

22 May 2013

Mr Neil Grummitt
General Manager, Policy Development
Policy, Research and Statistics
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2011

UCA Funds Management Limited
ABN 46 102 469 821
UCA Cash Management Fund Limited
ABN 41 075 948 444
UCA Growth Fund Limited
ABN 39 075 948 435
UCA Financial Planning Pty Ltd
ABN 37 151 508 806

By email to: exemptiondp@apra.gov.au

Dear Mr Grummitt

Proposed Exemption for religious charitable development funds (RCDF's)

UCA Funds Management, which is wholly owned by the Uniting Church in Australia Property Trust (Victoria and Tasmania) (Property Trust), operates the following funds on behalf of the Property Trust:

- UCA Development Fund;
- UCA Funeral Fund; and
- Ministers Home Endowment Fund.

It is important to note that all of the funds described below do not accept or dispense any cash payments.

UCA Development Fund

This fund has been developed to allow Church congregations and Church members to contribute to a fund to assist with the mission of the Church.

The objectives of the Fund are:

- To encourage members of the Uniting Church and other socially concerned investors to save and invest their funds ethically;
- To benefit the Uniting Church as a whole by setting aside a portion of money invested for the provision of loans to Uniting Church congregations, programs or agencies to assist the general mission of the Uniting Church;
- To provide grants from surplus income of the Fund to assist the general mission of the Uniting Church; and
- To help treasurers and administrators within the Uniting Church, use money effectively by providing this service.



This Fund does not use the term 'deposit' and does not offer BPAY facilities, all material that is issued by the Fund clearly discloses that the Fund is not prudentially supervised by APRA and the contributions do not obtain the benefit of depositor protection. The capital of investors in this Fund is guaranteed by the Uniting Church in Australia Property Trust (Victoria). Withdrawal of an investment in this Fund can only be paid to the investor, third party payments are not allowed. It is our view that this Fund does not conduct a banking facility but provides an investment vehicle for socially concerned investors who wish to advance the mission of the Uniting Church.

This fund has been in operation for more than 30 years and its compound annual return to investors in the 10 years to 31st March 2013 was 5.11%

UCA Funeral Fund

This fund meets the requirements of S 19 of the Social Securities Act and operates as a Funeral Fund. The opening of a Funeral Fund account is an irrevocable decision, no withdrawals or transfers are permitted and the account matures on the death of the investor for the payment of funeral expenses.

This Fund does not use the term 'deposit' and does not offer BPAY facilities.

Ministers Home Endowment Fund

This Fund is exclusively for Ministers of the Uniting Church in Australia to provide for their housing on retirement or for house improvements, the monies invested cannot be used for any other purpose.

This Fund does not use the term 'deposit' and does not offer BPAY facilities.

Considering the Consultation Paper No 207 issued by ASIC last week, in the event that we decide to restructure the funds that currently enjoy the benefit of the exemption from the Banking Act and conform to any new requirements that may result from the ASIC Consultation Paper it will be of considerable cost and disruption to the Church. A one year time period to restructure our funds is a short period in which to consult, plan and execute any restructure given the governance framework in which we operate. A short or rushed period of transition may also damage investor interests and their confidence in the funds as they now stand. In this context, should APRA decide to remove the exemption, then we request that at a transition period of at least 2 years be determined.

Aside from this our submission is that on the basis that the above funds do not use restricted words or expressions as set out in the Guidelines – Implementation of section 66 of the Banking Act 1959 and are designed and prudently managed to assist with the general mission of the Uniting Church we request that the current exemption be extended for a further period beyond 27 June 2014.

We look forward to your consideration of our request.

Yours sincerely



Michael Walsh
Chief Executive Officer