

Baplink – Origins and Backgrounds

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This is a short history of the origins and backgrounds to Baplink, the 'banking' arm of the Baptist Union of Queensland. Sources were mainly the records of Baplink and of the Baptist Union of Queensland as found in the Baptist Church Archives, Qld. In particular, thanks is expressed to Mr Lloyd Woodrow, who was the chief architect of the scheme, who has helped with insights and information about its origins and operation.

Introduction

Baplink is the banking arm of the Baptist denomination in Queensland. It describes itself on its web site as-'a ministry of Queensland Baptists (QB)' which 'provides financial services to QB Churches, Baptist Pastors and ministries affiliated with QB.' It offers loans to churches, pastors and affiliated ministries for churches, schools and childcare centres involving new buildings, extensions and renovations as well as transactional accounts with online access. Individuals are able to lodge fixed-term deposits (including 'Kingdom Offset accounts' which benefit designated ministries). Grants are also made regularly from profits to ministries within Baptist churches.

A note on the website advises that Baplink is not 'supervised by Australian Prudential Regulation Authority' and that its investors 'will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959.' Instead, it is made clear that 'Investments in the Fund are intended to be a means for investors to support the charitable purposes of the Fund.'

Baplink has operated successfully since 1994. At its 10-year anniversary, a lavish brochure was issued indicating total assets of over \$47 million and an income of over \$2.8 million. After 20 years lending stood at \$56.36m while funds invested were \$110.64m. In 2019, after 25 years of operation, it reported total loan approvals of \$108.389 million, and activities in 135 churches. Services also gradually increased although there was a significant step forward in 2015 with the introduction of advanced on-line facilities and accounting services for churches.

Originally it was described as the 'Baptist Church Investment Service' (BCIS) or later, the 'Baptist Churches Development Fund', but the name Baplink, which was suggested by Baptist Union leader, Rev Dr Geoff Cramb, was in use from the outset.

Original ideas

The idea of a Baptist investment fund was first raised at a meeting of the Baptist Union Executive Council on 30 November 1992 by Trevor Owens, Director of Community Service for the Baptist Union, who pointed to the successful operation of such a scheme in the Uniting Church. Ideas for the scheme were developed, drawing extensively on the Uniting Church model and benefiting from the generous advice and assistance of that organisation. It was also known that the Anglican Church had a similar operation. There were not many other alternatives to consider, although the Baptist Union of NSW had operated a financial and investment scheme since 1984.

The proposed plan was presented to the Baptist Union Assembly held in September 1993 for initial discussion, and was officially adopted by the Half Yearly Assembly held in March 1994. It was proposed that the BUQ commence an 'investment service' and that as far as possible all funds held by BUQ and its organisations be invested in it, and that all churches, ministers, organisations, members and adherents be encouraged to invest their funds with it. All existing investment and lending facilities currently operated by BUQ would be amalgamated and become part of the new operation.

The mission statement indicated that the service was intended 'to provide an efficient and comprehensive range of financial services that will maximise the use of the total financial resources of the Baptist Churches of Queensland and their congregations' in a way that was 'profitable both to those investing' and assisted by the organisation, 'for the benefit of all those churches and fellowship, their members and ministers and the Denomination.' Overall, the idea was that by 'pooling the resources of the Churches and the Denomination' the new Investment Service would ensure that 'they work more effectively for the glory of God.'

A comprehensive set of operational guidelines was also presented for discussion. It would operate in accordance with Christian ethics and be a reflection of the principles of the Christian faith. Furthermore it would be in accord with the mission statement and objectives of the Baptist Union. Operational surpluses could be used in the form of specific grants to support particular

ministry projects, but these funds would not be used to supplement the normal Baptist Union budget (although that provision changed and now it contributes a substantial amount, around \$750,000 to the budget.)

Organisationally, it would be a subsidiary of the long-standing Finance and Property Committee with a 5-person steering committee to control it. The Uniting Church Investment Service (UCIS) graciously offered to provide consultants to advise the new organisation, although one important difference from the UCIS was that Baplink would restrict its operations to the Baptist constituency rather than offer them to beyond the denomination. Finding suitable computing services was an important factor in planning, and a decision was taken to employ the services of an external computer bureau for this operation.

A range of different facilities was envisaged, especially as the service developed but for the time being, initial offerings were basic and kept to a manageable level. For individuals, there would be a general deposit fund with at-call or fixed-term deposits, a mutual support scheme with lower or nil interest to assist particular designated projects, and a 'Treasury Fund' for large deposits earning at current money market rates. For churches and BUQ organisations there would be short to medium term, at-call and fixed-term accounts. On the lending side, loans would be available to churches, BUQ departments and as personal loans to ministers, BUQ employees.

Launching and growth

With Assembly approval in place, Baplink, was ready for launching. This took place on 1 July 1994, as announced in a short feature article in the June issue of the *QB* magazine. The 'mission statement' was presented and also a competition for the design of a logo, with the prize being a \$100 voucher for use with Your Christian Bookstore. It was won by Moore Park Baptist Church. The initial deposit base was made up of funds from Queensland Baptist Care (now Carinity), the Baptist Union of Queensland, and a predecessor scheme, Baptist Inter Church Aid. It was estimated that it might grow to a \$30 million deposit base within 10 years. However, additional sources of funds soon pushed that estimate much higher.

The September issue of the *QB* magazine reported that it had already approved over \$1.2 million in loans to churches and pastors. It re-stated the 'aim of Baplink' (which 'operated very much like a bank inside the Baptist family of churches') was to 'provide loans to churches and pastors with concessional rates while also offering competitive interest rates for depositors.' There were no account keeping fees or establishment charges. Deposits could be made with any branch of the Baptist Union's bank, ANZ. Interest rates were quoted in advertisements as varying between 2.5% and 4.5% for Access Accounts depending on the balance, with Term Deposits varying between 4.25% and 6.5%. Rates for large deposits would be available on application. Withdrawals could be made by telephone on 24 hours notice and paid directly into the client's bank account. There were regular advertisements in The *QB* magazine updating current rates.

By the end of 1994, it was reported that the 'first million dollars in private and church investments' had been reached. Lloyd Woodrow, Executive Secretary of the Baptist Union, who was the main driver of the scheme, said that 'the growth of the fund had exceeded expectations.' The fund had received \$1.2 million from private and church investors, and more than \$7.5 million when 'institutional components' had been added. He also reported that loans had been granted to 21 pastors and 8 churches, totalling \$2.1 million. In a further development, the cooperative Baptist Inter-Church Aid fund, which had been operating since 1985 would be administered by Baplink from December 1994. It had approved interest-free loans to the value of \$4.8 million since its establishment.

But already by the end of 1994, an advertisement appeared calling for a full-time manager for the organisation. The position would present 'a unique opportunity for the right person to be involved in the establishment and development of an exciting new ministry among Baptists in Queensland.' It required 'experience in finance and banking, computer systems and general office administration, as well as a flair for marketing. People skills will also be an important aspect of the position.' The successful appointee, announced in March 1995, was Mr Steve Wanmer, a man with a 'wealth of experience' gained in his earlier career, especially with 6 years of work with the Uniting Church Investment Services, first as Financial Service Manager and then as Marketing Manager. The Wanmer family worshipped at Burpengary Baptist Community Church.

With continued strong growth, it was not long before more staff were required. In mid-1995, the position of 'Insurance and Loans Officer' was being advertised. This was a position which involved 'handling the insurance requirements for the Baptist churches of Queensland under the National Baptist Insurance Fund' and required 'general insurance experience in both underwriting and claims.' The appointee, who would assist the Manager with loan enquiries and general duties, was Rev Ken Conwell. He had been a pastor for 7 years and would go on in a long administrative career to become manager of Baplink (in 1999), Director of Administrative Services for the Baptist Union of Queensland and perform the important roll of Professional Standard Officer for the Baptist Union. More office staff were employed over time as the organisation grew with Bill Hogan as Administrator under the Baptist Union Department of Administrative Services, and then Robert Chapman as Manager (ca 2014). Overall supervision is now provided by the Baplink Charter Group.

Baplink derived from the simple idea of pooling personal, church and denominational funds within the Baptist community for greater leverage and providing accessible financial services within the movement. Part of the original scheme was that all denominational funds would operate through Baplink and the idea was well supported by churches and individuals so that it soon proved to be a success.

The Baptist Investment Fellowship in NSW had also grown over the years and expanded to become a national scheme, Baptist Financial Services, supported by the all the states except Queensland where Baplink remained as a state-based operation.

But Baplink itself was not without precedent in Queensland, although it was intended from the beginning to be more comprehensive than its predecessor.

BICA

The earlier variant of Baplink was known as Baptist Inter Church Aid (BICA). Based on a similar scheme operating within the Churches of Christ, it was a cooperative scheme involving participating churches, run by a small volunteer committee (with support from the Baptist Union office), which pooled resources of those churches and offered the funds as interest-free loans for participant churches which were involved in a building project. The funds were held within the Baptist Union accounts and loans were approved by the Finance Advisory Board under the normal procedures. However, BICA rules restricted the borrowing to churches that had signed up to become part of the scheme and where a large proportion of the amount of the loan had already been provided by interest-free investments by people from the church which would receive the loan. BICA was managed by a committee of which Peter Harrison was the chairman for the duration of its operation. He was supported by Lloyd Woodrow (who later became Executive Secretary of the Baptist Union of Queensland and leading proponent of Baplink).

In its initial report to the 1988 Assembly, BICA announced that 19 churches had joined the scheme, and 9 had benefitted from loans totalling \$447,600 – all interest-free. The chairman emphasised in his report that they had ‘vision and foresight’ and were ‘following [the] Biblical example’ by participating in this ‘cooperative’ arrangement. Even so, such success was not enough – the chairman said that it would ‘only be TOTALLY successful and beneficial when all Baptist Churches, Baptist Union Camping Ministry and the Department of Community Services are involved.’ In strong words, which were typical of many later reports as well, he stated, ‘The only reason NOT to become involved is because your church has been slow in its planning and your Building/Expansion plans necessitate your needing a loan NOW.’ He continued,

Why do Church Diaconates never learn! So many I have talked to over the last two years who couldn't see the need for interest free money in the short term, but have come to us in the last few months wanting to join and obtain an Interest Free Loan immediately, because their circumstances have changed. EVERY CHURCH NEEDS TO BE BUDGETING FOR FUTURE RENOVATIONS AND EXPANSION.

The report declared, ‘B.I.C.A. CAN SAVE YOUR CHURCH, ON AN AVERAGE LOAN OF \$150,000,- \$300 PER WEEK IN INTEREST, (based on an 8 year term @ 17%) WHY DONATE THAT MONEY TO THE DEVIL???’ Support had also come from individual Baptists who had lent BICA \$370,000. The chairman said that people were ‘happily loaning us their funds because they are guaranteed that the money is being used for the Extension of God's Kingdom.’

One of the first churches to benefit from the scheme was Bracken Ridge whose first building was opened on 14 Feb 1988. BICA chair Peter Harrison said that the church's plans ‘were frustrated by the enormous cost of borrowing. They saw their original approved bank loan climb from 12% to 18% interest, and this was enough to prevent the project from commencing. However with the help of BICA, which at the time had only 5 churches involved, \$166,000 had been raised interest-free to enable the project to be completed. Many other churches also benefitted including Burpengary, Maleny, Bundaberg West, Kruger Parade and Banyo.

This was an attractive scheme because it evoked the basic biblical spirit of fellowship or community—sharing funds for good causes. But it was especially important at the time because commercial rates for home loans had sky-rocketed in recent years. From historical levels around 5%, they had jumped in the 1970s to around 10% and then in the 1980s had grown to record levels, reaching the 17% figure quoted in the BICA report around 1990. They were to drop back again during the 1990s to the 5%-10% range.

After 5 years, the chairman of the scheme was proud to announce that it had raised \$1 million from individuals and churches to be lent out interest-free for Baptist church buildings. He also announced that \$1 million of interest had been saved, and concluded that ‘Although it had been what he described as a “hard slog” to achieve BICA's first million dollars’ he expected the scheme would continue to expand.

By 1994 when Baplink was established, BICA reported 80 churches (about 60% of the total) were in partnership and \$4.217 million had been distributed in interest-free loans, with \$400,000 awaiting approval or distribution. There had been 9 loans during the previous year. Overall, 43 churches had received loans in the 9 years since the commencement of the scheme, and by now the vast majority of loan activity was taking place through BICA rather than through previously existing alternative arrangements within the Baptist Union.

As a voluntary organisation within the Baptist Union (a sodality, as was the recently established Mission to Queensland), BICA had been an outstanding success. But the scheme had developed about as far as it could—the level of deposits had plateaued at around the million-dollar mark and its organisational structure limited its further growth. It was also more difficult for local churches as non-incorporated bodies to enter into loan arrangements. It was announced that BICA would be amalgamated with Baplink within about a year, but the concept of interest-free loans pioneered by BICA would continue with a provision in Baplink for investors to forego interest on their deposits for interest-free or low-interest loans. Peter Harrison concluded as chair of BICA and the administration of the operation would be the responsibility of Baplink.

BICA, and its successor, Baplink, were just the latest in a long series of efforts by Baptists in Queensland to provide funds for church buildings.

Funding Baptist Buildings over time

Provision of buildings in which churches could meet and carry out their evangelistic and other work had always been an important matter for Baptists since the inception of Baptist activity in the state in 1855. Larger churches such as Wharf Street and Jireh could often call on wealthy, capable and well-placed members to assist with finance and property and so were able to erect large and impressive buildings which were a credit to the denomination. Some of the leading Baptists such as William Richer of Toowong were in the building industry and gave generously of their time, skills and substance. Creative methods were sometimes required such as at Townsville where an old munitions store was purchased and then, by working bee, demolished and the individual stones transported to the city site for erection into a church.

In regional and rural areas, buildings were usually much more modest and could often be managed by voluntary labour, especially in country districts where farmers were already adept at construction work. Sometimes, a modest building could be erected in a single day, or at least, in a short time. On-going maintenance and small expansion projects would be carried out by working bees with participants typically not only donating their time but also materials.

However, as buildings improved in quality and fittings and increased in size to cope with larger congregations and more diverse ministries (usually requiring at least a worship centre, kitchen facilities and a hall for Sunday School, youth and social activities), the burden of financing grew. It was a matter of securing donations and loans locally, and then constant fund-raising to meet the needs. Ladies groups in particular became a mainstay for fund-raising and church fetes, weekly building fund offerings, special drives, pledge schemes and other similar efforts became the norm. Initial finance would be obtained from generous local supporters or more usually a local bank. There are harrowing stories from many churches across the state of feverish efforts to meet deadlines of loan repayments, often with decisions to cut other expenses, including pastor's stipends (only sometimes voluntarily undertaken by the pastor).

Then there were the non-local church projects such as youth camp sites. These were at first extremely basic with few luxuries (this was part of the plan, as well as being a practical reality). Once again, donations from churches, ladies and youth groups and families were a mainstay, but voluntary labour and donations of material at working bees were the solution. Later they needed to be of a much higher standard and so the whole operation became professionalised.

The Baptist Union, established in 1877, did not own any property itself at first, using churches for meetings (especially the City Tabernacle church), and renting office space from the mid-1930s. The gift of a house at Hill End Brisbane for the use of the theological college in 1939 was probably the first major acquisition after the donation of a youth camp property at Currumbin in 1931. Aged care only developed after World War II and was at first limited to just one facility.

However, the Baptist Union of Queensland (or Association as it was then known) was aware of the need for funding for church buildings. From around 1908 its Objects included 'The establishment of a ... Loan Building Fund ... and the devising, assisting, and carrying out of such other schemes as may benefit the Denomination' (1908-09 Yearbook). Some loans were arranged for individual churches on an ad hoc basis, but by 1913 three people had been appointed trustees for a 'Loan Building Fund' which would oversee a scheme for 'providing funds for the erection of new church buildings and extension of present structures.' (YB 1913-14) In 1915, funds from a newly instituted a building insurance scheme augmented this fund.

When finalised, the rules of the Fund (YB 1917-18) provided that it would consist of 'deposits, donations and bequests' and its objects were

- (a) To provide moneys for the purpose of assisting by loans in erecting Baptist Church buildings, in making additions to, or renovating and repairing existing Baptist Church buildings.
- (b) (1). Assisting in purchasing improved and unimproved land for church purposes; and (2) assisting by loan in purchasing materials with the object of erecting on such improved or unimproved land suitable buildings for Baptist purposes.
- (c) Taking over existing mortgages on Baptist Church properties.

The minimum deposit would be £1, with an interest of 4% payable on deposits of not less than £5 (soon increased to 5% with 6% payable by borrowers – more attractive than commercial loans). Loans would be granted for a maximum of 10 years, with an application fee of 1%. The loan would not exceed 2/3rds of the valuation of the land and buildings and would be secured by a first mortgage on the property. In the case of new buildings and extensions, cost estimates, specifications and plans would need to be supplied.

The initial launching of the scheme and the securing of deposits was hampered by the war. Newmarket church, opened in 1919, was the first to benefit from the scheme to the extent of £250. However, there were few if any reports of activity in the following years so this was mainly a fund in name only.

But by the late 1930s there was talk of a new scheme. It was launched in 1940 (again during war conditions) with similarities to the earlier scheme. Interestingly, no doubt reflecting the realities of the difficulties churches had in paying off loans, the first stated aim was to 'assist Church and Home Mission in liquidating existing debts' and then 'to enable new churches, Sunday Schools, and other buildings to be erected.' This scheme would be managed by a subcommittee of the Baptist Union Council consisting of the officers of the Union and four elected members.

The fund would have two sections. The first was a 'Circulating Section' for 'the purposes of advancing money free of interest for a given term, not exceeding ten years, to assist in liquidating debts on Church, School and Manse buildings and towards the cost of new buildings. Then there was a 'General Section' for lending to churches and denominational projects at a rate not exceeding 5% or for 'investment in approved securities.' The proceeds of these loans and investments would expand the capital of the fund or for making grants to churches. Legal and other expenses would be carried by the borrowers and, in the case of the interest-free loans, a 1% administration fee would apply. Loans for building projects would need plans, specifications and estimates to be submitted for approval. There were 3 churches which took advantage of interest-free loans in the first year, and the numbers steadily increased from then on.

This scheme proved to be more workable than the earlier one, but there were many changes to it over the years. In 1950, the newly established Finance Advisory Board (FAB) took over administration of the Fund.

The usefulness of the Fund was emphasised in 1957, the first year in which the Baptist Union operated under a centralised budget, when it was reported, 'It should also be noted that it is necessary for the Loan and Building Fund to be built up by regular contributions to efficiently extend our witness in Queensland.' And, foreshadowing of some future developments, it was recommended that 'A temporary way of helping is for Churches with money in building funds to lend this to the Union, to be repaid when time building project commences. In this way new Churches can be assisted.' (Baptist Union of Queensland Annual Reports AR 1957) The next year, 1958, further signs of the need and worth of the fund became apparent when it was advised that 'It is not possible to meet all requests, so assistance has to be sought through the banks.' (AR 1958)

The spiritual value of the fund was stressed by pointing out that 'it is the spearhead of evangelism' through the provision of vital building infrastructure. At the same time, practicality needed to be observed – it was advised that 'Churches should adopt a realistic attitude to loan money—(1) in having a substantial amount in hand before seeking a loan and (2) try to repay as quickly as possible so that £1 becomes £2 from the point of usefulness to our Churches.' (AR 1958)

Legacies and bequests were also important considerations. In the 1960s a large bequest from the S H Smith family was received by the Baptist Union and by terms of the will, a separate Smith Family Fund was created. This amount, nearly as large as the Loan Building Fund itself, was described as 'in effect, a Loan and Building Fund' and it was administered by the FAB in parallel with the existing Baptist Union fund.

Finally in 1975, it was decided to simplify some of the Baptist Union financial arrangements (by the early 1970s there were dozens of small accounts within the system!) and the Loan Building Fund was merged into the main Council Fund. It was explained that 'The Union's banking scheme ... has greatly expanded the capability of the Union to lend money to the Churches and Departments

at rates of interest below commercial rates and has made the existence of a separate Loan and Building Fund unnecessary.' (AR 1975) The churches were now able to work through the Baptist Union banking arrangements to obtain loans, rather than each one having to deal with a bank locally. The result of this pooling would be better borrowing rates and more flexibility, and local church overdrafts could be funded by loans from the Baptist Union. However, it also meant that churches would now be more bound to the Baptist Union on financial matters (see AR 1974 for announcement March 1974 and AR 1975).

This scheme also allowed for the balances held by the churches to offset the Baptist Union overdraft, thus lowering the borrowing rate which the bank charged the Baptist Union overdraft. Rates for churches (about 90 in total) which were part of the scheme were kept at 7% at first but soon rose to 10.5%. This meant considerable savings in interest, and also the elimination of various fees associated with the loans. Another advantage was faster processing which meant loans could be set up quicker, avoiding the impact of quickly rising interest rates. There were also brief reports during this period of a cooperative loan scheme for churches on the Brisbane northside.

This scheme operated for only a few years until it was terminated by the bank in 1979, after which the loans totalling almost \$1.5 million were transferred from the Baptist Union to the churches (with the Baptist Union as guarantor), a situation which remained in place in following years. There were still many loans to churches with the Baptist Union (including some from the Smith Family fund) but strenuous efforts were made to reduce this liability, although it was acknowledged that some of the loans would be difficult to reduce. The situation was not improved by the financial stringencies imposed on the Baptist Union as a result of the Law Society House issue, where a major property arrangement had become a very large financial imposition. An appeal was made for churches and individuals to make loans to the Baptist Union to ease the load.

By the time BICA began operating and made its first report in 1988, churches owed banks more than \$1.6 million and there were loans by the Baptist Union to churches of almost \$150,000. But by 1991, all but one of the loan applications were being financed through BICA. Another scheme also operated during the 1980s known as the Capital Development Fund to which churches and individuals were invited to contribute; interest from this fund was available for new churches, especially those being planted by Mission to Queensland.

Conclusion

BICA and then its more ambitious successor Baplink offered clear and workable solutions to the difficult problem of financing church buildings and property. Both organisations proved their worth, helping many churches to maintain and expand their ministries and, in the case of Baplink, also providing much-needed assistance to individuals as well, although it now has to operate under a much more regulated environment than at first.

Baplink grew well beyond the initial expectations, but the needs have also changed, especially with larger churches where the size of the developments and associated expense has grown enormously. On the other hand, there is a growing tendency for churches (up to 20% of all affiliated with the Baptist Union) to use rented properties rather than owning their own dedicated facilities, either for pragmatic or strategic reasons.

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