategy for the next year is one of re-building our core capacity after a serious disruption, in preparation for seeking opportunities for growth.

Our strategy in the next 2-3 year term is to build up UnitingWorld's profile and reputation, and back that with a significant body of objective evidence, to position ourselves as a partner of choice for growth initiatives.

Our strategy in the 3-5 year term is to significantly shift UnitingWorld's business model that allows a scaling up for reach and impact.

To pursue this strategy, we need to invest at least \$200k pa for a period of 3-5 years, to be revised and approved each year as part of the budget. Without the Assembly grant, we would need a \$200k pa drawdown on reserves to fund this.

What does this mean for the Business Plan?

Partnership Capacity

The primary implication for the business plan is the **re-instatement of the Partnership Manager** role.

- The \$200k from Assembly enabled us to employ someone like Rev Sef Carroll up until 2019
- In 2020, we lost Sef's replacement Rev Marino, but did not replace him due to COVID-19 budget constraints. We tried to cover the work between the National Director (ND) and the Head of Programs (then Associate Directors)
- We need this role back; it is key to
 - Strategic connections for the UCA with partners beyond projects
 - Providing theological leadership for programming and the UCA
 - Supporting the UCA in its multi-cultural ministry (diaspora engagement)
 - Freeing up the ND to do more business development
- Cost would be 1FTE ~ \$150k + \$20k travel.
- In the absence of the Assembly grant, this will require a draw down on reserves of about \$170k per year.

The second major implication is **increase in travel for the ND and the Head of Programs**. The personal connections are vital to kick-start after the two years of absence.

The above strategies will be augmented with **regular Zoom and telephone conversations**.

We learnt during the pandemic that partner church staff who are directly engaged in program implementation report to us more regularly than they do to their own church leadership. We will adopt a new practice across all projects where we will **share quarterly feedback with the partner church leadership**. We will also make sure that church leadership is engaged in the co-design process.

Program Capacity

Most of our projects are ready to be re-designed for a new phase of work. This follows two years of disruption where most projects were diverted to COVID-19 response.

The primary implication for the FY23 Business Plan is that most of the **project expenditure for this year will be supporting the co-design work**, such as baselines and community consultations, rather than straight implementation. International Program Managers will also be travelling to spend time with partners to support the co-design, particularly as we have several new team members who have not met their partners yet. This means that the next year will be **higher in staff and travel costs but lower on beneficiary numbers**. But it is a necessary stage for good future programming.

We have used the Program Merit Criteria to assess the portfolio and are only proceeding with new designs for the project/partner areas where there is strong indication of capacity. We will continue to use the criteria in the design process to strengthen the projects further.

There are now **no more vacant roles in the Programs team**. We have one member of staff who will be leaving on parental leave in FY23 Q1, and we are seeking to fill that role with a 12-month contract. We will also review the new team structure on an ongoing basis to refine as necessary.

Fundraising Capacity

In recent years, we have explored fundraising from institutional donors (corporates, trusts, and foundations), as a path to rapid revenue growth. We have concluded that while this opportunity exists, the landscape is limited by our strong religious identity, and it is one that is not large, and will require several years to bring to fruition.

While grant funding trends fluctuate over time, most charities like UnitingWorld are finding that the most reliable source of funding is the well nurtured and loyal donor who remains faithful over decades.

We have concluded that there is no single growth opportunity that will be the 'silver bullet' to our revenue needs. We need a multi-pronged strategy which includes acquisition of new community donors, strengthening our bequest pipeline, expanding DFAT grants, and targeted relationships with institutional donors.

In the coming year, this will mean:

- **Completing recruitment** into the Direct Marketing team and **launching multi-platform, integrated acquisitions campaign**. This will build on our status as a ACNC registered charity with PBI status. The brand and profile development work (below) will be a key enabler that will amplify and support the success of this effort.
- **Building up the Australian Partnerships Team** to pre-COVID numbers and implementing the church engagement plan.
- **Building up our cohort of ambassadors and advocates** who promote us in the community.
- Training both APT and Ambassadors to promote and **solicit bequests**.
- **Seeking new DFAT grants** as and when they become available, including building our partner capacity to seek smaller grants from DFAT at post where appropriate.
- **Building relationships** with the small number of **potential institutional donors** that have been identified.

Operational Capacity

We undertook an operational review last year and identified a series of improvements that when implemented will increase the efficiency and productivity of our teams, support us to deliver our strategy and help us meet our quality standards.

Significant progress has already been made with the staff re-structure and in the development and documentation of procedures.

The plan for the next year is to proceed with implementing the recommendations from the operations review, but with a special focus on the key areas that are most sensitive for reaccreditation.

Completing our transition to the new finance software by Q2 in FY23 will be a key early project. Alongside this we need to ensure we update our financial management systems and procedures, and particularly how we better support program managers and partners.

Other areas of work include

- Implementing an agency-wide performance dashboard for use by Board and management for supporting strategic decisions and monitoring compliance.
- Implementing our cyber-risk mitigation plans and updating our risk management tool to improve efficiency.
- Strengthening our staff development and training processes and our performance planning and review processes.

Brand and Profile

Cultivating UnitingWorld's brand and profile has been identified by the Board as a key foundational activity ahead of business development.

The aim is to **direct the National Director's time to speaking out on key strategic themes** consistently and repeatedly, in such a way that UnitingWorld is recognised as a key player in the sector, and the National Director becomes known and trusted as a thought-leader.

The Board has also identified the aid sector and the wider UCA as key target audiences for this work.

The intent is to **retain an integrated communications consultant** to identify a set of channels including both traditional and social media best, suited for the target audiences and desired impact.

The National Director has undertaken two days of traditional media training courtesy of ACFID. We expect ACFID to be a strong ally in this effort, as they are keen to support more diverse voices in the media in sector communications.

The National Director will continue to leverage her role as an ACFID board member and a CANDO Board member to find platforms to promote UnitingWorld's brand.

We propose drawing down up to ~\$30k per year from reserves to back this and the evidence base strategy.

Evidence base

Independent or semi-independent analysis of the cumulative impact of some of our larger, long-standing programs would be powerful tools in cementing our credibility as we seek to raise our profile and could be used as the basis to build some key communications pieces and get media interest.

We know that our programs are effective based on our annual reporting and three yearly evaluations.

However, despite having supported several of our partners for decade-long work in sustainable development, we do not have longitudinal reporting that demonstrates the cumulative impact of our programs over 5-10 year periods.

Furthermore, all our current evidence has been collected by ourselves and our partners, or by consultants that we retained. Most of our evaluations emphasise the ways in which the program design has been effective or could be improved, rather than seek to quantify the impact.

We are currently seeking collaborations with research groups and academics who may be interested in collaborating in doing this work with and for us.

We propose drawing down up to ~\$30k per year from reserves to back this and the brand/profile strategy.

Strategic Risks

This is a slow-burn strategic pathway, rather than one with quick action and quick results. As such, the risks will have to be assessed and monitored as the plan is implemented, as the context will change over time.

A key component of the strategy is the proposed draw-down of \$200k per year from reserves to support our partnerships and the brand/profile work that underpins the business development work, if the Assembly grant is withdrawn.

We propose a five-year time horizon for this, which caps the draw-down at \$1M, from the current operative reserves of about \$10M

This assumes that UnitingWorld can continue to operate on a balanced budget basis for the rest of its operations. As our current budget practice is to base our planned expenditure on the income from the previous year, this is a risk that can be well controlled by the management team.

One threat to the strategy is other calls on our reserve funds such as redress payments.

The UnitingWorld Board has already agreed to support the Assembly in paying 50% of redress costs for the Mogumber Mission up to a certain extent. The Assembly has brought to our attention that they have accepted liability for claims arising from the Croker Island mission. At this point, the UnitingWorld Board has not made a decision as to whether these claims have any historical connection that would justify UnitingWorld making a contribution to the redress claims. The information received so far indicate that the Croker Island mission and all related assets were transferred to the Northern Synod before Union, thus severing any links. However, this remains a live issue for discussion and resolution.

Addressing the ASC Reporting Headers

Risks

- UnitingWorld maintains an Agency Risk Register, and a separate Programs Risk Register, both of which are updated quarterly by management and reviewed by the Board.
- Loss of untied funding via the Assembly grant will endanger the critical role of the Partnership Manager. This role supports the strategic connections for the UCA with partners beyond projects, providing theological leadership for programming and the UCA, supporting the UCA in its multi-cultural ministry (diaspora engagement) and freeing up the ND to do business development.
- The risk of staff retention and loss of institutional capacity is being mitigated by investing in staff wellbeing - managing workloads, offering flexibility, nurturing social connection and pastoral care. We have restructured the teams to relieve pain points, have reviewed pay-scales and will be providing a 3.5% increment in FY 23.
- The risk of failing to win DFAT grants remains significant. We are applying for new multi-year funding for our gender program and are up for re-accreditation next year.
- Inflation in the cost of doing business while income remains flat will make it harder to maintain our programming levels. Our long-term strategy is to expand our reach and impact via strategic partnerships and new ventures. In the short term, we have the capacity to control our expenses.
- At the instigation of our Board, we have recently reviewed our cyber-security risks with the assistance of Synod IT and are currently implementing a range of cyber-security risk mitigation with their help.

Governance and Compliance

- We have 5 yearly re-accreditation by DFAT, we have just passed a DFAT spot check, and our next reaccreditation will be in 2023. We successfully completed our three yearly ACFID Code Self-Assessment in Nov 2022. Our policies are approved by the Board.
- Our largest compliance risk is our partners' capacity to operate at Australian standards, which are mostly set assuming that all implementation is controlled by Australian entities. We mitigate this risk by scaling our projects to our partners capacity; supporting our partners to strengthen their operations and by

assiduously monitoring our projects. We are currently funding independent organisational reviews for our partners to inform our next phase of capacity development.

- Two new board members are being nominated to join the Board. They have been through an interview process and reference checks, and their nominations have been endorsed by the Board. Their expressions of interest are attached. They are both ordained ministers in the UCA. They will fill the final two vacancies on the Board and bring it to a full twelve.
- The Chair of the UnitingWorld Board is seeking to step down, and the Board is exploring alternative candidates to bring to the ASC for an interim appointment before the next Triennial Assembly.

Finance

- Despite difficult circumstances in the past few years, UnitingWorld finished the year with a budget surplus in both FY20 and FY21.
- At present, UnitingWorld is tracking to finish FY22 with a budget surplus. While community fundraising has been impacted by competition with fundraising for the Ukraine war and the NSW floods, it has been balanced out by new grants, bequests and major gifts.
- In FY21 UnitingWorld made a one-off provision of \$1.425M to assist the National Assembly in meeting redress obligations arising from Mogumber Mission. In FY22 UnitingWorld made an additional \$300k provision for the same purpose. UnitingWorld has sold a property to meet these obligations.
- The following statement was included in the UnitingWorld FY21 Annual Report: *The UCA Assembly Standing Committee requested assistance from UnitingWorld to pay redress claims arising from historical incidents of abuse dating from before the formation of Uniting Church in Australia. While UnitingWorld has no direct liability linking it to the claims, we are in possession of some historic assets received from the UCA, unconnected to donor fundraising. In this light, considering the close relationship between UnitingWorld and the UCA National Assembly, and the moral obligation on the UCA to recompense survivors, the UnitingWorld Board resolved to make a one-off provision of \$1.425M from these assets towards the National Assembly's redress payments.*
- The UnitingWorld Board continues to engage with the Assembly Investment Advisory Committee to develop an investment strategy for UnitingWorld that would better utilise our capital reserves to generate income for our operations.

Policy

- UnitingWorld maintains its own Governance Manual with policies directly relevant to our work and the standards we are required to meet. Where appropriate we refer to the Assembly policies and for all Human Resources purposes, we use the NSW/ACT Synod's policies.
- We have a three-year Policy Review process whereby all our policies are refreshed and re-approved by the Board. However, many policies need to be updated at shorter intervals when external standards change. The policy review process also includes a policy audit, when a member of the Board tests the implementation of the policy within the Agency, to identify issues and gaps as a precursor the policy review.

Public Profile

- UnitingWorld takes its place in the international development sector and faith-based NGO sector in the following ways:
 - As a member of the Australian Council For International Development (ACFID), the aid sector peak body. The National Director is the currently a member of the ACFID Board, participating in direct advocacy with the Australian Minister for International Development and senior levels of DFAT.
 - As a member of Micah Australia, a Christian advocacy movement for global justice.

- As a member of the Church Agencies Network (group of 12 international aid agencies linked to church denominations). The National Director was Chair of this network till March 2022.
- Working through these networks, the National Director and UnitingWorld was part of multiple advocacy campaigns and delegations to Canberra in the past two years, several of which also mobilised the UCA leadership and membership:
 - Advocating for COVID-response funding in our region (the End COVID For All campaign)
 - Advocating for refugee visas following the collapse of Afghanistan to the Taliban (the Christians United for Afghanistan campaign)
 - Advocating for stronger climate action at COP26 – open letter to the Prime Minister for Heads of Churches (organised by the CAN).
- UnitingWorld also had significant profile at the ACFID Conference in 2021, with partners and staff participating in three sessions.