

# 2018 ANNUAL REPORT



**inc** | BORN  
FOR  
MORE.  
international  
network of  
churches

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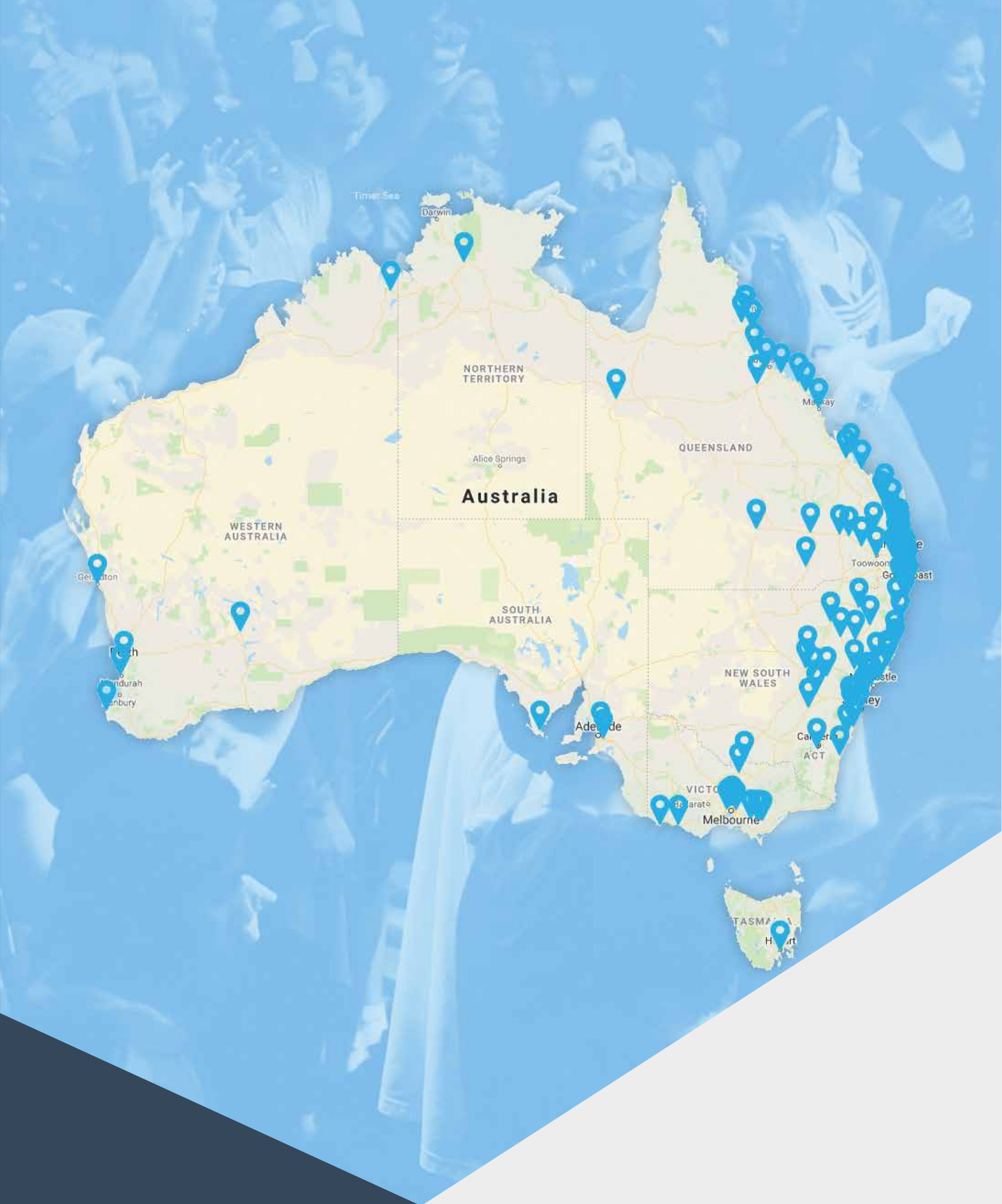
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The National Executive are committed to the outworking of the following vision, mission and values of INC.

**OUR SHARED VISION**

- Oceania for Christ

**OUR SHARED MISSION**

- To make disciples, empower leaders and to multiply healthy churches across Oceania

**OUR SHARED VALUES**

- Faith with Stewardship
- Growing Relationships with Results
- Winning Souls and Influencing Communities
- Learning with Equipping



# CHAIRMAN'S REPORT

*"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."*



Reflecting on the Australian arm of International Network of Churches, there is a great sense of momentum towards our shared vision of seeing Australia come to know and understand the good news, the gospel of Christ. The message we share is that the Kingdom of God is available to all through Jesus. We continually share this message through our ministries of local churches, schools, higher education, early learning and child care, social justice and charitable work.

2017 saw the culmination of a major re-design of our ministry leadership structure; away from straight geographical based connections to a demographic based network structure rolled out through our INC Roadshow to local regions in February 2018. The changes came after many months of the National Executive constructively analysing and reviewing the incumbent system we've used since the formation of our great Movement. This process

included trusted voices from world class leaders outside our Movement. It took courage for the National Executive to look deeper than their portfolios. The result is an opportunity I am proud of to take us forward in our mission of multiplying healthy churches. I now have other denominations lamenting how they long for such an agile, adaptive structure for their organisations.

The reception by Pastors was incredible as they embraced change and new opportunities. Our Network has shown maturity and depth of character towards our shared values of growing relationship with results and learning with equipping. With the introduction of Network Leaders at a demographic level, our impact is growing with strong signs of church locations increasing in their community influence.

I am confident that we have the right strategies and plans in place,

together with a National Executive, Operations Board and INC Invest Advisory Board that are committed to continuing their stewardship of this great movement. I am grateful for their service.

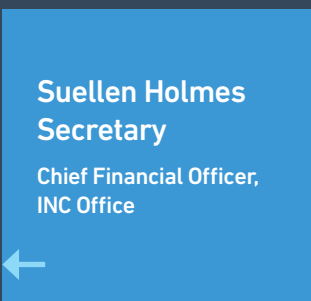
To all the readers of this Annual Report, let it be a testament to what the Lord has done over four plus decades. Many of our locations have or are coming up to celebrating forty years since planting. Let me encourage you to remember the faith and stewardship of those that have led before and implore you to continue in that faith and stewardship to leave an even greater legacy for the next generation.

Ps Ross Abraham  
Chairman

**Ross Abraham**  
Chairman  
Lead Pastor, Elevation Church, QLD, NSW, VIC



**Geoff Woodward**  
Deputy Chairman  
Senior Pastor, Metrochurch, WA



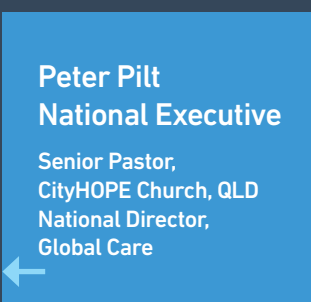
**Suellen Holmes**  
Secretary  
Chief Financial Officer, INC Office



**Craig Anderson**  
National Executive  
Senior Pastor, Infinity Church, VIC



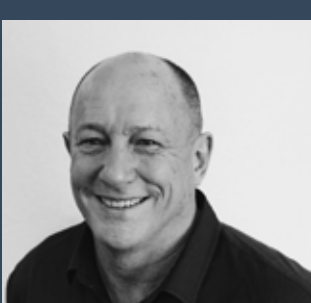
**Phil Campbell**  
National Executive  
Senior Pastor, Harbour Church, NSW



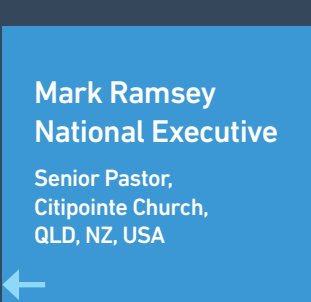
**Peter Pilt**  
National Executive  
Senior Pastor, CityHOPE Church, QLD  
National Director, Global Care



**Gary Hourigan**  
National Executive  
National Director, Church Health & Planting



**Chas Gullo**  
National Executive  
Itinerant Minister  
Finished as a National Executive Member July 2018



**Mark Ramsey**  
National Executive  
Senior Pastor, Citipointe Church, QLD, NZ, USA





# OPERATIONS BOARD AND INC INVEST

## FAITH WITH STEWARDSHIP

Over the course of 2017, INC Invest and the Operations Board have continued to support the financial management needs of our INC locations across Australia.



(1)



(2)



(3)

2017 has been a year of progress with Riverside Church<sup>(2,4)</sup> in Cobram moving into their new premises located on the main road driving into the town. This large, modern facility, which will operate as a church and community centre, has been a labour of faith for Pastors Chris and Annette Mustica and the local church congregation over several years. Also being completed is the construction and fit-out for the new Citipointe Childcare located in the growing residential area of Pine Rivers in Queensland. This is in addition to the new Shellharbour Childcare Centre<sup>(1)</sup> which opened this year. These ministries will help build a bridge to the local community while meeting the needs of young families for quality childcare services.

New land was purchased by Hope Community Church in Childers led by Pastors Nigel and Joanne Allwood. This land, which will be the future site for the construction of a new worship facility, was made possible by a successful fundraising campaign which **raised over \$500k** to help advance the next stage of infrastructure development. Other projects have included fit-out works for a new leased facility at Arise Church in Lismore<sup>(6)</sup> while auditorium extensions and new car parking facilities were also completed at the COC Toowoomba campus.

Other funding provided by INC Invest over the last 18 months includes over **\$1M in loans written** for equipment and vehicle financing. These equipment and vehicle loans prove to be popular with interest rates on these facilities equivalent to or discounted to market rates. INC Invest also undertook a major software and website update which has improved functionality, user experience and industry standard security measures. Over the course of the last 12 months, INC Invest earnings totalled **\$745k which has been distributed back** into the charitable operations of the Movement. The annual INC Invest loan portfolio report completed at the end of last year reported all loans were in order and overall, the credit risk of the loan portfolio remained sound with several positive trends evident such as ongoing improvement in risk grade profiles and loan security coverage.

New property valuations undertaken over the last 12 months have seen a strong improvement in values including the Citipointe Carindale campus where the **valuation improved from \$51M to \$55M**, Elevation Tweed Heads campus<sup>(3)</sup> valuation **from \$2.5M to \$3.3M**, Citipointe Redcliffe campus valuation **from \$2.6M to \$3.6M** and the Citipointe Pine Rivers campus valuation **from \$1.9M to \$2.4M**, just to name a few.

Major issues worked on by the Operations Board have included the review of our Movement's central long service leave fund. With lower participation levels in the last several years along with variations in State legislation requirements, it was decided to decentralise the fund and



(4)



(5)

pass management into the hands of local churches, who are better positioned to cover leave obligations with the availability of local lay leadership and church staff. Another major project undertaken by the INC Office has been the rollout of new software to provide an IT platform that will improve the functionality and services to our local churches particularly in the area of people support. Our Safe Church program continues to be a major focus with workshops being conducted throughout Australia over the last 12 months.

We would like to thank our INC Invest Advisory Board and Operations Board Members who freely give of their time to provide independent and professional oversight of the finances of the Movement. INC would like to acknowledge our Operations Board members:

**Michael Mulheran** (Chairperson)

**Peter Geizer** (Secretary)

**Gideon Bosman**

**Ashley Gullo**

**Gary Hourigan**

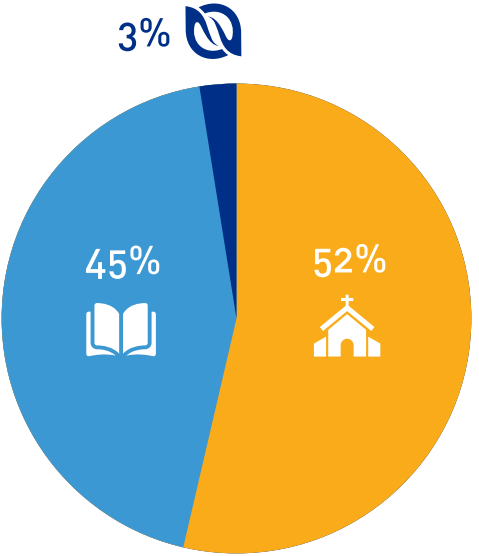
**Daniel Joy**

**Joshua Usher**



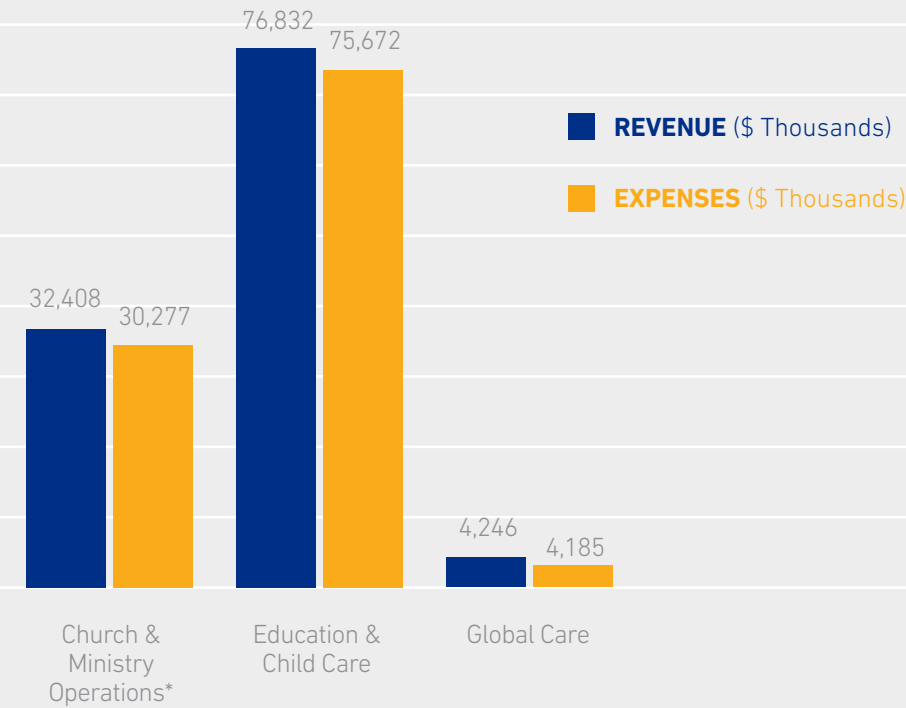
# FINANCIAL REPORT

## 2017



### TOTAL ASSETS

Church & Ministry Operations  
Education & Child Care  
Global Care



FINANCIAL REPORT  
31 DECEMBER 2017

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CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$'000	2016 \$'000
Revenue from continuing operations	4	111,669	106,458
Other income	5	1,817	896
Salaries and related expenses	6(a)	(68,069)	(62,475)
General operational expenses		(9,965)	(8,975)
Facilities management and maintenance		(6,904)	(6,943)
Trade purchases		(2,781)	(4,024)
Utilities and outgoings		(3,782)	(3,742)
Donations and mission giving		(1,708)	(1,713)
Net loss on loans & investments	6(b)	(111)	(144)
Other expenses from ordinary activities		(8,739)	(7,549)
Earnings before interest, tax, depreciation and amortisation		11,427	11,789
Depreciation and amortisation expenses		(6,494)	(6,090)
Interest expense	7	(1,581)	(1,495)
Net surplus before income tax		3,352	4,204
Income tax expense	2(g)	-	
Net surplus for the year		3,352	4,204

The above consolidated income statement should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$'000	2016 \$'000
<b>Net surplus for the year</b>		<b>3,352</b>	4,204
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to surplus or deficit</i>			
Gain/(loss) on property revaluation	16,2(j)	(1,574)	(1,335)
Other adjustments	16	538	2,346
<b>Other comprehensive income for the year</b>		<b>(1,036)</b>	1,011
<b>Total comprehensive income for the year</b>		<b>2,316</b>	5,215

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	6,537	10,491
Trade and other receivables	9	4,403	3,687
Prepayments		1,112	1,215
Inventories		1,232	1,083
<b>TOTAL CURRENT ASSETS</b>		<b>13,284</b>	16,476
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	195,033	194,342
Amounts receivable over 12 months		188	338
<b>TOTAL NON-CURRENT ASSETS</b>		<b>195,221</b>	194,680
<b>TOTAL ASSETS</b>		<b>208,505</b>	211,156
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Borrowings	11	14,129	19,028
Trade and other payables	12	9,403	9,991
Provisions	13	6,722	5,902
<b>TOTAL CURRENT LIABILITIES</b>		<b>30,254</b>	34,921
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	22,940	23,187
Provisions	15	1,166	1,219
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,106</b>	24,406
<b>TOTAL LIABILITIES</b>		<b>54,360</b>	59,327
<b>NET ASSETS</b>		<b>154,145</b>	151,829
<b>FUNDS</b>			
Reserves		76,634	78,208
Retained earnings		77,511	73,621
<b>TOTAL FUNDS</b>		<b>154,145</b>	151,829

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Reserves \$'000	Retained Earnings \$'000	Total Funds \$'000
<b>Balance at 1 January 2016</b>		<b>78,145</b>	<b>68,469</b>	<b>146,614</b>
Surplus for the year		-	4,204	4,204
Other comprehensive income for the year	16	63	948	1,011
<b>Total comprehensive income for the year</b>		<b>63</b>	<b>5,152</b>	<b>5,215</b>
<b>Balance at 31 December 2016</b>		<b>78,208</b>	<b>73,621</b>	<b>151,829</b>
<b>Balance at 1 January 2017</b>		<b>78,208</b>	<b>73,621</b>	<b>151,829</b>
Surplus for the year		-	3,352	3,352
Other comprehensive income for the year	16	(1,574)	538	(1,036)
<b>Total comprehensive income for the year</b>		<b>(1,574)</b>	<b>3,890</b>	<b>2,316</b>
<b>Balance at 31 December 2017</b>		<b>76,634</b>	<b>77,511</b>	<b>154,145</b>

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$'000	2016 \$'000
<b>Operating Activities</b>			
Surplus before taxation		<b>3,352</b>	4,204
Adjustment for:			
Depreciation		<b>6,494</b>	6,090
Bad and doubtful debts		<b>(67)</b>	357
Loss of sale of assets	<b>6(b)</b>	<b>111</b>	144
Interest income	<b>5</b>	<b>(166)</b>	(44)
Interest expense		<b>1,581</b>	1,495
Adjustment to prior years	<b>16</b>	<b>(182)</b>	2,346
		<b>11,123</b>	14,592
Increase in trade and other receivables		<b>(397)</b>	(629)
Decrease/(increase) in inventories		<b>(149)</b>	1,206
(Decrease) in employee provisions		<b>767</b>	(84)
Increase in trade and other payables		<b>(588)</b>	723
<b>Cash generated from operations</b>		<b>10,756</b>	15,808
Interest paid	<b>7</b>	<b>(1,581)</b>	(1,495)
<b>Net cash flows from operating activities</b>		<b>9,175</b>	14,313
<b>Cash Flows From Investing Activities</b>			
Payments for property, plant and equipment		<b>(8,150)</b>	(8,455)
Interest received	<b>5</b>	<b>166</b>	44
<b>Net cash flows used in investing activities</b>		<b>(7,984)</b>	(8,411)
<b>Financing Activities</b>			
Proceeds/(repayment) of borrowings		<b>(4,436)</b>	(14,952)
Proceeds/(repayment) of lease liabilities		<b>(712)</b>	(191)
<b>Net cash flows used in financing activities</b>		<b>(5,148)</b>	(15,143)
Net increase in cash and cash equivalents		<b>(3,956)</b>	(9,241)
Cash and cash equivalents at 1 January	<b>8</b>	<b>10,491</b>	19,732
Cash and cash equivalents at 31 December	<b>8</b>	<b>6,537</b>	10,491

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Corporate Information

Christian Outreach Centre is incorporated under Letters Patent issued pursuant to the Religious Education and Charitable Institutions Act 1861-1967 on 9th September, 1976. The organisation is a not for profit entity established to pursue charitable purposes only and must apply its income in promoting those purposes.

Christian Outreach Centre has a registered trading name of International Network of Churches which is now in common use for the organisation.

The address of the registered office of Christian Outreach Centre is:

3374 Pacific Highway,  
Springwood QLD 4127

The National Executive is of the view that the Group is a going concern. The Group has a reported working capital deficit of \$16.97 million as at 31 December 2017. External banking facility agreements are in place with Westpac Banking Corporation (Westpac) to manage the Group's cash movement needs. The Group also manages loan facilities with Westpac with multiple revolving cash advance facilities. As at 31 December 2017, \$10 million of this facility was classified as a current liability as it is on an annual renewal agreement. At the date of signing of the Financial Statements, this facility has been renewed for a further twelve months.

Also included in the working capital deficit is \$2.6 million in Members' investment funds held. It is unlikely that all of the funds would be withdrawn and not replaced in the 2018 financial year. The Group maintains sufficient margin in its multi-option credit agreement with Westpac to cover all Member investments at any given time should the investment funds be called upon.

The working capital deficit also includes accrued long service leave entitlements of \$5.49 million. In the normal course of operations it is unlikely that this would need to be paid out in full in any one year.

Excluding the above items, the Group has a working capital surplus of \$1.12 million.

### Note 2. Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The National Executive has determined that Christian Outreach Centre is not a reporting entity. The financial report is a special purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and the following Australian Accounting Standards:

AASB 10 Consolidated Financial Statements  
AASB 101 Presentation of Financial Statements  
AASB 107 Statement of Cash Flows  
AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors  
AASB 110 Events After the End of the Reporting Period  
AASB 1048 Interpretation of Standards  
AASB 1054 Australian Additional Disclosure

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Christian Outreach Centre and its subsidiaries and special purpose entities (the Group) as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, the Group controls a subsidiary if and only if the Group has:

- i) Power over the subsidiary (i.e. existing rights that give it the current ability to direct the relevant activities of the subsidiary);
- ii) Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- iii) The ability to use its power over the subsidiary to affect its returns.

When the group has less than a majority of the voting or similar rights of a subsidiary, the Group considers all relevant facts and circumstances in assessing whether it has power over a subsidiary including:

- i) The contractual arrangement with the other vote holders of the subsidiary
- ii) Rights arising from other contractual arrangements
- iii) The Group's voting rights and potential voting rights

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### (c) Revenue

All income is recognised on an accruals basis consistent with the provision of the relevant religious and educational services. Fees, grants and other educational related income are recognised on an accruals basis consistent with the position of the relevant educational source. Revenue from the sale of goods is recognised upon delivery of goods to customers. Donations are recognised as revenue when received.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of activity, the type of transaction and the specifics of each arrangement.

All revenue is stated net of the amount of goods and services tax (GST).

### (d) Pastors and Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date.

Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows based on Australian corporate bonds at the reporting date. Contributions are made by the Group to employees' superannuation funds and are charged as expenses when incurred.

The long service leave fund is managed by the office of Christian Outreach Centre for the benefit of participatory administrative and ancillary staff and pastors of Christian Outreach Centres and Global Care. The Colleges manage the long service leave for their staff.

## NOTES TO THE CONDSOLIDATED FINANCIAL STATEMENTS

### e) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

### (f) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. As a not-for-profit entity, value in use of property, plant and equipment and intangible assets at cost includes depreciated replacement cost.

### (g) Income Tax

Christian Outreach Centres is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

### (h) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, and overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

### (i) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provisions for impairment. Refer to note 2(f) for further discussion on the determination of impairment losses.

### (j) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, when applicable, any accumulated depreciation and impairment loss, and is depreciated on a basis and rates designed to write off the cost of the assets over their useful lives, commencing from the time the asset is ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Land and buildings are revalued by independent externally qualified valuations on a selective basis in agreement with the Group's lender, Westpac Banking Corporation.

### Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the Group commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (j) Property, Plant and Equipment - (continued)

CATEGORY	RATE (%)	RATE (%)
Freehold buildings	0.5 -	5.0
Plant and equipment	5.0 -	25.0
Furniture and fittings	7.5 -	25.0
Computer equipment	25.0 -	33.3
Motor vehicle	10.0 -	25.0
Library resources	20.0 -	50.0

### (k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

### (l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

### (m) Critical Accounting Estimates and Judgements

The National Executive evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### (n) Reclassification

Prior period amounts are reclassified in order to conform to the current period's presentation.

### (o) Accounting Standards Issued Not Yet Effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

Management have assessed all standards and amendments to standards that have been issued but are not yet effective for the year ended 31 December 2017 and do not believe any will have a material impact on the group's financial statements and have therefore not early adopted any of these standards.

### Note 3. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
<b>Note 4. Revenue</b>		
Government Grants – Recurring	38,612	35,018
Government Grants – Non-recurring	805	1,017
Tuition revenue	34,657	33,353
Tithes and offering	16,812	16,120
Donations	9,442	8,631
Sales	5,426	7,042
Fund raising	2,971	2,437
Rental of premises	1,931	1,443
Departmental income	425	710
Events	316	484
Conferences	224	141
Management fees	48	61
<b>Revenue</b>	<b>111,669</b>	<b>106,458</b>
<b>Note 5. Other Income</b>		
Other income	1,651	852
Interest	166	44
<b>Other Income</b>	<b>1,817</b>	<b>896</b>
<b>Note 6. Expenses</b>		
<i>(a) Salaries and related expenses</i>		
Operating salaries and related expenses	61,795	56,085
Defined contribution superannuation expense	5,229	5,375
Long service leave expense	1,045	1,015
	68,069	62,475
<i>(b) Net loss on investments</i>		
Loss on sale of assets	111	144
	111	144
<b>Note 7. Interest Expense</b>		
Interest expense – Westpac Banking Corporation	735	656
Interest expense - Members & Related Parties	770	699
Interest expense – Other	76	140
<b>Interest Expense</b>	<b>1,581</b>	<b>1,495</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
<b>Note 8. Current Assets – Cash and Cash Equivalents</b>		
Cash at bank – INC Invest	483	3,914
Cash at bank – others	5,860	6,369
Term deposits	151	130
Cash on hand	43	78
	6,537	10,491
<b>Note 9. Current Assets – Trade and Other Receivables</b>		
Trade receivables	3,675	3,947
Less: Provision for impairment of trade receivables	(899)	(966)
Other receivables	2,894	706
	5,670	3,687
<b>Note 10 – Non-Current Assets – Property, Plant and Equipment</b>		
Land and buildings	204,201	201,157
Less: Accumulated depreciation	(26,183)	(23,421)
	178,018	177,736
Plant and equipment – at cost	18,874	17,908
Less: Accumulated depreciation	(12,654)	(13,374)
	6,220	4,534
Furniture and fittings – at cost	10,596	11,894
Less: Accumulated depreciation	(7,346)	(7,240)
	3,250	4,654
Computer Equipment – at cost	6,427	5,982
Less: Accumulated depreciation	(3,928)	(3,528)
	2,499	2,454
Motor Vehicle – at cost	10,163	9,369
Less: Accumulated depreciation	(5,407)	(4,774)
	4,756	4,595
Library – at cost	290	369
<b>Total property, plant and equipment</b>	<b>195,033</b>	<b>194,342</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2017 \$'000	2016 \$'000
<b>Note 11. Current Liabilities – Borrowings</b>		
Funds from members & related parties	2,600	14,520
Lease liabilities	1,027	1,200
Bank loans and overdrafts	10,434	3,249
Other borrowings	68	59
	<b>14,129</b>	<b>19,028</b>

As at 31 December 2017, the Group has a \$50 million non-current facility with Westpac to cover all member investments at any given time should the funds from members and related parties be called upon (refer to Note 1).

<b>Note 12. Current Liabilities – Trade and other payables</b>		
Trade payables	6,290	7,282
Accrued expenses	3,113	2,709
	<b>9,403</b>	<b>9,991</b>

<b>Note 13. Current Liabilities – Provisions</b>		
Employee benefits – long service leave	5,489	4,593
Employee benefits – annual leave	1,233	1,309
	<b>6,722</b>	<b>5,902</b>

<b>Note 14. Non-Current Liabilities – Borrowings</b>		
Bank loans	20,900	20,000
Lease liabilities	1,542	2,081
Other borrowings	498	1,106
	<b>22,940</b>	<b>23,187</b>

<b>Note 15. Non-Current Liabilities – Provisions</b>		
Employee benefits – long service leave	1,166	1,219
	<b>1,166</b>	<b>1,219</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Analysis of amounts recognised in other comprehensive income	Reserves \$'000	Retained Earnings \$'000	Total \$'000
<b>Year to 31 December 2017</b>			
Asset revaluation	(854)	-	(854)
Movement in reserves	(387)	387	-
Adjustments to prior years	(333)	151	(182)
	<b>(1,574)</b>	<b>538</b>	<b>(1,036)</b>
<b>Year to 31 December 2016</b>			
Asset revaluation	(1,335)	-	(1,335)
Movement in reserves	259	(259)	-
Adjustment to prior years	1,139	1,207	2,346
	<b>63</b>	<b>948</b>	<b>1,011</b>

**Note 17. Contingent Liabilities**

The educational institutions in the group providing P-12 education receive grants from both the Australian and Queensland Governments. Under the arrangements entered into between Christian Outreach Centre and the Australian and Queensland Governments there are conditions which if breached in a 20-year period can result in having to repay any grant monies. The National Executive are of the opinion that the educational institutions will continue in their current capacities and therefore the liability is unlikely to eventuate.

**Note 18. Events Occurring After the Reporting Period**

Since 31 December 2017 there has not been any other matter or circumstance not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Group.

	2017 \$'000	2016 \$'000
<b>Note 19. Auditor Remuneration</b>		
Audit and review of Group Financial Statements (including Component Auditors)	<b>245</b>	<b>261</b>



**Financial Statements For  
the Year Ended 31 December 2017**

**DECLARATION BY THE NATIONAL EXECUTIVE**

The National Executive have determined that Christian Outreach Centre trading as International Network of Churches is not a reporting entity and that these special purpose consolidated financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The National Executive of Christian Outreach Centre trading as International Network of Churches declare that in the National Executive's opinion:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, and accompanying notes, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and:
  - a. comply with Accounting Standards as described in Note 1 to the financial statements; and
  - b. give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. There are reasonable grounds to believe that the Group will be able to pay all of its debts, as and when they become due and payable.

This statement is made in accordance with the resolution of the National Executive and is signed for and on behalf of the National Executive by:

Chairman:



Secretary:



Dated: 24<sup>th</sup> October 2018

**INDEPENDENT AUDITOR'S REPORT**

To the members of Christian Outreach Centre trading as International Network of Churches

**Report on the Audit of the Financial Report**

**Qualified opinion**

We have audited the financial report of Christian Outreach Centre trading as International Network of Churches (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in funds and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Christian Outreach Centre trading as International Network of Churches, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for qualified opinion**

Donations, Tithes and Offerings Revenue are a significant source of fundraising revenue for Christian Outreach Centre trading as International Network of Churches. Christian Outreach Centre trading as International Network of Churches has determined that it is impracticable to establish control over the collection of Donations, Tithes and Offerings Revenue for all Centres prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to Donations, Tithes and Offerings Revenue had to be restricted to the amounts recorded in the financial records amounting to \$26.3 million (2016: \$24.8 million).

We therefore are unable to express an opinion whether Donations, Tithes and Offerings Revenue for Christian Outreach Centre trading as International Network of Churches as recorded, is complete.

**Emphasis of matter - Basis of accounting**

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Group's financial reporting responsibilities under the *ACNC Act*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

### BDO Audit Pty Ltd



**A J Whyte**  
Director

Brisbane, 24 October 2018

# GROWING RELATIONSHIPS WITH RESULTS

The start of 2018 was significant for INC with the INC 2.0 Roadshow in February. Oceania Chairman, Ross Abraham, National Executive members and INC Team members travelled to various parts of Australia to present the next phase for INC, and run through workshops and discussion on various topics relevant to the Movement including Safe Church, the Constitution, the INC Collective and more. The response and lean in across the board was fantastic for the next phase and restructuring of INC.

*"Dormant potential can be unlocked if you get around the right people."*

Ps Ross Abraham

The National Executive have prayerfully discussed and consulted with professionals over the last few years to wrestle with how to grow INC and set up the local Senior Pastor or Location Pastor to win. INC began as Christian Outreach Centre in 1974 in Brisbane.

By the late 80s, INC had peaked with over 220 churches all over Australia. We were characterised by the same songs, dances, carpet, seats, and building designs. We were also characterised by a passion for salvations, making disciples, church planting and sending pastors and leaders. These were the days of snail mail, expensive long distance calls, and fuel guzzling cars. Distance was the enemy. Therefore, INC's connectional system was designed on geographical groupings. Being close to each other was important. Today, the world has Skype, podcasts, YouTube, webinars, social media, email, instant messaging, mobiles and cheap flights. Distance is no longer the enemy. We are connected to each other in new ways. The challenge is how this is helping us to continually improve the health of our churches.

Relationship with each other has always been a core value and one of our denominational advantages. This passion is still in our DNA, and the renewal of our operating system did not mean we wanted to change our core DNA.



The next phase for INC involved introducing a new layer of relationships, called Networks and Network Leaders (replacing the State Chairman model). The new networks structure is a major progression for us as a Movement. The National Executive unanimously agreed this was the way forward for INC. We are looking to provide the best opportunities for pastors to thrive. If they are healthy, their marriages will be healthy, their families will be healthy, their teams will be healthy and their church will be healthy.





# UNPACKING THE NEW NETWORK STRUCTURE

5 Networks & 5 Network Leaders



Ps Gary Hourigan



Ps Paul Bartolo



Ps Dave Connett



Ps Tim McDonald



Ps Mark Ramsey

Attendance is only one measure of health and size but it is the easiest and simplest way to understand the general resources and stage of a church. We understand that a church of 140 attendees can still have a wide variety of challenges to another church of 140, but leadership-wise, there are a lot of similarities compared to a church of 40 or 400. Therefore, our goal is to have leaders that have recently broken through the growth phase that their network is currently striving towards.

The Network Leader's inspiration, ideas and experience are directly relevant to their Network's phase and demographic. Network Leaders have been prayerfully engaged based on their recent ability to breakthrough in health and growth in their location. The role of the Network Leader is to come alongside pastors and help take them to the next level.

The network structure is not about pastors copying and conforming to their Network Leaders – following their programs, singing the same songs, etc. It is learning about the culture, the thinking process behind decisions and growing and developing as leaders. It is about growing relationships with results.

Network gatherings were held at our 2018 INC Conference – an opportunity for our pastors to connect with one another, grow together and communicate vision and strategy as we move into the future of INC.



*"We are really excited about the future of INC."*  
Ps John DiCecco, Centerpoint Church.



*"I love the Network system, I don't feel as isolated and dislodged."*  
Ps Elizabeth Gibson, Gloucester Christian Outreach Centre



190+  
Knowledge  
Base Articles



380+  
Knowledge  
Base Content



2600+  
Knowledge  
Base Views



134+  
Posts in  
the Forum



395+  
People Accessing  
the Collective

## inc | collective

On 19 June 2018, we officially launched the INC Collective to all INC pastors, staff, department leaders, and key volunteers. INC Collective is INC's new intranet or portal platform.

The original portal was custom built in-house in 2003 as an administration website. It was ahead of its time in catering for the needs of INC. However, full customisation over 10+ years meant the platform became overbuilt and was difficult to maintain in older, unsupported coding language.

After some years of analysis and investigation, the National Executive invested into a new "out of the box" CRM solution with configuration to build the INC Collective. The technology upgrades are helping us achieve our goal of connection.

The Collective is about the online connection between each local church, college, Global Care, childcare and INC. It's for everyone in INC – Senior Pastors, Location Pastors, committee of management, department leaders, administrators, external accountants/auditors.

The Collective is an online, interactive hub with the following features exclusive to INC pastors and leaders:

- ✓ Forums – giving everyone in INC the ability to connect with one another and find out how they do things.
- ✓ Knowledge Base - access to shared resources, FAQs, media and creative content, best practice manuals and guidelines, templates and information on a range of topics relevant to a variety of ministry roles.
- ✓ Administration – online reporting, people management, car registers, Operations Board applications and more.
- ✓ INC Shop
- ✓ News
- ✓ Polls



*"I love this new INC collective. It's super easy to use, aesthetically pleasing, and a great resource hub. Well worth the hours and investment of resource."*  
Stefanie Salvini, Goodlife Church

### The naming of the Collective is very deliberate.

Dictionary

#### collective noun

[kuh-lek-tiv] noun GRAMMER

1. denoting a number of persons or things considered as one group or whole
2. of, relating to, or being a group of individuals, involving all members of a group as distinct from its individuals
3. marked by similarity among or with the members of a group
4. collectivised or characterised by collectivism
5. shared or assumed by all members of the group collective responsibility



# CHURCH PLANTING

## WINNING SOULS AND INFLUENCING COMMUNITIES

Church planting and health continues to be a significant focus of INC. We believe the most effective way of reaching nations with the Gospel of Jesus Christ is through the multiplication of healthy churches. Our heart is to attract, equip, resource and mobilise, called and committed church leaders, supporting them to build healthy churches that influence their communities.

The past 12 months provided many highlights in church health and planting. At the start of 2018 Elevation Church **Yamba** was planted out of Elevation Church **Tweed Coast**. Arise Church in **Lismore**, Centerpoint Church in **Tullamarine** and Redlynch Clear Ministries in **Cairns**, all recent church plants, have leased their own properties for the first time. Another recent church plant, Daybreak Church in **Gosford**, also leased their own property for the first time and launched a local Global Care operation. Hope Community Church in **Childers** purchased land to build their facility.



Another sign of church health includes the successful transition of leadership in a number of churches. Retiring pastors successfully transitioned leadership in Lakeside Church **Forster**, 360 Church in **Rockhampton** (formerly Life Church), **Bribie Island** COC, Whitsunday Impact Church in **Proserpine**, CityHOPE Church in **Beenleigh** (formerly CityNet Church), Victory Church in **Bridgeman Downs** (formerly Bridgeman Life Church) and Build Church in **Adelaide Hills**. New pastors were also instated for Infinity Church in **Ringwood**.

**We believe we are yet to see all that God has for us and for Australia. There are more disciples to make, leaders to be empowered, churches to be planted and communities to be reached.**



# CHURCH HEALTH NCLS RESULTS

The National Church Life Survey revealed strong indicators of INC's health across the board. INC was amongst the highest (if not the highest) denomination involved in terms of percentages of churches, with 81 of our churches taking part in the survey.

INC's overall health was the strongest denominational result NCLS had encountered. Across the nine Church Vitality qualities, INC scored well above general denominational averages, and even above Pentecostal averages. NCLS are excited at what we are building, and were interested to know more about our strategies, especially in the area of mission.

### The results identified INC's core strengths as:

1. **Worship challenges us to act**
2. **Strong sense of belonging**
3. **Helping others in our community**

INC's development areas were identified as spiritual growth, mobilising members according to the gifts, ownership of vision, and innovation.

The National Executive would like to thank all those who participated in NCLS. It not only provided valuable feedback to each local church but contributed greatly in giving the National Executive insight into the health of INC, as well as the state of the wider church in Australia.

*\*Based on the 2016 NCLS results.*

### Who Took Part?

These results are based on 2,659 adult attenders aged 15 years and over 24 children\* aged 8 to 14 who completed the 2016 National Church Life Survey in our denomination.

*\*NB: If fewer than 10 child surveys returned, no results displayed.*

	<b>Our Gifts and Skills</b> Hospitality .....44% Interpersonal .....39% Leadership/Management.....36% Communication.....35%
	<b>How We Relate to God</b> Growth in faith over last year .....66% Private devotions at least weekly.....86% God is most important reality .....77% Worship challenges me to act.....81%
	<b>How We Relate to Community</b> Volunteer in community activity.....54% Helped others in 3 or more ways.....72% At ease sharing faith with others .....85% Serve in welfare or justice activity .....46%
	<b>Our People</b> Average age ..... 46 Female 58 ..... Male 42 Tertiary education ..... 25 Non-English speaking background ..... 11
	<b>What We Value and Prioritise</b> Sermons, preaching or teaching.....44% Contemporary style worship or music.34% Spiritual growth (e.g. direction).....45% Encouraging people's gifts.....31%
	<b>How We Relate to Each Other</b> Strong sense of belonging .....92% Easy to make friends.....88% Involved in small groups .....55% Satisfied with children's activities .....78%
	<b>Our Vision and Leadership</b> Aware and committed to vision .....56% Ready to try something new.....85% Leaders help us use our gifts/skills ....75%



# CELEBRATING 10 YEARS OF SAFE CHURCH

In May 2018, INC celebrated 10 years of embracing Safe Church training for our churches and commitment to child protection and these matters. Ansva, our insurers, have always taken the fact that we seriously embrace Safe Church as a key factor in underwriting our premiums.

The National Executive recognises the need for the implementation of good practice in relation to making our churches safe environments for all people.



A safe environment is God-honouring, free from abuse and discrimination, person valuing and respecting, and also as free as possible from hazards. When we are talking about Safe Church – it also includes OHS and your traditional slip and trip falls so the challenge is to not only focus on child protection and youth risk management but to also cover trip hazards of leads, people climbing up ladders to install lighting without three touch points, making sure food is prepared appropriately etc.

INC is committed to providing safe physical, spiritual and emotional environments for children and adults alike. We recognise that Safe Church is a journey, and we are committed to the outworking of Safe Church policies and procedures at all our locations.

In the last year, the National Executive approved updated manuals and implementation books for our most comprehensive roll out of Safe Church guidelines and easy to implement procedures to date. Safe Church resources have been added to the Collective for ease of access by all INC pastors and leaders. We have also introduced online training for even better access to Safe Church induction and awareness for all staff and volunteers.

Safe Church training helps leaders and volunteers to be compliant with current legislation regarding child protection, risk management and occupational health and safety. Online Safe Church training, when combined with local training and induction processes, equips team members to act with Safe Church awareness in mind. While Safe Church workshops are still available, online training is accessible to teams right now. This means new team members can be trained before they start their role.

To ensure we are continually up to date with changes in State and National legislation, the National Executive has chosen to make INC a member of the cross-denominational Safe Church Training Agreement. These Safe Church procedures have been adapted with the assistance of the SCTA.

**INC would like to thank its pastors and leaders for their hard work, dedication and commitment to having safe ministries.**



# GLOBAL CARE



GLOBAL CARE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2017		2017 \$'000	
Revenue			Of Total Revenue
Trading Income		2,545	60%
Donations		1,035	24%
Grants (Government & Other)		270	6%
Fundraising		244	6%
Other income		133	3%
Interest		19	-
Total Revenue		4,246	100%

Expenditure			Of Total Expenses
Program Expenses			
Trade purchases		1,137	27%
Operational expenses		549	13%
Donations and giving		332	8%
		2,018	48%
Salaries and related expenses		874	21%
Facilities management and maintenance		617	15%
Operational expenses		289	7%
Interest expense		175	4%
Depreciation and amortisation expenses		118	3%
Utilities and outgoings		93	2%
Total Expenditure		4,184	100%
Net surplus for the year		62	

Assets			
Cash & Cash Equivalents		1,157	
Other Current Assets		183	
Fixed Assets		3,701	
Other Non Current Assets		109	
Total Assets		5,150	
Liabilities			
Cash & Cash Equivalents		1,157	
Trade & Other Receivables		154	
Prepayments		16	
Inventories		13	
Fixed Assets		3,701	
Other Non Current Assets		109	
Total Liabilities		3,552	

The above Global Care information is an extract of consolidated information and does not form part of the audited financial statements.





Global Care Australia (ABN: 94 477 463 652) is structurally designed to reinforce the local outworking of charitable works through every INC location in Australia and internationally. As a PBI (public benevolent institution), Global Care Australia is a charitable trust established for the purpose of:

1. Providing a Christ-centred ministry for the relief of poverty, suffering, distress, misfortune and helplessness of people whosoever found in Australia or elsewhere regardless of age, sex, race, ethnic background, religion, political beliefs of marital status.
2. Assisting by any means available persons who are homeless, unemployed, sole parents or otherwise disadvantaged including (but without limiting the generality of the foregoing) the provision of all or any of the following:
  - i. Food parcels, clothing, furniture or other articles;
  - ii. Emergency cash relief and other monetary assistance;
  - iii. Social welfare services;
  - iv. Job skills training;
  - v. Suitable enterprises to provide useful employment;
  - vi. Job-search assistance and job counselling support;
  - vii. Accommodation for homeless persons and persons at risk;
  - viii. Rehabilitation facilities;
  - ix. Training facilities.

This purpose statement, written when Global Care established in early 1996, still is the driving force of Local Global Care Operations ("LGCO") over 20 years later and is meeting the needs of relief in our local communities.

The strength of Global Care Australia is the ability of the LGCO to adapt to the needs of that local community and the passion and commitment of local churches to bring relief and assistance in this way.



Income streams are diverse through trading operations to bring low cost food, clothing and furniture to government grants for the provisions of services of no interest loans. This has developed a low reliance on only donations to support the charitable works at 24%. Program expenses (including trade purchases against trade income) equate for 48% of total expenditure with a further estimated direct wages for program delivery of \$700k (17%). A total of 65% direct program expenditure.

Donations from multiple years have also been invested as disaster relief funds ready for times of crisis in our nation following major disasters as a second tier response, reflected along with other cash reserves in the significant cash holdings of Global Care across Australia.



Global Care continues to expand throughout Australia and internationally. Each local operation is connected to an INC church and responds to the specific needs of people within their communities. While the activities vary across Australia, the focus of every Global Care is mates helping mates – whether through domestic or international disaster relief, low cost grocery stores, safe housing, property restoration projects, micro-enterprise funding, advocacy, National Others Week or numerous other initiatives.

Global Care helps communities rebuild and reconnect through practical help at the ground level. On any given week over 2500 volunteers across Australia are involved in assisting people in need in any one of the 85 locations where Global Care is active.

Global Care has continued to expand its international reach through the launch of operations in Colombia and PNG.

The Global Care National Office moved to Beenleigh in 2017 to the CityHOPE Church site where there is 11 acres of land and sheds that Global Care has been able to use for its fleet of BBQ Trailers and Disaster Response Units. Global Care now shares office space with the local church.

Global Care's fleet of disaster ready vehicles has increased significantly through 2017 – with two new Grill n Graze BBQ Trailers, one reborn Grill n Graze Trailer that is now located in Melbourne and one new Disaster Response Unit.

Global Care had a major response to the aftermath of Cyclone Debbie in 2017. 500 volunteers were involved in several major sites up the East Coast of Queensland.

Global Care's work is increasingly being recognised by Government bodies and other agencies and they are being invited to make contributions toward the strategic planning of future natural disaster responses.

Global Care has now been involved in over 1100 microenterprise loans with 98% of these loans going to women in need.



The Global Care National Office has begun offering \$1000 grants to local Global Care operations to assist them expand their work into their communities.

The 2017 National Others Week was a significant success in terms of activating kindness in communities and connecting those communities with local INC Churches.

The five-year strategic plan for Global Care will see the momentum continue to build. There are many needs in our nation and beyond. Global Care, as the social justice expression of the INC Movement, is well positioned to meet those needs.



# INTERNATIONAL MISSIONS

Reaching people with the Gospel of Jesus Christ has been part of INC's DNA since its inception in 1974. Many of our INC churches in Australia connect in various ways to INC churches in South America and Asia. However, INC South Pacific has been our main focus and responsibility due to established relationships and proximity.

At the end of 2017, there was an estimated 450 churches in Fiji, Papua New Guinea, Solomon Islands, Tonga and Vanuatu with each country adding to the number of churches during the year. Linking with our South Pacific neighbours in different ways has been a strong focus since the Movement began to reach out to the region with the Gospel and the planting of churches back in 1989. Consolidating these links and establishing new connections continue to take place. These connections are demonstrated in different ways and all help to strengthen the bond of belonging to an International Network of Churches.

During 2017, fruitful connections were evident in the following examples: a country pastor and church family developing a relationship with a pastor and his church in Vanuatu; a number of tradies and handy people from churches in Australia contributing their time and energy to begin the work of renovating the 28 year old Bible College buildings at Balasuna in the Solomon Islands; a devoted band of pastors and leaders giving their time voluntarily to lecture students being trained for ministry; participating in conferences; a widow travelling to Papua New Guinea to continue training young people in the Highlands of PNG; members of our INC churches working together with Global Care teams to bring some aid to those affected by the volcanic eruption on Ambae in Vanuatu and repairing damaged buildings on Tanna from the cyclone during the previous year.

Conferences held at National and Regional level in the South Pacific nations also help to strengthen the bonds within the INC movement. During 2017, Pastor Ross Abraham, Oceania Chairman, ministered at conferences in Fiji and Papua New Guinea and other leadership from Australia and New Zealand attended conferences in Fiji, Papua New Guinea, Tonga, Solomon Islands and Vanuatu.

The Solomon Islands School of Ministries also known as the Balasuna Bible College had a good year with 21 students graduating and the promise of more to come in the following year. A compassion to reach out to their communities and social needs has become more evident. Educational needs are being met by the successful growing schools which already exist in Fiji and the Solomon Islands and now one of the churches in Port Moresby is building a school.



At the 2017 AGM in Papua New Guinea, the Human Development Foundation was launched which will enable them to access government funding to meet social needs in their local communities.

For the past 6 years INC South Pacific have used regular mail outs of newsletters to circulate what is taking place in the relationships between Australia, New Zealand and the South Pacific nations. In 2017, the blog site [incsouthpacificstories.com](http://incsouthpacificstories.com) was launched in order to visually narrate some of the events and connections that take place in this region.





# EDUCATION

## LEARNING WITH EQUIPPING

Learning with equipping continues to be a core value of INC and is outworked regularly through our P-12 colleges and higher education locations.

Continued expansion and success have been seen in our prep to grade 12 colleges. Citipointe Christian College celebrated their 40th birthday. They also raised over \$60,000 which will help grow their Equity Scholarship Fund. Christian Outreach College Toowoomba celebrated their 35th birthday and expanded their facilities with new tennis courts at the start of 2018. Suncoast Christian College partnered with Care Outreach to lend a helping hand to farmers out west, using the trip to launch their new all-purpose trailer. Victory College have experienced strong enrolment growth. They have also launched a SchoolStream app to manage communications between the school and parents and continue to focus on projects and initiatives that reach their local community.

Higher education provider, Christian Heritage College continues to rank strongly against many of its large university competitors in national student ratings compiled and released by the Commonwealth Department of Education and Training. CHC performed well above the national average in terms of students' perceptions of teaching quality, student support and graduate employment. CHC topped Queensland in "Overall Experience" with current students rating CHC at 91.1%.

In January 2018, the Council of Christian Heritage College (CHC), together with INC National Executive were pleased at the successful transition of leadership from Professor Iselin to Dr Jeannie Trudel as Christian Heritage College's President.

Dr Trudel brings to the role a strong background in Christian Higher Education from her international experience and her appointments in a range of Council of Christian Colleges and Universities (CCCU) institutions in America. INC would like to thank Professor Iselin for his service, commitment and leadership of CHC.



Dr Jeannie Trudel - President  
Christian Heritage College



Number of Students in INC's P-12 Schools  
(Source: 2018 Census data, Australian Government)







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