

**2<sup>nd</sup> Ordinary Session  
of the 49<sup>th</sup> Synod of the  
Diocese of Sydney**

**October 2012**

# ***Synod Proceedings***

**Standing Committee of the Synod  
Anglican Church Diocese of Sydney**



## Contents

	<i>Page</i>
Presidential Address.....	3
<b>Proceedings</b>	
Officers and committees appointed.....	14
Documents tabled .....	14
Accounts and reports etc tabled.....	14
Synod Service .....	15
Actions taken under the Parishes Ordinance 1979.....	15
Petitions.....	15
<b>Questions under business rule 6.3.....</b>	<b>16</b>
<b>Elections</b>	
Uncontested elections .....	35
Contested elections .....	40
<b>Resolutions passed.....</b>	<b>41</b>
<b>2012 Report of the Standing Committee .....</b>	<b>51</b>
<b>Special Reports</b>	
Synod Funds Amalgamated Annual Financial Report for 2011 .....	72
Parish Funds Amalgamated Annual Financial Report for 2011 .....	79
Amendments to <i>Faithfulness in Service</i> .....	85
Anglican Church Property Trust.....	92
Archbishop’s Election Synod in 2013.....	98
Archbishop’s Strategic Commission on Structure, Funding and Governance (10/11).....	100
GAB Annual Report to the Synod for 2011 .....	112
GAB as trustee for the Diocesan Endowment Annual Financial Report for 2011 .....	123
Ordinances passed by the Standing Committee.....	161
Mission Property Committee .....	163
Reforms to the Charities and Not-for-profits Sector .....	172
Safe Ministry Board and Professional Standards Unit Annual Report .....	181
School Chapels and Chaplains Ordinance 1975, Review of the .....	187
Special Religious Education in Government Primary Schools: the Challenge Over the Next Ten Years .....	193
Stipends, Allowances and Benefits for 2013 (2/05) .....	196
SDS Annual Report to the Synod for 2011 .....	199
SDS Annual Financial Report for 2011 .....	205
Tertiary Education Ministry Oversight Committee (35/09) .....	229
Towards 2050 (3/11) .....	231
<b>Reports from Regional Councils</b>	
Georges River Regional Council Annual Report for 2011 .....	241
Northern Regional Council Annual Report for 2011.....	244
South Sydney Regional Council Annual Report for 2011 .....	247
Western Sydney Regional Council Annual Report for 2011 .....	248
Minchinbury, Proposal to change the status of the provisional parish to a parish.....	249
Wollongong Regional Council Annual Report for 2011.....	251
Shoalhaven Heads, Proposal to change the status of the provisional parish to a parish.....	253

**Ordinances considered**

*Passed and assented to*

Bishopscourt Sale Ordinance 2012

Report.....255

Bill.....267

Synod Appropriations and Allocations Ordinance 2012

Explanatory Report.....269

Bill.....281

Parochial Cost Recoveries, Parochial Network Costs and Church Land Acquisitions

Levy Ordinance 2012

Bill.....282

*Considered and but not passed*

Department of Evangelism and New Churches Ordinance 2010 Amendment

Ordinance 2012

Review of the Department of Evangelism and New Churches (38/11).....285

Bill.....289

Discipline Ordinance 2006 Amendment Ordinance 2012

Explanatory Report.....290

Bill.....292

Parish Relationships Amendment Ordinance 2012

Explanatory Statement.....295

Bill.....297

## Archbishop's Presidential Address 2012

### Last Words

And so we come to my Last Address to this Synod as its President. The boundary of my time has been reached; my Last Words are to be delivered.

Of course, it would be better if I were dying. Death is such a decisive boundary. It creates the best opportunity for memorable Last Words.

I met death once, or so I thought. A Council meeting, a pain, a dizziness, a sudden weakness. Lying on the floor. Serious faces. The room cleared. The ambulance summoned. Barry Newman beside me holding my hand.

I recommend Barry in a crisis. He was the right blend of concern without anxiety, and consolation without terror.

I feebly made a feeble jest. Then I thought, 'What if this is the end? What if Christine says, "what were his last words? Did he say anything to me or about me?" What if Barry answered, "No, all he said was, 'Have you heard the one about the parrot and Clancy of the Overflow?'"

I was composing my words, when the medics pronounced I was not sick enough for hospital. Much later, I gave Christine the epitaph for my grave: 'At least I tried'. She retorted at once that she will put, 'He *said* he tried'.

Why remember Last Words?

Some reveal the person's real passion:

Barnum, the money-making circus man said. 'How were the receipts tonight...?'

A French expert on grammar said, 'I am about to, or am going die. Either expression is used'.

Frederick William I of Prussia, reminded that he would go naked out of the world, managed, 'No not quite naked; I shall have my uniform on'.

Dr Joseph Green's last word on checking his own pulse was, 'stopped'.

General John Sedgwick, peering over a parapet, 'They could not hit an elephant at this dis...'

The great philosopher Hegel allegedly said, 'Only one man ever understood me. And he didn't understand me'

From others we expect a testimony to the Truth made powerful because of the moment:

Martin Luther, asked did he still hold to the faith that had shaken the world, replied simply 'Yes'. William Tyndale, burned for translating the Scriptures into English prayed, 'Lord, open the King of England's eyes'.

Nothing in me could match that, and I am not under sentence of death.

But this *is* a finale. What is so important that I would want to impress it on you?

I suppose I could offer you a peaceful reminiscing, the comfort of the elderly and the sleep of the young. I do love remembering, with advantages.

I suppose I could defend my reputation and explain that I have been seriously misunderstood and traduced. I do love sympathy.

I suppose I could assault my enemies who have been lying idly for some time now and expose them for what they are. I do love revenge.

I suppose I could outline my 'legacy', doing the work of a historian before time in case they fail to notice how much has been achieved. I do love my own ego.

I suppose that I am personally capable of any of these follies. But the business of Synod in 2012 is not the spurious legacy or melancholy emotions of a retiring Archbishop. Such suggestions are fatuous.

The real issue is this: Ten years ago in obedience to the Lord we bound ourselves to our ten-year Diocesan Mission. Under God, what have we done? What have we learned? And most important, what now? What of our future? To this Mission and its future I dedicate these Last Words.

We may decide that we no longer need to make evangelism so central a part of our endeavours. Evangelism cannot be abandoned of course but perhaps another priority needs to be embraced

I could say, *Defend the Faith* for I see much contradiction and criticism ahead.

I could say, *Reform the Church*, for we have allowed the world to enter and compromise our holiness.

I could say, *Serve the World*, for injustice is rife, people are dying and the physical and social needs of people trap them in pain.

I could say, *Worship the Lord*, for hearts have grown cold and we have a form of godliness without the power of it.

All these obligations can hardly be neglected by serious Christians and they may at some time and circumstances achieve the highest priority.

But for me in 2012, the priority remains as it was in 2002, *Preach the Word*. Charles Wesley was right about his preferred Last Words and his ambition is mine too: 'Happy if with my final breath, I may but gasp his name, preach him to all and cry in death, Christ Jesus is the Lamb!' Is that your ambition?

Our nation and all nations need above all to hear the news of eternal life through Jesus Christ our Lord. I pray that today the Lord will enable me to inspire you afresh with the vision for evangelism as our central task in the years ahead. We must remain on mission.

To persuade you, I am going to use five key questions: Where are we? Who are we? How are we? What must we do? Why must we do it?

#### **Where are we?**

We are in a place and time of growing evangelistic opportunity and obligation.

Our secure, wealthy and beautiful region is alive with people, especially new people. Many of these people know nothing about Jesus and they need to hear about the way to eternal life. We are here for them. It is as simple as that.

Within the boundaries of the Diocese since 2006,

Population has risen 7% to 4.5 million people. One in five Australians lives in our Diocese.

The majority of people are aged under 40, with the largest cohort being those aged 30-39.

Around 60,000 people are of Aboriginal or Torres Strait Island descent – people for whom we have a special respect and responsibility.

Just over 725,000 claim to be Anglican, a decrease of 4%. Of these Anglicans, about 10-12% would be regularly in church.

Just over 60% claim to be Christian. There are now more people who say they are Christians, but there is a smaller proportion, down 4%.

Over a million people say they have no religion or do not answer this question at all. Within these two groups there has been an increase, but not a dramatic increase, in numbers. Overall, about 70% of people claim a nominal religious adherence.

In the period 2006 to 2011, over 300,000 people arrived, from 216 countries. In our different homes, 255 languages are spoken. China and India now dominate the countries of origin: it is no longer England. We use to grow simply because of the number of English migrants. Now hardly so at all. Other significant intakes are from Nepal, Korea and the Philippines.

Consequently we now see more Hindus, Buddhists and Muslims in our population.

There are hundreds of other relevant facts about our time and place, but what do we make of these?

You could say, don't fret: Our business is to look after the religious needs of the descendants of the English. We are a declining chaplaincy church. Christianity is a religion of consolation rather than salvation.

You had better say: The gospel itself utterly forbids us to think like that. The gospel addresses all men and women without exception in the same tone of voice, with the same demands and the same promises, the same Lord and the same Saviour. It is a matter of salvation, not consolation: of salvation, not of growing our numbers. Any gospel church is aptly described as One, Holy, Catholic and Apostolic, universal words which embrace all nations and peoples and languages. If our denomination, will not accept the challenge posed by the new and increasingly different world which has come to us, we are not being faithful to the gospel which has formed our churches and saved our souls.

## Culture

But if we are in a place of growing evangelistic opportunity and obligation, why is progress so slow? We have worked so hard. We hear of massive evangelistic growth in China and Africa. Is there something in our spiritual culture which is especially resistant to religion?

One obvious answer is the secularism thesis. With the rise of modern knowledge, the God idea is no longer convincing and as more people are educated, atheism will rise and religion will decline. It is true that a significant number of people have embraced atheistic naturalism, a view of the world which excludes the spiritual. However, the number of Australians still claiming a religion of some sort remains virtually the same in 2012 as in 2006. Despite a decade of propaganda on behalf of atheism, the actual number of people who put atheism as their preferred choice on the census was a measly 10,000. The number of 'no religion' grew dramatically but the number of those who did not answer the question at all, fell almost as much. In any case, 'no religion' does not equate to atheism. We have widespread religious pluralism and nominalism rather than outright secularism as such.

Let's examine the matter of gospel rejection theologically. Then we start with sin and remember that rejection of a relationship with the living God is natural. All cultures express in various ways the human rejection of the true God. Often we evade God by religion, including forms of the Christian religion. At some level each culture displays the outward and visible signs of the choice made by Adam and Eve. They chose to eat of the tree of the knowledge of good and evil. They took into human hands the task of determining the boundaries of right and wrong, to become autonomous, self-legislating.

We see the outworking of this in many ways. Take the Last Words of Mao Tse-Tung: 'act in accordance with the principles laid down', an invented ideology by which he had defied God, collectivised Chinese society and destroyed millions of lives while himself living the life of a Lord. A poor gift, those Last Words.

We are not much better. The western alternative to this collectivism, is the favourite Last Words chosen by so many Builders and Boomers for their funeral, Frank Sinatra's *I Did it My Way*. Here we find an expression of Western individualism, the reverse of collectivism. I think that one key to current Western indifference to the gospel is this deadly individualism.

Individualism is made possible by material wealth and technological mastery. It seems that we simply do not need each other as once we did. Nor do we need God. To think that a person is so proud of the phrase, 'I did it my way' that they would use it as a summary of their life's achievement reveals an astounding moral ineptitude, a sort of vulgar egotism. But it actually makes spiritual sense. The moral ineptitude rests on a profound spiritual rebellion against the living God. Our business as humans is '*thy* will be done;' we have made it '*my* will be done.' Worldly wealth and mastery makes this plausible.

Plausible but foolish. Humans remain interested in questions of the spirit, of meaning and purpose and value; we remain quick to judge each other by invisible standards of right and wrong. Evil remains – if you want to know the human heart, read the horrible things that are said in the anonymous world of the blogs. Furthermore, our wealth, mastery and power are not secure and nor are we independent. We exist in dependence on each other, like it or not.

But we are so flattered by our apparent mastery of the world that we have come to believe that we know the answers to all our own spiritual questions. We are better off with a private and self-made spirituality than with the wisdom which comes from God himself. Undemanding, individualistic. home-made, sentimental spirituality is the new religion.

Individualism turns the human impetus to worship inward, toward the self. Love of neighbour becomes self-love, the most sincere form of love there is. The cost of individualism is relationships. You can see the consequences in the quality of community, in family life and in the treatment of death. You can contrast it with the genius of the gospel based on the love of the God whose very being is self-giving love.

*The quality of community.* One obvious product of individualism is the decline in voluntary associations, for work, for play, for religion, for education, for charity, for protection, which characterise a truly free and healthy society. If you wish to protect and respect the individual, especially protect us from an over-mighty government, it is essential that ordinary people form clubs and groups and unions, free associations which can accomplish together what the individual is not able to do. It was this which so impressed the great French philosopher Alexis De Tocqueville in the 19<sup>th</sup> century when he studied American democracy. 'If men are to remain civilized, or to become so, the art of associating together must grow and improve....' Some have called these 'mediating institutions' – mediating that is between the government and the individual.

In our society there is solid evidence that the wholesome tendency to unite in a common cause is breaking down. In one sense it is precisely this which makes it so hard to plant, grow and sustain churches. People will not commit. It is not just the church – it is the club and the group and the union and

the mutual society and the association – indeed it is human fellowship itself. One of the most disturbing signs of all, strongly reported by people like Mr Rodney Cavalier and Mr John Anderson, is the breakdown of the political associations, the local branches of the political parties. The fraternity of the left in which men and women combined to help each other and the libertarianism of the right in which the individual freely undertook the responsibility to work for the good of society, are now faint memories. Both needed to be activated by a love of neighbours strong enough to sacrifice the ego, not a love for power which exalts the ego. Both need to protect and cherish the free associations of individuals who work for good causes in local areas, of which local churches are prime examples.

*The corrosion of family.* The chief mediating institution is the family, particularly the extended family. Here the next generation of children are born and raised. Even if you are a single person, family matters intensely to you. In the family you will have your chief opportunities for love of neighbour in your care for the young, the old and the sick. It is from the family that you will receive in your turn the love which you too need and will need even more one day. Families identify, guide, educate and nurture and protect the young, including the young in the womb – and protect others from their young where necessary. Good families channel the powerful impulses of adolescence into fruitful activities. From good families come good streets and neighbourhoods. Good families re-inforce each other. Good families create better educational, health and social outcomes for all their members and their neighbours. Not all families are or even can be good, except in a broad sense; tragedy, wilfulness, disaster may strike us all.

Making family life even more difficult is our embrace of the technology represented by the communications revolution. In our pride, we have welcomed into our homes a stunning technological revolution in our communications and one that promises what only God possesses: complete knowledge. But we have not learned the self-control we need to use it wisely, let alone the restraint offered by love of God and neighbour. Even the powerful barriers of love with which devoted parents always guard their growing children from experiences they are not ready for, even those defences will now collapse. The fortifications are obsolete; the boundaries are gone. This technology delivers the knowledge of good and evil and its products to every eye and ear and brain. Indeed its continued use will help form the brain; we made it, and it is now making us. It apes community and subverts family. As you are using it, it shapes your hopes, tastes and desires. It is not neutral; Babel has arrived.

The benefits of stable and loving family life are so huge that any society which does not aspire to it and enable it, is courting and experiencing the general judgement of God. But the prevailing philosophy of individualism has wrought its malign work on family as elsewhere. At the heart of family is marriage, understood as the union of two persons of the opposite sex from different families by way of promises of permanence and exclusion. If the promises reflect, as they do in the Book of Common Prayer, the differences between man and woman as well as the equality, it is always to be understood that the headship of the man brings with it the awesome responsibility to nurture and cherish as Christ loved and cherished his church. To use this, as some have, as an excuse to demand slave like servility, or even to engage in physical and emotional bullying is to misuse it utterly and no wife should feel spiritually obliged to accept such treatment. Here too sin takes and distorts what is for our good in its own evil interests. Likewise, however, to treat husband and wife as two simply interchangeable 'partners' is to court damage to the fabric of the family itself. Even more damaging, of course, is the modern habit of living together without the benefit of the public promises – an inherently unstable relationship. Still more damaging is the current encouragement to casual promiscuity.

The Biblical account of marriage and family is, I believe, demonstrably better than what we now have. We should be confidently setting out our teaching, demonstrating its sources, extolling its virtues, running courses on marriage preparation and enrichment, showing how marriage and family reflect the Creator's intentions and also that the gospel of forgiveness and transformation makes it possible. We need to encourage our nation to recover its respect for such a vision. Such teaching is so consistent with our Mission and a natural point of contact with the interests of men and women everywhere, that I urge us to do it. On the other hand, the ideology which stresses the individual and so is contrary to family life and associations, is also contrary to the gospel and to churches based on the gospel.

But there is a Last Word here too:

Teaching on the family is not the gospel itself. Indeed, as with all else, Jesus Christ relativises the family: '...and they said to him, "Your mother and your brothers are outside, seeking you." And looking about at those who sat around him, he said, "Here are my mother and my brothers! Whoever does the will of God, he is my brother and sister and mother.'" There is an idolatry of the family to which we could easily be prone. It sometimes takes something really good to displace the best. I would rather be a friendless orphan with Jesus, than the patriarch of the best family I know. Listen as an old, unknown tramp, a man without family, unwittingly gives us what amounts to his last words, his Swan Song, his testimony recorded by chance forty years ago: 'Jesus' blood never failed me yet, never failed me yet...'

*Attitude to death* What a contrast to the Swan Song of our generation: *I Did it My Way*, and how worldly is our attitude to death. Once, funeral services were opportunities to hear God and to pray to God, to be forced to think about to hear about sin, judgement, redemption and resurrection and to reverently dispose of the body. Now in the hands of unbelief they have become opportunities for eulogists to attempt to resurrect the deceased by the power of fine words. The Last Words come from friends and family, and their aim seems to be to build up the reputation of the dead person so that all will believe how good a person he or she was. All seems designed to avoid the truth that the person is gone, that death is horrible, that bodies turn to dust, that the person has not one chance in hell of avoiding hell based on the quality of their lives.

Dr Richard Stanton, an expert in media, writes about the pornography of death, in which death has been disengaged from true emotions and been commodified, 'thus reducing meaning to a bureaucratic process.' Gone is any memory of our hope, our only hope, my only hope in life or in death, Jesus Christ. Compare what the godly George Herbert said on his death bed: 'Lord, forsake me not, now my strength faileth me; but grant me mercy for the merits of my Jesus.' "The Blood of Jesus never failed me yet..." All we have by way of hope is *I'll Do it My Way*, or some vague wish that we will all meet again. Individualism promises much but delivers loneliness. In the face of death, it is a god who has failed.

If the gospel contrasts so favourably with individualism in community, family and death, why is evangelism hard? Precisely because it is a spiritual matter and human individualism is the love of self which it takes the Holy Spirit to make us abandon. Our society is even more in the grip of a malign individualism than ever before and its resistance to all relationships and especially an all demanding relationship with God is powerful indeed. But there us another side to this. I think that many people are tiring of the fruit of individualism and want to know the God who brings order and family and acceptance and relationship into the community.

I have never had such good opportunities in speaking to people about Jesus as in the last few three or four years. Our theory of Connect 09 is true – there are people everywhere who would like to know the gospel and will want us to befriend them. In particular lay people are ideally placed to quietly but confidently share Christ and show what a difference he makes. It may be that the evils of individualism will become so apparent that the world will be more open to the gospel, especially a gospel which stresses love in the face of community and family breakdown and hope in the face of death. In the meantime we preach a gospel which offers a radically different view of the world. After all this Lord did seize another communications revolution and turn it to good. He did hear Tyndale's last Prayer and he did open the King of England's eyes and so we have our English Bible and so here we are tonight. But who are we?

### **Who are we?**

To preach the gospel in this world, we must be confident of our identity.

When I entered university aged 17, I had a choice. Which Christian group should I belong to?

The Student Christian Movement had a large membership and a distinguished history. According to my memory of those days, its ethos was one of exploration and social action, its invitation to belong included anyone interested in discussing the Christian faith, and it did not formally adhere to the inspiration and infallibility of scripture. I was attracted – especially by the somewhat fuzzy membership criteria and the possibility of religious discussion. It seemed to be the more *chic* group.

The alternative was the Evangelical Union, a body, like my own, less *chic*, whose specific aim it was to present the Christian gospel on the campus and who invited its leaders to a specific adherence to the inspiration and infallibility of scripture as well as such doctrines as the penal and substitutionary work of Christ, his bodily resurrection and his personal return.

For me the issue was authority and specifically biblical authority. One thing I knew: I belonged to the Lord Jesus Christ and I had set myself to live in obedience to the will of my Lord. Christianity was a matter of obedience before it was a matter of discussion. When I studied the matter I became convinced then as I remain today that the Lordship of Christ is mediated to us by his word the Bible and its authority expresses his authority. Later that year, I invited my friend Michael to an evangelistic dinner at the Law School, at which the speaker was Dr Alan Cole and to my great joy, Michael accepted the Lord Jesus as his Lord and Saviour and so was brought from death to life. I never regretted my choice of the Evangelical Union.

In a world increasingly hostile to and ignorant of Christian faith, it is the EU and its affiliates which survived on our campuses and is vigorous and strong. The secret of its success is Bible and gospel: it lives and believes by the authority of the Bible and it preaches the gospel. I believe that the more flexible and even radical we have to be in evangelism, the more important for us to identify ourselves by strong

adherence and bold unwavering commitment to Bible and gospel. Failure here will see us become indistinguishable from the world which surrounds us, unable to challenge it, unable to live for Christ within it, unable to evangelise it.

Let me give you my experience. I do not regard myself as a combative man, but over the course of my Christian life there has scarcely been a period when there have not been contests between the world and the gospel and within the Christian fellowship over doctrine, contests in which as a teacher of God's word I have been forced to take part through synods, debates, discussions and the media and in the making of hard, very hard decisions affecting the lives of others. There have been contests about the authority of scripture, about the place of social action, about human sexuality, about the role of the Holy Spirit, about the nature of Christian worship, about justification by faith, about the ministry of women and many other matters as well. We have had to contend internationally and nationally. Many recoil from these arguments and prefer to live quietly. I sense something in our own circles of the mood critical, as though contest is itself wrong or as though we have fought the wrong issues or as though conciliation would have been best.

Well, if you feel thus, let me say you were not there at the time. You enjoy the fruit of the labours of others and no doubt it is easy enough now to see what has been exaggerated, what misapplied, what taken too seriously. Military historians are always right. But to take one case, the contest between the charismatic arminianism and the reformed faith here in Sydney starting in earnest over forty years ago, was and remains crucial to our identity and our ability to preach the gospel. It is easy to pick the faults even in Augustine of Hippo and Martin Luther and John Calvin. But I warn you all, that if you shrink back in your day from contesting for the gospel, if you opt for the quiet life and a nice reputation, if you prefer political compromise to biblical truth, you will lose your way and squander the mighty legacy of a Marcus Loane a Broughton Knox, and an Alan Cole. Do not let the last word spoken over your generation be the chilling Last Word of the daughter-in-law of Eli: Ichabod, 'the glory has departed'.

But I feel sure of better things of you my brothers and sisters.

Who are we? Well let me tell you what I confess about the Bible and the gospel.

The Bible is the unique word of God. It is inspired by God and has as a result the features of clarity, sufficiency and infallibility or as I would prefer to say, inerrancy. It is the perfect revelation to us of God's person and purposes. It tells the story of the kingdom of God, centring on the coming of the Lord Jesus Christ and culminating in his reign with the Father and the Spirit for ever and ever. The Bible teaches us the truth about God, his requirements for us and his ways with us. It gives us the words by which we may speak about God and with God. This written word of God is the authority by which we may judge all things, not least within the Christian fellowship. The duty of the Christian pastor is not to preach his own religious thoughts or emotions, but the word of God, for it is through the word that Christ rules his church and the conscience of Christians. Thank God that he heard Tyndale's last prayer and opened the eyes of the King of England and gave us the Bible in our own language.

In our day the struggle is over interpretation. Obviously, we must interpret. The difficulty is the suggestion that 'it all depends', that somehow on matters such as sexual ethics it is merely a matter of opinion. We do have to challenge accepted interpretations and explore and change our minds where warranted. But the idea that one interpretation is as good as another and that the Bible both endorses and does not endorse sex outside of marriage is lunatic. Better to say that the Bible is wrong than to pretend to overturn the obvious. In my view, however, what we are often dealing with here is that individualistic philosophy which repudiates authority and wishes to remake biblical religion in line with what the world is saying. This we must continue to resist.

The final content of the Bible is the gospel. The one God created and sustains all things by the power of his word and his Spirit. The Word of God gives the universe both its order and its *telos*, its End or purpose. Humanity, designed to inhabit the earth and rule over it as God's image bearers, overthrew the order and purpose of God in our lust for the knowledge of good and evil and entered a state of spiritual darkness, suffering and death, the symbol and experience of the judgement to come. The noble image bearers have become the ignoble slaves of our own evil desires, forever longing for the false fulfilment, forever inventing our own religions and moral systems, forever preying on each other. We are 'without God and without hope', not recognising God's order in this world and having rejected his *telos*, plan for its End.

Into this darkness comes the promises of God and the work of God in creating a people of promise. And at the chosen moment, impelled by divine love, comes the man of promise, God's Son and his true image-bearer, God come from God, to save the world. His name is Jesus Christ. He shows how the world should be ordered, as he brings health and goodness. He announces the coming of the Kingdom of God, the *telos*. He does the great work of saving God's people by suffering death in our place and on our behalf, thus bringing forgiveness and eternal life to those who by his Spirit repent and put their trust in

Him alone. And then God brings his End, his Last Word into our present history by raising Jesus from the dead and seating him on his own right hand. It is this Lord Jesus we proclaim and summon men and women to turn to him as Lord and entrust themselves to him for eternal life. But for those who do not believe they are condemned already, because they have not believed in the name of the only Son of God.

You are constantly going to be tempted to mute or distort that gospel. It is so confronting, indeed as well so odd. It says that humanity embraces utterly disabling sin. It calls upon us for love and for relationships and for submission to God and to one another. It calls on us for the very community and family life which the individualist philosophy has discarded.

Think again about how the world is now treating death and how you must treat death. Think of Dr Stanton's 'commodification of death', and elsewhere the 'pornography of death' in which death is detached from the normal emotions surrounding it just as in pornography sex is detached from love. Grief is now replaced by manufactured celebration and the diversion of the mind from death towards fantasy. As one Sydney undertaker is reported to have said, 'We are event planners...'; and as Kate Legge sums it up so perceptively when observing how modern people treat death and funerals: 'How we're remembered, celebrated, is the only afterlife we can vouch for here on earth.' Try preaching sin, penal substitution, the resurrection of the dead and justification by faith in this milieu. Being a parish minister has rarely been so hard. For the sake of Christ, be faithful!

We must all daily determine to be Bible and gospel people. Being Anglican helps us here and I thank God that in his providence he has given us an Anglican heritage. In particular we are shaped by the legacy of Thomas Cranmer, a legacy which comes to us through his Book of Common Prayer, the Thirty Nine Articles and a legacy sealed by his magnificent Last Word: his martyrdom. In a world which so little knows or cares for the biblical faith, Cranmer's teaching on the great matters of sin and death and judgement and salvation will keep us in the biblical tradition. My hope is that our new liturgical resources will help keep us in that godly tradition. Losing touch with it is not going to help us retain our identity.

We will not survive in any recognisably Christian form in the next decades if we do not understand who we are and who we need to be. We take the long view of things; we are not about to disappear and we see our task as involving the whole diocese and not just a section of it. Precisely because we are Bible and gospel people, we are a preaching people. The culture around us is going to change in ways unimaginable and if we do not meet these changes without capitulating to the culture, we will become an irrelevant little sect. But in order to meet them we need to be scrupulously faithful to the gospel of salvation through Christ as expounded in scripture as the word of God. Somehow you are truly going to have to preach amazing grace to the human heart which says 'I am my own boss'; John Newton's 'I am a great sinner but Christ is a great Saviour' to those who are saying again and again: 'I'll do it my way'. Mind you I know which gospel I would prefer, in the face of death and judgment!

### **How are we?**

How can we assess the Diocesan Mission? Has the blessing of God been upon us?

We gave ourselves a big goal, to reach at least 10% of the population in 10 years.

In 2002, I gave three reasons for choosing this goal.

First, it is humanly speaking impossible. Only God could do this and it is pre-eminently a reminder to pray and trust God.

Second, our real goal is 100%. The 10% figure challenges complacency.

Third, the 10% goal has the power to make us look outward. We need a mind change.

What has happened to us in the last decade? The 10% has been a blessing: we are constantly reminded to pray, as only the Lord can move like that; he has kept before us the big goal of reaching the whole population; He has changed our mind-set about evangelism and church ministry. He has yet to give us 10% of the population, but, remarkably, in contrast with voluntary organisations in general, we have experienced numerical growth.

How has the Lord blessed us? As I think of our four policies, to preach and pray, to plant and penetrate, to multiply and train, to reform, I see significant progress on all fronts.

### **Policy 1**

First, we kept preaching the gospel. The biblical gospel has been proclaimed in countless contexts during this period, from pulpits, at camps, in halls, in prisons, in campus, to members of other faiths, at the bedside of the dying, in classrooms, in the workplace, in private conversations, in parks and trains, in shops, at funerals, through the media, via the internet and facebook, through gospel distribution, in

season and out of season. Rejection has occurred; disciples have been made, believers have been assured.

Second, we prayed. We prayed for Sydney. The mission prayer was in constant use. Prayer meetings took place. Private individuals and parishes became involved in praying for their neighbours and suburbs and institutions. We have begun to lift up our eyes.

### ***Policy 2***

Third, we progressed. In a period when there were fewer nominal Anglicans and where the general tendency in various mainstream denominations has been a marked numerical decline, we have continued to grow. As far as we can tell the growth during the decade has been approximately 7.1%, from 75,000 to 80,000 regular attenders. The experts tell us that by comparison this is quite notable.

Fourth, we planted. The challenge was to plant new congregations, groups, churches. This being the Diocese of Sydney keeping records of new initiatives has been impossible. As far as we can tell, however, there have been 109 new church plants and congregations and at least 105 other groups initiated. I am glad to report also that a number other groups and plants have closed. It would be monumentally foolish to persevere with something which does not work. But what we have here is a record of an unleashed initiative on a large scale unprecedented in 60 years at least. In earlier decades, viewed overall, we were closing churches at an alarming rate. Now we are starting them. The turn around is extraordinary.

Furthermore we have started to move forward in creating new parishes. For years we have been gently stagnating at around 260 parishes, quietly amalgamating the dying ones, leaving suburbs unpastored and letting buildings go. We have now begun to go forward, refusing to close parishes or amalgamate them without the hope of re-opening them in the future, finding new congregations and uses for buildings and doing what we had forgotten to do – inaugurate new parishes. This changed mind-set must be permanent.

Even better news. We have seen our responsibility for our neighbours from all nations. In 2002 we had an impressive 18 ethnic congregations. In 2012 we have 60! I cannot tell you how excited I was to attend the birth of our sub-continental evangelistic fellowship. Here let me pay tribute to the indefatigable, brilliant and clear-eyed work of the Rev Bruce Hall, now full time at Evangelism and New Churches.

### ***Policy 3***

Fifth, we have proliferated workers. Many denominations are declining in workers, with people becoming part time and being older. For us the reverse is happening. The biggest expansion of workers has been amongst the ordained clergy where the numbers have advanced by an astonishing increase of 26% from 480 to 604. Our workers are better trained and higher quality in gifts than ever before. Most parishes are now using teams of workers, including a very significant number of women. I believe that our complementarian position is Biblical and has never held us back. But the advent of the Priscilla and Aquila centre at Moore College has signalled at last a sustained theoretical and practical exploration of that position. It should always mark our approach to ministry. I urge you to recognise that it is the clear teaching of scripture and remain loyal to it. God will bless such costly, counter-cultural obedience to his word and he has done so already.

### ***Policy 4***

Sixth, we have empowered change. There has been a mood change in the Diocese. I do not mean that the past was hopeless. But the Mission has given us permission to experiment, to try new things, to adventure. It has also summoned new workers to our ranks. We are going forward. Integral to this has been the insistence provoked by the figure 10% that we look outward. Hence the fundamental changes to our ministry structure. Hence a dramatic jump in the first five years in the number of people involved in evangelistic activity; in the next five years there has been a similarly significant jump in the involvement of people in community service or welfare-related church activities. The statistics say that we are on the way to becoming more outwardly focused and hence more able to penetrate the community around us with the gospel. The Mission is working.

Seventh, we partnered. Parishes helped each other. Our organisations marshalled their resources as they never had, to make sure that they were witnessing to the gospel and that they were co-operating with each other and with the parishes. The whole Mission Area project is a challenge to make the outward look in partnership with others natural in our Diocese. Positive results have begun to emerge.

Eighth, we have prospered. In spiritual terms the most important test of vitality is not our inherited money but money generously given through the plate. In 2002, the figure was \$47 million; last year, it was \$89 million, an increase of 88%. Far from our churches dying off quietly, as the media would like us to believe

and as is happening in many places, these figures tell us of vigorous commitment and serious discipleship. It is an indication of morale, spiritual maturity and generosity. At the same time missionary giving through CMS has also gone forward strongly, with an increase of 78% over the last 9 years. The loss of endowment money has been a serious blow, but I make two comments. First, much money was provided for the early stages of the Mission and it has had ongoing positive results, especially the distribution of \$20m for land and buildings. Second, we have been forced to consider our priorities very carefully as you will see from this year's budget. This has been a painful but excellent undertaking and I congratulate Mr Kell and his team for doing it so well. Here, if we accept their work, is a permanent gain.

I have given you the big picture with scarcely a negative nuance.

I have done so for a reason.

It is typical of Australians to be cynical and disbelieving of success. However we are not dealing here with mere success; we are dealing with blessing, blessing which has come as a result of prayer and obedience. Furthermore you need to realise that we are dealing with the long-term here – we have used ten years as a useful period. But we are fifty-year people. We are not deterred by lengthy effort and hard work. We are building to last. If you accept my challenge to continue with the priority on preaching the gospel into the long term, there will be an absolute need for clarity and hard headed planning. It is time for the Mission to be dismantled, examined, adjusted, reformed, improved and embraced. But for now there is a moment for rejoicing, for acknowledging the kindness of God. Brothers and sisters, the Lord has been at work in and through us to bless our city and its region. Praise his name!

### **Now, what must we do?**

Preach the gospel!

The Diocesan Mission does not belong to the Archbishop. I did not invent it. We should not think of this as something that an Archbishop does – it belongs to us all. Already and rightly the Mission Board is working on the question of what we have learned and what comes next. Much of what we have done is right. We need to keep the momentum going, not start again from scratch or abandon it at this point. What we are doing is not for the short term – we must plan ahead to at least 2060 for a start.

Thus, in my view the four policies are theologically responsible and fundamentally sound. The wording may need improvement but the concepts flow from an unchanging commitment to theology and mission. Likewise, the idea behind the 10% goal is integral to what we are about, namely fulfilling our calling to reach out to all people, not just to grow churches. We have created a wonderful ministerial workforce. The whole ethos of parish ministry, of looking out has been embraced. We now need to ensure that our ministers are rightly deployed for evangelism. We have started well. I take it we are committed to prayer, to planting churches, to multiplying workers and to continuous reform. How do we keep going?

Let me dream about our future. In the light of what I know of our challenges, what do I see?

*I see cross cultural work flourishing.* Why not 120 ethnic congregations in the next decade? Where are those people groups not even in mind yet? I see Moore College packed with students, especially from India and other parts of the sub-continent.

*I see children's and youth work flourishing.* This is the best entry point for new people, the best place for people to come to know the Lord, the best place to train people for a lifetime of ministry. The alternatives for young people in Sydney are very poor. What we can provide is great. Think of the Year Thirteen program for a start. We must grow.

*I see the lay people of our Diocese unleashed for service.* We already have an extraordinary number of lay people involved in evangelistic ministries. Indeed the laity of the Diocese must surely be the best trained and most dedicated you can imagine. But the evidence is in: you are frustrated at not being more involved! It is usual to think that if we just trained rectors better all would be well. I think that our major resource is lay Christians in the work place and the community.

*I see new churches buildings in new suburbs.* We have always had a vision to be present throughout the whole region. We will vote for our absence if we don't buy land and build buildings. New churches cannot afford to buy into the property market. We need to deploy workers and back them with the resources they need. Just as your church was helped so you need to help. The twenty million dollars we spent on this in the last decade has been fruitfully used. I hope that the Synod joyfully partners with the Mission Property Committee in passing the levy to raise the money. Into this category also comes the sale of Bishopscourt, which I also thoroughly support.

*I see a spirit of partnership emerging.* The Bible loves fellowship or partnership in gospel work. We have huge opportunities to partner together in local areas and through our extraordinary organisations to reach the lost tribes and the deserts of our region. This is also the goal of Mission Areas. I was delighted to hear

for example of the Liverpool Area has now drawn together the young people of the region on two occasions, giving a number of small groups the chance to meet with several hundred instead is brilliant. Why are not doing a lot of this?

*I see the gospel becoming visible in the media.* We will engage with the ideas of this generation and refuse to accept the censorship which is so easily imposed on Christianity. We must find ways of putting our case for Christ and making it natural to speak about God in the general community. The large mail I received after the recent QandA program showed me that once the gospel is visible, Christians in the workplace can and will make use of opportunities.

*I see the glorious gospel guarded and promoted.* There is no point preaching a false gospel or a distorted one. We must be vigilant to guard the gospel which has been entrusted to us. We have been enormously blessed by the development of Moore College over the last ten years and for its faithful testimony to the word of God. I always say that the College is the first work of the Diocese – not in any way to diminish the great work being done by bodies such as Youthworks and the Schools Corporation. But the vigour and faithfulness of the College is a vital component in our capacity to preach the gospel and we must ensure its well-being as much as we can. I particularly ask you to pray for the choice of the next Principal.

### **Why must we do it?**

Last Words.

Now I have given you my Last Words. And yet, again I say, I hardly think that my own Last Words as such are of great importance. I could have said many different things from what I have actually said to you. I have chosen to say one thing, the one thing which I believe I have had to say at this time and place. To do so I appropriated some Last Words from the Apostle Paul, who tells us as he writes, ‘the time of my departure has come’: ‘I charge you in the presence of God and of Christ Jesus, who is to judge the living and the dead, and by his appearing and his kingdom, preach the word, be ready in season and out of season...’ Paul sees that our mission comes from the love of God to the lost in all the world and that our obedience is motivated by the love which drew salvation’s plan.

Let me take you to some other Last Words, ones which really matter, for if you will not listen to these, you will hardly listen to mine:

‘And Jesus came and said to them, “All authority in heaven and earth has been given to me. Go therefore and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all I have commanded you. And behold, I am with you always, to the end of the age.”’

The thing about solemn Last Words like these ones is that they are carefully crafted. The Master chooses to say at the very end what it is that he wants his disciples chiefly to remember. Here are the standing orders for disciples; and the standing orders have us going into all the world, in the name and by the power of the one who has all authority. His gospel is about him and it is a declaration of his Lordship.

As we go, we make disciples through teaching the word of God, bringing men and women into faith and obedience to Christ as they hear the word of God, a discipleship sealed outwardly and unforgettably in baptism in the threefold name. For there is one God, one name and yet three names, for our one God is both three and also magnificently and mysteriously three in one, all equal in glory and splendour and power and honour and we are have the privilege of baptism in such a name, this name.

And then the promise: ‘And behold I am with you always, even to the close of the age’. For do you think he leaves his people to struggle with the problems of their age? Do you think he leaves it to us to plan and strategise and dream and labour and count? Do you think he knows nothing of facebook and the internet and twitter and whatever will come next? Does he now know the hardness of men’s hearts and what it is like to see his disciples fish all night and catch nothing? Do you think he knows nothing of small churches and struggling congregations and a veritable sea of unbelief? Does he now say that there is only one age left and we are in it however long it lasts, and throughout it by the power of my Spirit, I am with you?

For you see I have been fooling you all along. Have you not noticed, this is not the Last Word of Jesus? I guess if you are looking for that you would think of his word from the cross: ‘Finished’ – done, complete, atoned, paid for, saved. Now that is a great Last Word.

But his word here is not the Last Word of a dying man. It is more like a First Word, the word that inaugurates a new era. We are face to face here with a resurrected Lord. The *telos*, the End, the goal has arrived in person. This sick, tired, sad, death-haunted old world in which we live is passing away. Its death sentence has been pronounced. A new age has broken in. The kingdom of God is here. From now on when we look back into the darkness of human history, nasty, brutish and short, we see that a light

has dawned, the age of promise is no mere promise, its beginning is there, there in history and its full coming, the rising of the sun is not long delayed.

And in the meantime, whatever this world says or does and however hard our way is or not, Jesus Christ is with us and all power has been given to him and he rules over all things!

That is why we are joyfully determined to preach his gospel as our priority.

Would you please stand as we pray?

And so 'Now to him who is able to keep you from stumbling and to present you blameless before the presence of his glory with great joy, to the only God our Saviour, through Jesus Christ our Lord, be glory, majesty, dominion, and authority, before all time and now and forever. Amen'

**Archbishop Dr Peter F Jensen**

**Archbishop of Sydney**

**8 October 2012**

## Proceedings

### Officers and committees appointed

1. Clerical Secretary and Lay Secretary of the Synod: The Rev Chris Moroney and Mr Robert Wicks
2. Chairman of Committees: Mr Peter Kell
3. Deputy Chairmen of Committees: Dr Karin Sowada, Mr Robert Tong and the Hon Peter Young AO QC
4. Elections and Qualifications Committee: Mr Ian Miller, Dr Karin Sowada and Dr Philip Selden
5. Order of Business Committee: The Rev Dane Courtney, Archdeacon Deryck Howell, the Rev Chris Moroney, Mr Robert Tong and Mr Robert Wicks
6. Minute Reading Committee: Dr Bryan Cowling, Archdeacon Ian Cox, Mr Clive Ellis and Dr Claire Smith

### Documents tabled

1. List of clergy summoned to the Synod and list of representatives
2. Copy of a document appointing a Commissary.
3. Minute book of the Standing Committee

### Accounts and reports etc tabled

#### *Diocesan Organisations - Audited Accounts and Annual Reports*

1. Abbotsleigh, The Council of
2. Anglican Education Commission
3. Anglican Media Council
4. Anglican Retirement Villages: Diocese of Sydney
5. Anglican Youth and Education Division
6. Archbishop of Sydney's Anglican Aid (The) (formerly The Archbishop of Sydney's Community Care and Development Program)
7. Arden Anglican School Council
8. Arundel House Council
9. Barker College, The Council of
10. Campbelltown Anglican Schools Council
11. Department of Evangelism and New Churches
12. Georges River Regional Council
13. Glebe Administration Board
14. Illawarra Grammar School, Council of The
15. Kings School, The Council of
16. Macarthur Anglican Church School Council (The)
17. Ministry Training and Development Council (formerly Continuing Education for Ministers, Council of)
18. Moore Theological College Council
19. Northern Regional Council
20. St Andrew's Cathedral Chapter
21. St Andrew's Cathedral School Council
22. St Andrew's House Corporation
23. St Catherine's School Waverley, Council of
24. St Michael's Regional Cathedral Chapter, Wollongong
25. St John's Regional Cathedral Chapter, Parramatta
26. South Sydney Regional Council
27. Sydney Anglican Home Mission Society (Anglicare)
28. Sydney Anglican Indigenous Peoples' Ministry Committee
29. Sydney Anglican Schools Corporation
30. Sydney Church of England Finance and Loans Board
31. Sydney Church of England Grammar School Council
32. Sydney Diocesan Secretariat
33. Tara Anglican School for Girls, Council of
34. Trinity Grammar School Grammar Council
35. Western Sydney Regional Council
36. William Branwhite Clarke College Council
37. Wollongong Regional Council

#### *Other reports etc*

38. Archbishop of Sydney's Overseas and Relief Fund (The) (ORAF)
39. Archbishop of Sydney's Overseas Ministry Fund (The) (OMF)

*Standing Committee Reports etc*

40. 2012 Report of the Standing Committee
41. Synod Funds Amalgamated Annual Financial Report for 2011
42. Parish Funds Amalgamated Annual Financial Report for 2011
43. Amendments to *Faithfulness in Service*
44. Anglican Church Property Trust
45. Archbishop's Election Synod in 2013
46. Archbishop's Strategic Commission on Structure, Funding and Governance, (10/11)
47. Ordinances passed by the Standing Committee
48. Mission Property Committee
49. Reforms to the charities and not-for-profits sector
50. Safe Ministry Board and Professional Standards Unit Annual Report
51. School Chapels and Chaplains Ordinance 1975, Review of the
52. Special Religious Education in Government Primary Schools – the Challenge Over the Next Ten Years
53. Statement of Funding Principles and Priorities for 2013
54. Stipends, Allowances and Benefits for 2013 (2/05)
55. Tertiary Education Ministry Oversight Committee (35/09)
56. Towards 2050 (3/11)
57. Georges River Regional Council – Annual Report for 2011
58. Northern Regional Council – Annual Report for 2011
59. South Sydney Regional Council – Annual Report for 2011
60. Western Sydney Regional Council – Annual Report for 2011
61. Minchinbury, Proposal to change the status of the provisional parish to a parish
62. Wollongong Regional Council – Annual Report for 2011
63. Shoalhaven Heads, Proposal to change the status of the provisional parish to a parish
64. Explanatory Statements and reports on Bills

**Synod Service**

The opening service on the first day of Synod was led by the Rev Al Lukabyo, with the Rev Canon Rick Smith preaching.

**Actions taken under the Parishes Ordinance 1979**

The Synod assented to the following –

- (a) reclassification of Minchinbury as a parish
- (b) reclassification of Shoalhaven as a parish

**Petitions**

There was a petition presented by Mrs Susan Hooke and received by the Synod.

## Questions under business rule 6.3

### 1. Greenoaks Apartments

Mr Peter Young asked –

What were the detailed and total expenses and proceeds incurred and arising from the development and sale of all the Greenoaks Apartments, Darling Point?

To which the President replied –

I am informed that the answer is as follows –

The answer to the question is expressed in tabular form. A copy will be provided to the questioner and posted on the notice board in the foyer.

<b>Greenoaks Apartments</b>	
<b>Project outcome</b>	
<b>Revised net proceeds</b>	<b>Actual As at 9 October 2012</b>
	\$
Gross sale amount	21,715,000
GST payable after application of margin scheme	(1,587,725)
<b>Net Sales Amount</b>	<b>20,127,275</b>
<b>Project costs</b>	
Consultants	1,771,928
Legal	321,734
Construction	13,743,293
Marketing and selling	1,063,618
Borrowing costs	3,718,318
Holding costs	170,290
<b>Total costs</b>	<b>20,789,180</b>
<b>Net proceeds</b>	<b>(661,905)</b>

### 2. Moore College's funding from Synod

Ms Lyn Bannerman asked –

- (a) What were the surpluses from ordinary activities reported by Moore College in the years 2009, 2010 and 2011 in their audited financial statements?
- (b) What were the total accumulated funds and reserves in those same years?
- (c) What is Moore College's risk assessment in their "strategic risk analysis and management plan 2012-14" of any "disruption to its capabilities" if a collapse of Synod funding should occur?
- (d) Is it correct that Synod funding to Moore College was \$1,577,000 in 2012, and is proposed to be \$1,577,000 in 2013?

To which the President replied –

I am informed that the answer is as follows –

- (a) In 2009 the profit from operations was \$5,501 including the Synod grant of \$1,664,000 and donations of \$600,411. Before the Synod grant and donations the College made a loss from ordinary activities of \$2,258,910.

In 2010 the profit from operations was \$833,631 including the Synod grant of \$1,722,000 and donations of \$571,915. Hence before the Synod grant and donations the College made a loss from ordinary activities of \$1,460,284.

In 2011 the profit from operations was \$889,438 including the Synod grant of \$1,777,000 and donations of \$673,040. Hence before the Synod grant and donations the College made a loss from ordinary activities of \$1,560,602.

- (b) The College's total accumulated funds and reserves were –  
 \$36,037,357 in 2009  
 \$37,624,791 in 2010  
 \$40,720,176 in 2011

These figures include Land and buildings of some \$40 million.

- (c) The College's overall risk assessment related to a collapse in Synod funding is HIGH.  
 (d) Yes.

*Supplementary answer*

Yesterday I provided answers to part (a) and (b) of the question based upon advice I received from Moore College.

I am informed that the term surplus from "ordinary activities" was interpreted by the college as referring to the "profit from operations" disclosed in the accounts. The college has also provided details of the proceeds from synod grants and other donations relating to the library and a once off gain from sale of a property in 2011.

A table has been provided to the questioner and placed on the notice board, using figures drawn from the annual audited accounts of the college.

	Year ended 31 December		
	2009	2010	2011
"Surplus" for the year as per audited accounts (total comprehensive income)	\$1,030,522	\$1,587,434	\$3,095,385
Less non operational income items (ie, Extraordinary items – endowment receipts, library fund etc)	(\$1,025,021)	(\$753,803)	(\$2,205,947)
Profit from operations (ie, from ordinary activities)	\$5,501	\$833,631	\$889,438
Which included the following major funding sources –			
(a) Synod grants	\$1,664,000	\$1,722,000	\$1,777,000
(b) Donations	\$600,411	\$571,915	\$673,040

- (b) The opportunity has also been taken to provide additional detail in respect of accumulated funds and reserves.

The College's total accumulated funds and reserves were as follows –  
 \$36,037,357 in 2009  
 \$37,624,791 in 2010  
 \$40,720,176 in 2011, represented by –

	2009	2010	2011
Current Assets	\$2,102,314	\$4,111,357	\$6,906,683
Fixed Assets	\$41,383,045	\$42,571,777	\$41,278,763
Total Assets	\$43,485,359	\$46,683,134	\$48,185,446
Less Loans	(\$5,365,944)	(\$6,704,113)	(\$5,467,428)
Less Other Liabilities	(\$2,082,025)	(\$2,354,230)	(\$1,997,842)
Net Assets	\$36,037,357	\$37,624,781	\$40,720,176

**3. Parishes reporting deficits**

Mr Peter Hanson asked –

- (a) How many parishes reported deficits for the year ended 31 December 2011?
- (b) What was the total of these deficits when added together?

To which the President replied –

I am informed that the answer is as follows –

SDS does not collect parish financial information in a form that provides a ready answer this question.

While offertories and each of the elements needed to calculate net operating receipts is captured in a database, the actual net surplus or deficit reported by each parish for the year is not recorded electronically. It is therefore not practical to provide an answer to this question.

**4. Synod expenditure**

Mr Peter Hanson asked –

- (a) Is each line item recommended to Synod for appropriation examined by Standing Committee or their delegate in detail?
- (b) What criteria are used to determine whether each line item is fundamentally necessary Synod expenditure?
- (c) Is “need” for the funds a fundamental criterion for Standing Committee recommending to Synod expenditure on each line item?

To which the President replied –

I am informed that the answer is as follows –

- (a) Yes. The Mission Board Strategy Committee, a sub committee of the Mission Board, compiles the draft appropriation schedule which is examined in detail by the Mission Board on behalf of Standing Committee which in turns makes the recommendation to Synod.
- (b) Those set out in the Statement of Funding Principles and Priorities for 2013.
- (c) Need for funds is not a fundamental criterion.

**5. Towards 2050**

Mrs Susan Hooke asked –

In preparing the report on page 92 of the Report of Standing Committee on 3/11 Towards 2050, did Standing Committee and Mission Board take into consideration the report issued in May 2012 by the New South Wales Department of Planning entitled “Sydney Over the next 20 Years??

To which the President replied –

I am informed that the answer is as follows –

No. Consideration of the demographic aspects of the Towards 2050 report was essentially finalised before the May 2012 Discussion Paper prepared by the New South Wales Department of Planning was released. However it is likely that the Mission Board will take into account the latest available demographic information as it considers the Towards 2050 report in the context of the next phase of the mission of the Diocese.

**6. Affiliated Churches**

Ms Caroline Bowyer asked –

- (a) Relating to Affiliated Churches, how many churches are presently affiliated?
- (b) In respect of each affiliated church –
  - (i) What services have been provided to each of them?
  - (ii) What is the cost of services provided?
  - (iii) What other funds have been provided?
  - (iv) What are the terms of the affiliation agreement?

To which the President replied –

I am informed that the answer is as follows –

- (a) 9
- (b) (i) The services provided typically involve the provision of general guidance in matters which affect our own parishes as well as our affiliates. This includes sharing information about regulatory, professional standards, financial and pastoral matters, among others. Other more specific assistance is provided as requested from time to time.
  - (ii) The only cost is a relatively minimal amount of staff time.
  - (iii) None.
  - (iv) Each affiliation agreement is based on a standard form, a copy of which will be provided to the questioner and posted on the notice board in the foyer.

**7. Consistency of parish levy with teaching of Jesus**

Mrs Pamela Shaw asked –

Is the proposal for a levy on parishes for the funding of property in future years consistent with Jesus' teaching found in Matthew 6:19-34, which is quoted in Section 1 of the Funding Principles paper?

To which the President replied –

I am informed that the answer is as follows –

Yes.

The passage encourages us to trust in God to supply as we get our priorities correct. We believe that as we seek his kingdom and righteousness, he supplies our needs. What the levy asks for is that we may be generous with what God has provided in order to help those unable to help themselves in setting up new churches in line with Diocesan Mission.

**8. Analysis of Greenoaks development**

The Rev Craig Roberts asked –

Item 4.22 of the Report of the Standing Committee notes that –

- (i) no funds were ever made available from the Greenoaks development to fund the intended purpose of the project (ie, "the repair and maintenance of Bishopscourt"), and
- (ii) as the Greenoaks "development is now complete and all apartments sold this is the final report that is required to be made to Synod under the Ordinance."

With a view to learning from any unfounded assumptions, in order to retain corporate memory within the Diocese, has there been, or will there be, any further analysis of the decision-making processes that led to the commencement of the Greenoaks development?

To which the President replied –

I am informed that the answer is as follows –

The summary in point (i) of the question is not entirely accurate in that the intended purpose of the project was broader.

Be that as it may, the answer to the question is, Yes. The Endowment of the See Committee is currently preparing a comprehensive report on the history of the Greenoaks development. That report is expected to be completed by the end of this year.

**9. Gilbulla**

The Rev Nigel Fortescue asked –

With reference to the Report of Standing Committee page 8, point 4.23 –  
How much was Gilbulla sold for? What is the total of the invested funds related to the sale proceeds (as at 30 June 2012)?

To which the President replied –

I am informed that the answer is as follows –

Gilbulla was sold for \$1.9 million on 30 September 2002. The fund comprising the sale proceeds had a balance of \$1.968 million on 30 June 2012.

**10. Greenoaks Apartments**

The Rev Nigel Fortescue asked –

With reference to the Report of Standing Committee page 7, point 4.22 –  
What is the final balance of the sale of the Greenoaks Apartments?

To which the President replied –

I am informed that the answer is as follows –

The Greenoaks development did not result in a surplus due to higher than expected development costs and a material fall in property values as a result of the global financial crisis.

A detailed breakdown has been provided in the answer to the first question which shows a loss of \$661,905 on the project.

**11. Quantity Surveyors' Report for Bishopscourt**

The Rev Nigel Fortescue asked –

Is there a current Quantity Surveyors Report for purposes of Repairs and Maintenance for Bishopscourt? If no, has acquiring one ever been considered? If yes, could this please be released to the Synod prior to debate on Bishopscourt Sale Ordinance 2012?

To which the President replied –

I am informed that the answer is as follows –

No. Although, a Specification and Schedule of Conservation Works was prepared by Noel Bell Ridley Smith and Partners on 20 October 2006. That report is 122 pages in length (excluding schedules). It is not feasible to make it available.

## 12. Secure website for Synod members

Ms Holly Raiche asked –

As a Secure part of the SDS website now exists (see 2.3 of the Archbishop's summons to Synod), why can't Synod documents considered by Standing Committee to be sensitive (eg, annual reports, including audited statements of all Diocesan organisations) be lodged there?

To which the President replied –

I am informed that the answer is as follows –

The SDS website does not provide a secure section for Synod members. The reference in the question to "2.3 of the Archbishop's summons to Synod" appears to relate to the section in the Circular to Synod members dated 1 August 2012 dealing with the Registry's secure website. This secure website contains the contact details for Synod members and allows members to update their contact details directly using the Maintain Personal Information option. It is not a place to make documents available to members.

## 13. Impact of levy on parish ministries

Ms Tricia Blombery asked –

- (a) The "Towards 2050" paper states that 70% of the predicted population growth will be in Brownfields sites. What analysis has been undertaken of the impact of this population growth on parishes?
- (b) In this context, what analysis has been undertaken of the impact of the proposed levy on parish ministries?
- (c) What was the outcome of this analysis?
- (d) If the analysis was not done, why not?

To which the President replied –

I am informed that the answer is as follows –

The enhanced ministry centres at parishes of Annandale, Auburn, Berowra, Broadway, Cammeray/Naremburn, Dapto, Hoxton Park, Glenmore Park, Marrickville and Rooty Hill have been completed with the valuable assistance of various amounts from the \$10 million allocation from the Diocesan Endowment for "brownfields projects". In the light of the completion of these major ministry projects, the absence of any further prospect for allocation from the Diocesan Endowment towards brownfields projects and the wider Diocesan Mission, the Mission Board is of the view that existing parish ministry buildings are largely able to cater for the anticipated population growth in the brownfields communities. Therefore, the focus of the "Towards 2050" strategic paper is on the mission needs of future greenfield communities, where land for new church sites does not exist.

The Mission Board understands that the proposed parish contribution towards church sites in new communities may have an impact on existing parish ministries. However, the Mission Board also recognises that the cost of purchasing land for ministry centres is now beyond the means of any one local parish. The Mission Board also recognises that previous generations of Anglicans have generously provided most of the land and buildings in which congregations now meet. Accordingly, the proposed parish contribution towards the acquisition of church sites in new communities reflects the nature of the Diocese as a fellowship of parishes with a common mission to ensure that the gospel is able to be presented to as many people within the Diocese as possible.

If Synod does not act to secure funding for new ministry sites in new communities now, the Mission Board is firmly of the view that land from which ministry can be effectively conducted

is unlikely to be available in the future when the new communities are established. The stark example is at Oran Park Town in the south west population growth corridor, which is forecast by Landcom to be home to 25,000 people by the mid 2020's. At this stage, a single site has been acquired for Christian ministry by this Diocese in the very early stages of the planning for the community infrastructure when land costs were relatively affordable. It is understood that other Christian churches, while keen to be present in the community, are now finding the escalated cost of land prohibitive.

**14. Impact of levy on achieving parity with population growth**

Mr Stuart Grigg asked –

The “Towards 2050” paper (see page 92 of Standing Committee Report) states, in the context of church attendance, that “... we are still not maintaining parity with population growth”.

- (a) Has there been an assessment of the impact of the proposed levy on all parishes in terms of the goal (stated in the same report) of achieving parity? and
- (b) If not, why not?

To which the President replied –

I am informed that the answer is as follows –

- (a) Yes. It is acknowledged there will be an impact. It is a matter of balancing needs. Failure to act now to acquire land to support ministry in Greenfield areas where great growth will occur but where little resources are held will have enormous repercussions.
- (b) Not applicable.

**15. An Australian Prayer Book**

The Rev Craig Schafer asked –

In the light of the Common Prayer resource, are there any plans to republish AAPB for parish use or to make AAPB available in electronic form?

To which the President replied –

I am informed that the answer is as follows –

AAPB was published in 1978 by the Anglican Information Office, the former publishing arm of what is now known as Anglican Media in the Diocese of Sydney. The publishing rights were only held for a period of 25 years, and after that time reverted to the General Synod, whose Liturgical Commission had produced the book. The General Synod has since transferred the rights to Broughton Publishing. Since Broughton are also the publishers of APBA (A Prayer Book for Australia), they have indicated that there is no viable market for reprinting AAPB. However, they have given permission for Anglican churches to reprint AAPB for Sunday Services, as long as the service is faithful to the original text of AAPB. Broughton have not offered to provide an electronic version of AAPB, but are happy for churches to compile their own electronic version. The service builder on the website of the Archbishop's Liturgical Panel ([bettergatherings.com](http://bettergatherings.com)) contains the full text of the regular services from AAPB.

**16. Georges River Regional Council grants**

The Rev Richard Blight asked –

Would you please provide details of Parishes and other organisations that received grants from the Georges River Regional Council in 2011, specifically those covered by the descriptions “Cross-Cultural Grants to Parishes”, “Leadership and Parish Ministry Grants”

and “Grant re Church Planter”? Could you please indicate if the regional council is willing to provide this information in future reports?

To which the President replied –

I am informed that the answer is as follows –

Cross-Cultural grants were made to –

The parish of Canterbury for the ministry of the Rev Seti Latu and to the parish of Bankstown for the Rev Raymond Leung, being \$10,000 each, and to Evangelism and New Churches for the ministry at Arncliffe for Mr Paul Tait, being \$20,000. The total of Cross-Cultural grants being \$40,000.

Leadership and Parish Ministry grants were made to –

The parish of Sadleir for student ministers \$10'000, the parish of Brighton/Rockdale \$10,000 and the parish of Greenacre \$25,000. The total Leadership and Ministry grants being \$45,000.

The “Grant re Church Planter” was for the parish of Marrickville, a continuing but reducing grant is being provided for this ministry.

The Regional Council is always willing to provide details of income and expenditure through its council members as well as through Synod.

**17. Relationship between Evangelism and New Churches and Mission Property Committee**

Archdeacon Deryck Howell asked –

- (a) In its review of the Department of Evangelism and New Churches (“ENC”) what analysis, if any, did Standing Committee undertake of the relationship between ENC and Mission Property Committee;
- (b) What analysis was made of the process by which the use of Mission Property is decided?

To which the President replied –

I am informed that the answer is as follows –

- (a) None.
- (b) None in the context of the review of the Department of Evangelism and New Churches Ordinance 2010.

**18. PCR charges and levies as a percentage of net receipts**

Canon Sandy Grant asked –

What has the variable PCR charge, applied to parishes, been as a percentage of net receipts, over the last ten years, including any and all one-off or short term charges and levies?

To which the President replied –

I am informed that the answer is as follows –

The answer is expressed in tabular form. A copy will be provided to the questioner and posted on the notice board in the foyer.

<b>History of variable PCR charges and levies paid by parochial units</b>							
Figures below are expressed as a percentage of Net Operating Receipts							
		Asbestos Levy	Connect09 Levy	EOS Funding Assessment	Church Land Acquisition Levy	Variable PCR Charge *	<b>Total</b>
2003	actual					5.18%	<b>5.18%</b>
2004	actual					5.10%	<b>5.10%</b>
2005	actual					4.92%	<b>4.92%</b>
2006	actual					5.51%	<b>5.51%</b>
2007	actual					5.46%	<b>5.46%</b>
2008	actual	0.46%	0.41%			5.07%	<b>5.94%</b>
2009	actual	0.45%	0.52%			4.64%	<b>5.61%</b>
2010	actual	0.44%	0.13%			4.80%	<b>5.37%</b>
2011	actual			1.14%		4.59%	<b>5.73%</b>
2012	actual					5.11%	<b>5.11%</b>
* These figures ignore the effect of the lower insurance program costs paid by those few (currently 7) parochial units without property.							

## 19. Information from Synod funding recipients

Mr Peter Young asked –

How many times in the past year has the Standing Committee called for the provision of information from organisations seeking diocesan funds (in accordance with Annexure 1 of the Statement of Funding Principles and Priorities for 2013) and how many times in the past year has the Standing Committee failed to call for such information?

To which the President replied –

I am informed that the answer is as follows –

The Standing Committee (or its delegates) routinely call for information from diocesan organisations seeking Synod funding. The Procedure in Annexure 1 of the Statement of Funding Principles and Priorities for 2013 will be applied by the Standing Committee in 2013.

## 20. FeeHelp and Synod grant to Moore College

Mrs Susan Hooke asked –

- (a) Does FeeHelp cover all costs of providing courses at Moore College? If not, what costs are not covered?
- (b) What is the amount of FeeHelp debt of students completing four years study at Moore?
- (c) Is the grant from Synod being used to subsidise the fees of all students or only those from Sydney Diocese?
- (d) What is the amount of subsidy for each student that the Synod grant covers?
- (e) What is the replacement cost of the full delivery of the BD degree at Moore?

To which the President replied –

I am informed that the answer is as follows –

- (a) FEE-HELP is an Australian Government loan program to help eligible fee paying students pay their tuition fee debts, and only their tuition fees.

This means that students at Moore College who are Australian citizens can choose FEE-HELP to discharge their entire tuition fee debt each year to the College.

Alternatively those students may wish to pay that debt themselves, or use FEE-HELP to meet part of their debt and pay the balance themselves.

FEE-HELP of itself does not cover any costs of providing courses at Moore College. The advantage of FEE-HELP to the College is that it enables Australian students, who otherwise may not be able to afford to come to College, to study there.

- (b) If an Australian student completing a BD this year had taken out FEE-HELP to pay their entire tuition fee debt their amount of FEE-HELP would be \$61,590.
- (c) The Synod grant is not used to subsidise the fees of any students studying at Moore College. Rather it is used to defray the costs of faculty, library, communal meals and student housing.
- (d) Not applicable in light of the answer to the previous question.
- (e) The College does not separately cost the delivery of the BD program. It is not possible to isolate, with any degree of precision, the cost of delivering the BD program. For example BD students attend lectures with part-time students and students studying the Bible and Missions Course. To apportion the cost of the member of faculty and use of the lecture theatre to the BD students as distinct from the others would be a nearly impossible exercise. Similarly the library is used by all students, as well as being a resource for the Diocese. Again, apportioning the costs of its operation to BD students specifically would be nearly impossible.

## 21. St Andrew's House financials

The Rev Ian Millican asked –

- (a) Could the Archbishop please advise summary details of the income and expenses of the St Andrew's House Corporation ("SAHC") for the most recent financial year, together with comparatives for the previous financial year, and the details of the assets and liabilities of SAHC at its most recent balance sheet date, together with comparative figures as at the previous balance sheet date?
- (b) Note 14 of the accounts of the GAB as trustee for the DE for the year ended 31 December 2011 show (on page 208 of the purple Synod book) a share of profit for the year from SAHC of \$9,319,239, which in turn is included in the income of the GAB for the year (page 188 of the purple book). Can the Archbishop please advise how much of this income represents cash income and how much represents a non-cash increase in the value of St Andrew's House?

To which the President replied –

I am informed that the answer is as follows –

- (a) In 2011 Rental and Other revenue from SAH was \$12.1m. In 2010 it was \$11.6m. In 2011 the non-cash fair value increase of SAH was \$14.2m. In 2010 it was \$4.7m.

In 2011 SAHC had operating expenditure of \$6.1m and interest costs of \$1.5m. In 2010 these figures were \$5.7m and \$1.5m respectively.

### Assets

Cash 2011 - \$5.1m; 2010 - \$3.8m

St Andrew's House 2011 - \$99.5m; 2010 - \$83.0m

Other assets 2011 - \$1.1m; 2010 - \$0.3m

### Liabilities

Long term debt 2011 - \$22.0m; 2010 - \$23.0m

Other liabilities 2011 - \$1.7m; 2010 - \$0.9m

- (b) The amount recorded in the accounts of the GAB for 2011 reflects the GAB's share of the increase in the net assets of the St Andrew's House Corporation for that year. There was no cash distribution made to GAB in respect of 2011. The surplus from the operations of St Andrew's House was required to be retained in order to fund major capital works in 2011 and 2012

## **22. Gilbulla sale proceeds**

The Rev Ian Millican asked –

Can the Archbishop please advise where the funds from the sale of Gilbulla, set aside for a Youthworks Conference Centre (as per item 4.23 of the Standing Committee Report on page 8 of the Synod purple book), are currently held, and how much they are?

To which the President replied –

I am informed that the answer is as follows –

The Anglican Church Property Trust Diocese of Sydney is the trustee of the funds from the sale of Gilbulla.

As stated yesterday in the answer to question 9, as at 30 June 2012 the fund had a balance of \$1.968 million.

## **23. Sydney Anglican Indigenous Peoples' Ministry Committee**

The Rev Ian Millican asked –

Can the Archbishop please advise how much money is currently held in the Sydney Anglican Indigenous Peoples' Ministry Committee trust fund, and what the movements in that fund were during the past 12 months?

To which the President replied –

I am informed that the answer is as follows –

The current balance of the fund is \$3.057m.

Of this figure \$3.006m is held in the capital account. The current balance of the income account is \$51,785.

Over the last 12 months, the movements in the fund were –

Additions to Capital	\$1,006,645
This figure includes amounts from the sale of properties by the South Sydney Regional Council and the parish of South Sydney.	
Additions to the Income Account net of fees	\$117,358
Deductions from the Income Account (budgeted and requested by the Committee)	\$238,715

Of the \$238,715. deducted from the Income Account over the last 12 months, \$232,354 was directly related to supporting Indigenous Ministry Workers and \$6,360 was for other Indigenous Ministry expenses (including insurance).

The Committee is currently formulating its budget for 2013.

## **24. Women at the Executive table**

Mr Norman Smith asked –

What action is the Diocese taking to have women seated at the Executive table at the front of Synod?

To which the President replied –

I am informed that the answer is as follows –

Those seated at the front are:

1. The Archbishop
2. The “Synodical Assistant” to the Archbishop
3. The person holding the office of Diocesan Registrar
4. The person holding the office of Chancellor
5. The person elected by Synod as Chairman of Committees

It should be noted that Dr Karin Sowada has been elected as a Deputy Chair of Committees. Dr Sowada has taken her place and will continue to do so during certain times when Synod is meeting in Committee.

**25. Work Outside the Diocese**

Ms Caroline Bowyer asked –

Relating to Diocesan expenditure outside the Diocese –

- (a) Please identify the beneficiaries of the \$158,180 applied for work outside the Diocese referred to in paragraph 4.13 of the Report of Standing Committee.
- (b) How much was spent by the Diocese, including the EOS, in sending people to the FCA Leadership Conference in London in April 2012? What was the source of those funds?
- (c) How much is allocated by the Diocese, including the EOS, to pay the travel expenses of representatives of Sydney Diocese to GAFCON2 in 2013? Please identify the fund from which these payments will be made.

To which the President replied –

I am informed that the answer is as follows –

- (a) The beneficiaries were –

Diocese of Armidale	\$5,000
Diocese of North West Australia	\$50,000
Diocese of Tasmania	\$5,000
Diocese of Northern Territory	\$38,000
Northern Territory - Support for Katherine Christian Convention	\$1,780
Travel and accommodation by Bishop Peter Tasker as the Archbishop of Sydney's Bishop for International Relations	\$10,457
Travel and accommodation for visitors brought to Sydney	\$1,531
Accommodation, course fees and incidentals for Canon Alfred Olwa from Uganda to study at Moore College	\$4,510
Airfares and accommodation for Canon Mark Derry from South Africa to study at Moore College	\$2,111
Course fees and cost of travel to present Moore College PTC courses in the Seychelles	\$9,763
Subsidies provided to assist people from other dioceses attend the GAFCON leaders conference in London	\$14,681
Travel and accommodation for the Archbishop associated with GAFCON and FCA	\$13,278
Travel and accommodation for the Rev Dr Mark Thompson for consultation with African leaders about theological education	\$2,069

- (b) The amount spent directly from Work Outside the Diocese Funds was \$13,278. A further amount of \$14,681 was paid out of contributions from Anglican Deaconess Ministries and other donors. The EOS did not contribute anything.
- (c) No decisions have yet been taken in this regard, as the details of any possible GAFCON 2 have not been finalised.

### 25.1 **Closure of Kingsdene School**

Mr Tom Mayne asked –

Understanding that the current management of Kingsdene School at Telopea for disabled children formerly operated by Anglicare will cease operation at the end of the year –

- (a) What provision is the Diocese making for the care of these children once the current management ceases operations?
- (b) What provision is the Diocese making for future disabled children?
- (c) If such provision is being made but which is not residential, what provision is being made for respite for parents/carers of such children?
- (d) If the Diocese is relying on the proposed National Disability Insurance Scheme to take care of such children and their parents/carers, what is the future of these children and their parents/carers in the interim, given that the NDIS is only being trialled in 2013 in the Hunter Region, that its funding is not yet assured and that its implementation is not expected to be completed before 2018?

To which the President replied –

I am informed that the answer is as follows –

- (a) The closure of Kingsdene by ANGLICARE in 2009 was only undertaken after all internal and external options for recurrent financial support had been exhausted. Of chief concern was the welfare of the children and their families. ANGLICARE negotiated at that time with the NSW Government, with the support of the Kingsdene parents, to ensure that the students would be appropriately cared for once the current lease to the NSW Departments of Education and Community Services expires. The Telopea campus will cease to exist given that the NSW Department of Education has informed ANGLICARE that they expect to vacate the school premises this calendar year. Currently there are 12 students enrolled at the Telopea campus until the end of the 2012 school year. 7 of these students, who will not be completing their schooling this year, will be returning to the geographical areas where their families live and therefore will be attending special schools in those areas across Sydney and the Central Coast. Transition plans for these seven students remain the responsibility of the NSW Department of Education, NSW Department of Community Services and the families of the students.
- (b) The Diocese, primarily through its range of ANGLICARE services and programs, has a significant stake in supporting children with a disability and their families, as well as young adults and older adults, across the Sydney metropolitan area. ANGLICARE is one of the major community agencies involved in delivering government-funded disability support services in Sydney, especially in the areas of carer respite and support. As of 2012-2013, ANGLICARE is responsible for approximately \$13 million of government funded programs and continues to be involved in extensive research and advocacy work in the disability arena at both State and Federal levels. ANGLICARE allocates significant funds towards disability support and advocacy. A lengthy qualitative research project is currently being finalised, which will report to Government, parishes and the wider community, concerning the issues, needs and policy options for families which have children experiencing severe intellectual and behavioural issues. The research has been based on lengthy interviews with the Kingsdene families.
- (c) Thanks to a fundraising campaign and the ongoing support of John Howard, ANGLICARE will open its first respite cottage, to be called the Kingsdene Respite

Cottage, in December this year. This facility at Rooty Hill will be a short-term residential service expected to support up to 100 families a year. Apart from the provision of respite, ANGLICARE will continue to seek ongoing funding from government to support parents and caregivers of children, adolescents and adults with a disability.

- (d) Both the Commonwealth and the NSW State Government will continue to fund both community agencies and individual people with a disability in the intervening years through their range of current service delivery models. ANGLICARE has been participating in ongoing consultations with governments in relation to the NDIS and other related reforms in the disability sector to ensure future services are able to meet the complex needs of families who have a child with a disability. In addition to the Commonwealth NDIS program, the NSW Government is also currently funding and promoting a range of client-based programs for children and adults with a disability across the state, with ANGLICARE involvement in these initiatives in western Sydney.

## 26. Brochures from diocesan organisations

Ms Jan Liddiard asked –

Could it be suggested to organisations sending glossy brochures to all Synod members that reports could go on a website instead?

To which the President replied –

I am informed that the answer is as follows –

Yes, this could be suggested to organisations. However it is a matter for the organisations concerned.

## 27. Expenditure of the Diocesan Endowment

The Rev Michael Williamson asked –

Are there any hindrances in the ordinances governing the expenditure of the Diocesan Endowment (or any other relevant ordinances) that would stop annual appropriations from being expended on acquisition of land for future church sites or for development of existing church sites?

To which the President replied –

I am informed that the answer is as follows –

This question is out of order under business rule 6.3(4)(f) as it seeks a legal opinion.

## 28. Clergy Removals Fund

The Rev Michael Williamson asked –

In the recently published Schedule to the Clergy Removals Fund Ordinance 2003, in paragraph 2, point (b) on page 3, it is reported that a Regional Bishop may determine that a parish is “under financial hardship” and therefore may receive a reimbursement from the Clergy Removals Fund.

In regards to this determination by a Regional Bishop –

- (a) what are the criteria the Bishop is to utilise to determine financial hardship in a parish?
- (b) where are these criteria published?
- (c) what is/will be required in reports by the parish in question to establish such hardship?
- (d) who is charged to assist/counsel/keep accountable, the Regional Bishop in making this determination?

- (e) is such a hardship determination by a Regional Bishop applicable to any other aspects of the financial affairs of the parish in question, in its wider dealings with the Diocese?

To which the President replied –

I am informed that the answer is as follows –

The Clergy Removals Ordinance does not prescribe the information that will be sought from parishes making an application for financial hardship. The information to be provided by a parish will be determined on a case by case basis by the Regional Bishop in consultation with the parish and the Clergy Removals fund administrator.

In respect to part (e) of the question, the assessment of a financial hardship application under the Clergy Removals Ordinance is independent of any other application a parish may make under other ordinances.

## 29. Parochial Cost Recoveries remissions

The Rev Michael Williamson asked –

- (a) For each calendar year for the period 2002-2012 what was –
- (i) the annual budgeted provision for PCR remission?
  - (ii) the annual expenditure on PCR remission?
  - (iii) the number of applications made for PCR remission annually?
  - (iv) the number of applications paid out for PCR remission annually?
  - (v) done each year with any non-expended funds from this budget line item?
- (b) What Ordinances currently provide for the application by Parishes (of all types) for PCR remission?

To which the President replied –

I am informed that the answer is as follows –

(a)(i) to (iv): The answers are shown in tabulated form. A copy will be provided to the questioner and posted on the notice board in the foyer.

(a)(v): They are retained with the PCR fund.

(b): The Cost Recoveries Framework Ordinance 2008.

**PCR Remission**

	<b>(i) Provision</b>	<b>(ii) Expenditure</b>	<b>(iii) Applications</b>	<b>(iv) Paid</b>
2002	20,000			
2003	25,000			
2004	25,000	42,764	1	1
2005	50,000			
2006	50,000	16,934	2	2
2007	50,000	12,000	1	1
2008	30,000			
2009	20,000			
2010	20,000			
2011	20,000			
2012	20,000			

## 30. Common Prayer resource

The Rev Mark Gilbert asked –

It is noted with joy that the words of administration, first used by Archbishop Thomas Cranmer in the Protestant 1552 version of *The Book of Common Prayer* are published exclusively in Form 3 and 4 of the Lord's Supper Service in *Common Prayer*, and as a second option in Forms 1 and 2.

Given this change, will the Archbishop consider sending a copy of *Common Prayer* with a letter outlining these changes to other Evangelical Anglican Dioceses as an encouragement for them to make similar changes?

To which the President replied –

I will consider this.

### 31. Liturgy for non-English speaking congregations

The Rev David Zhang asked –

A question to the Liturgical Commission through the Archbishop –

- (a) Is the Commission aware of the fact that there are at least 20 parishes in the diocese where services are conducted each Sunday in languages other than English using various forms of liturgy from sources other than the authorised and recommended liturgy of this Diocese?
- (b) What provisions have been made to serve the needs of these congregations whose common languages in worship are not English?
- (c) How will the Commission take into account in its future work the liturgical needs of the increasing number of Anglican people of this Diocese as predicted by all kinds of good and reliable authorities?

To which the President replied –

I am informed that the answer is as follows –

- (a) The Archbishop's Liturgical Panel has a general awareness of the fact alluded to in (a).
- (b) So far no provisions have been made to serve the needs of these congregations whose common languages in worship are not English. The needs of congregations whose common language is English has dominated the time and energy of the Panel up to today.
- (c) The Archbishop's Liturgical Panel is keen to learn of the specific needs of such congregations and how it may helpfully serve them. The chairman Bishop Rob Forsyth would welcome any communication from the leaders of such churches that they would like to make to him.

### 32. Ethical investment policies and gambling

Canon Sandy asked –

- (a) Would the ethical investment policies of the Glebe Board, ACPT, and Anglican National Super (our default superannuation fund for Anglican clergy and employees) prevent investment in companies like Woolworths which derive a significant share of profits from gambling in poker machines?
- (b) How else could concerned Anglicans bring pressure to bear on parliamentary and corporate leaders in favour of effective reforms to minimise the current enormous harm arising from problem gambling on poker machines?

To which the President replied –

I am informed that the answer is as follows –

- (a) Glebe Administration Board and ACPT

Under the ethical investment policies applying to the Diocesan Endowment and the Property Trust's Long Term Pooling Fund, a trust in which the property of the respective funds is invested must not invest mainly in the securities of a corporation or

scheme which conducts a “disapproved business” as its main business or one of its main businesses.

For these purposes, a “disapproved business” includes the business of gambling or betting or a business directly connected therewith.

The exposure of the Diocesan Endowment and the Long Term Pooling Fund to Australian shares is made through the Mercer Socially Responsible Australian Shares Fund. Consistent with the ethical investment policies that are in place, the Fund does not invest in companies which derive a significant share of their profits from gambling. In particular, shares in Woolworths are not held by the Fund.

Anglican National Super

AMP has determined, under the AMP Responsible Investment Leaders Charter of Operation, that Woolworths should be excluded from the portfolio of Anglican National Super. Woolworths was excluded from the portfolio 6 years ago when it purchased the ALH Group, which operates a chain of hotels and liquor shops.

- (b) In relation to corporate and political action regarding problem gambling and poker machines, concerned Anglicans could bring pressure to bear on politicians by writing to their local State and Federal members of parliament, the Prime Minister and Premier of NSW; contributing short submissions to relevant parliamentary inquiries; and asking questions of candidates and MPs during elections and other public forums. In relation to corporate pressure, Anglicans could consider their influence as consumers in directing their dollars away from companies engaged in such activities, and those holding shares in listed companies with gaming interests should consider attending Annual General Meetings to ask questions of management and the Board.

**33. Procedures requiring eight members under business rules**

Mr James Mayfield asked –

Noting that there are various procedures of Synod that would require eight or more members of Synod to stand for a particular procedure to take effect –

- (a) Which sections of the Constitution of the Synod and/or Ordinances and/or other materials give rise to this convention?
- (b) From what date was this procedure, including the specific requirement of eight (8) persons, in effect?
- (c) What was the total number of voting members of Synod during the first session of Synod after the date from (a)?
- (d) What is the total number of voting members of Synod this year?
- (e) In what years, if any, following the date from (a), has the Synod or the Standing Committee considered changes to the number of persons required to stand for any or all of the procedures requiring this?

To which the President replied –

I am informed that the answer is as follows –

This question is out of order under business rule 6.3(4)(f) as it seeks a legal opinion.

**34. Voting by houses at Synod**

Mr James Mayfield asked –

Noting that at this session of Synod there have already been 2 votes that have been taken by houses –

- (a) Which sections of the Constitution of the Synod and/or Ordinances and/or other materials give rise to this convention?

- (b) What is the biblical basis for the separation of the voting powers of the clergy and the laity?
- (c) Given the various “Parts” that make up the Synod, which of those Parts form part of the House of Clergy and which of those form part of the House of Laity?
- (d) What, if any, would be the procedure required for the mover of a motion to ensure that the vote on the motion was not taken by houses?
- (e) In each of the last 10 years, how many votes at the ordinary sessions of Synod have been taken by houses?

To which the President replied –

I am informed that the answer is as follows –

This question is out of order under business rule 6.3(4)(f) as it seeks a legal opinion.

### 35. Asking questions at Synod

The Rev John Cornish asked –

As we are governed by synodical government, what avenues are available for members of Synod to be able to ask questions of the administration of the Diocese, while making a statement that clarifies the question, without being told that statements are out of order?

To which the President replied –

I am informed that the answer is as follows –

This question is out of order under business rule 6.3(4)(f) as it seeks a legal opinion.

Nonetheless given that the question relates to the question process itself I will allow some latitude.

The business rules in rule 6.3 of the Conduct of the Business of Synod Ordinance 2000 provide that no question is to contain –

- (a) an assertion,
- (b) express an opinion,
- (c) offer an argument,
- (d) make an inference or an imputation,
- (e) be expressed in language which, in the opinion of the President, is disrespectful or offensive, or
- (f) seek a legal opinion.

A question can contain a statement provided the statement does not transgress the business rules.

The purpose of a question is to seek an answer. If a member of Synod wishes to express an opinion or offer an argument the proper course is to move a motion and speak to that motion.

### 36. Child abuse and sexual misconduct

Mrs Patricia Mayne asked the following question –

Referring to page 76 of the *Safe Ministry Board and PSU Report* paragraph 62 and the 2<sup>nd</sup> to the 5<sup>th</sup> dot points –

- (a) With respect to dot point 2: How many victims of child abuse and sexual misconduct were reported in each of the 4 dioceses? How many in each diocese were substantiated? How many in each diocese were disciplined? Were any clergy licences revoked? If so in what dioceses?

- (b) With respect to dot point 3: Of the 38 complaints against 24 ministers, what is the breakdown across dioceses? How many complaints in each diocese were substantiated? Did any have their licence revoked? If so, in what diocese?
- (c) With respect to dot point 4: Of the 6 ministers accused of child sexual assault, what is the breakdown across dioceses? How many accusations in each diocese were substantiated? Did any have their licence revoked? If so, what diocese?
- (d) With respect to dot point 5: Of the 37 lay leaders accused of child sexual assault, what is the breakdown across diocese? How many accusations in each diocese were substantiated? Was disciplinary action taken? If so, in what diocese?

To which the President replied –

I am informed that the answer is as follows –

The statistical information in paragraph 62 of the Safe Ministry Board and Professional Standards Unit report was provided by the PSU chaplain shortly prior to her completion of service in mid 2012. The statistical information has not been provided in a way that facilitates any further breakdown of the information in the manner sought by the question. Therefore, a comprehensive audit of files would be required to answer the question, and it has been impossible to conduct such an audit between the time the question was asked and now. Unfortunately, therefore, the question is unable to be answered at this time.

Furthermore we are not able to provide detailed information regarding the Dioceses of Bathurst, Grafton and Armidale as they are separate dioceses.

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## Elections

### Uncontested elections

In accordance with clause 4.1 of the Schedule to the Synod Elections Ordinance 2000, I hereby certify that the following nominations of persons do not exceed the number of persons required to be elected for the offices shown.

- 1. ST ANDREW'S CATHEDRAL CHAPTER**  
(Cathedral Ordinance 1969 as amended by Cathedral (Amending) Ordinance 2007)

**1 clerical canon to be elected for 4 years by the clerical members of the Synod**  
Canon John W Woodhouse

**1 lay canon to be elected for 4 years by the lay members of the Synod**  
Mrs Rebecca Lui

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- 2. THE COUNCIL OF ABBOTSLEIGH**  
(Abbotsleigh Ordinance 1924)

**2 laywomen to be elected for 4 years**  
Mrs Melinda Brentnall  
Dr Elizabeth Cope

**2 laymen to be elected for 4 years**  
Mr Philip T Nicholson  
Mr John Scott

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- 3. ANGLICAN AID**  
(The Archbishop of Sydney's Anglican Aid Ordinance 2011)

2 persons to be elected for 3 years  
Mr David Dennis  
Ms Wendy Toulmin

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- 4. ANGLICAN CHURCH PROPERTY TRUST DIOCESE OF SYDNEY**  
(Anglican Church Property Trust Diocese of Sydney Ordinance 1965)

**1 lay person to be elected for 6 years**  
Mr Glynn N Evans

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- 5. ANGLICAN EDUCATION COMMISSION**  
(Anglican Education Commission Ordinance 2006)

**2 persons to be elected for 3 years**  
Mr Garry Brown OAM  
Mrs Dianne Bryant

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- 6. SYDNEY ANGLICAN HOME MISSION SOCIETY COUNCIL (ANGLICARE)**  
(Sydney Anglican Home Mission Society Ordinance 1981)

**1 member of the clergy to be elected for 3 years**  
The Rev Luther R Symons

**2 persons to be elected for 3 years**  
Mr Martyn Mitchell  
Mr Alan Orr

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7. **ANGLICAN RETIREMENT VILLAGES DIOCESE OF SYDNEY**  
(Anglican Retirement Villages Diocese of Sydney Constitution Ordinance 1961)

**2 persons to be elected for 3 years**

Archdeacon Terry K Dein  
Mrs Amanda Robertson

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8. **COUNCIL OF ANGLICAN YOUTH AND EDUCATION DIOCESE OF SYDNEY (YOUTHWORKS)**  
(Anglican Youth and Education Diocese of Sydney Ordinance 1919)

**1 member of the clergy to be elected for 3 years**

The Rev Christopher S Braga

**1 lay person to be elected for 3 years**

Mr Craig Stevens

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9. **ARDEN ANGLICAN SCHOOL COUNCIL**  
(Arden Anglican School Council Ordinance 1962)

**2 clergymen to be elected for 3 years**

The Rev Colin D Watson

**2 persons to be elected for 3 years**

Mr Ian P Burrows  
Mrs Rachel Greenwood

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10. **THE COUNCIL OF BARKER COLLEGE**  
(The Barker College Ordinance 1978)

**1 member of the clergy to be elected for 3 years**

The Rev Dr Michael R Stead

**1 lay person to be elected for 3 years**

Mr Mark S Tooker

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11. **DIOCESAN REPRESENTATIVES ON COUNCIL OF CHURCHES IN NSW**  
(Constitution of the Council)

**6 persons to be elected for 2 years**

Mr Simon Barden  
Mr Kristan Slack

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12. **DEPARTMENT OF EVANGELISM AND NEW CHURCHES BOARD**  
(Department of Evangelism and New Churches Ordinance 2010)

**1 lay person to be elected for 2 years**

Mrs Cathrein Douglas

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14. **THE COUNCIL OF THE ILLAWARRA GRAMMAR SCHOOL**  
(The Illawarra Grammar School Ordinance 1958)

**1 clergyman to be elected for 4 years**

The Rev Barry J Lee

**2 lay persons to be elected for 4 years**

Mr Andrew D Bartlett  
Mr David W Burrows

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**1 lay person to be elected for 1 year**  
Dr Stewart Birt

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**15. MACARTHUR ANGLICAN SCHOOL COUNCIL**  
(Macarthur Anglican School Ordinance 1982)

**2 persons to be elected for 3 years**  
Mr Melville G R Bell  
Mr Timothy Mackie

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**16. COUNCIL OF MINISTRY TRAINING AND DEVELOPMENT**  
(Ministry Training and Development Council Ordinance 1989)

**1 clergyman, being an incumbent of an ecclesiastical unit, to be elected for 3 years**  
The Rev Antony G E Barraclough

**1 lay person to be elected for 3 years**  
Miss Deborah Earnshaw

**1 lay person to be elected for 1 year**  
Mr Stephen W Hodgkinson

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**17. MOORE THEOLOGICAL COLLEGE COUNCIL**  
(Moore Theological College Ordinance 2009)

**1 member of the clergy, who is an incumbent of a parish within the Diocese, to be elected for 3 years**  
The Rev Kevin M Kim

**2 lay persons to be elected for 3 years**  
Mr Robert Tong AM  
Dr Diana W Warren

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**19. NOMINATION BOARD**  
(Nomination Ordinance 2006)

**1 member of the clergy, being a member of the Synod, to be elected for 2 years**  
The Rev Terence R Bowers

**1 lay person, being a member of the Synod, to be elected for 2 years**  
Mr Stephen W Hodgkinson

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**20. COUNCIL OF ST CATHERINE'S SCHOOL, WAVERLEY**  
(St Catherine's School Waverley Ordinance 1922)

**1 member of the clergy to be elected for 3 years**  
The Rev Joshua L T Ng

**2 lay persons to be elected for 3 years**  
Dr Jennifer A Matthei

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**21. SYDNEY ANGLICAN CAR AND INSURANCE FUND BOARD**  
**SYDNEY CHURCH OF ENGLAND FINANCE AND LOANS BOARD**  
(Sydney Anglican Car and Insurance Fund Ordinance 1978)

**1 member of the clergy to be elected for 3 years**  
The Rev Craig E Segaert

**2 lay persons to be elected for 3 years**  
Mr Jonathan Rochford  
Mr Gordon Sue

**22. SYDNEY ANGLICAN SCHOOLS CORPORATION**  
(Sydney Anglican Schools Corporation Ordinance 1947)

**8 persons to be elected for 3 years**

Mr Andrew T Cox  
Mrs Jennifer M Everist  
Mrs Robyn Harris  
Archdeacon Geoff R Huard  
Mr Bill Nicholson  
The Rev Dr Bill H Salier  
Mr Ronald Webb  
The Rev Michael J Williamson

**2 persons to be elected for 1 year**

Mr Scott R Sloan  
Mr John Ward

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**23. SYDNEY CHURCH OF ENGLAND GRAMMAR SCHOOL COUNCIL (SHORE)**  
(The Sydney Church of England Grammar School Constitution Consolidation and Amendment Ordinance 1923)

**1 lay person to be elected for 5 years**

Dr Elizabeth Cope

**1 lay person to be elected for 2 years**

Mrs Kirsty Bucknell

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**24. BOARD OF SYDNEY DIOCESAN SUPERANNUATION FUND**  
(Sydney Diocesan Superannuation Fund Ordinance 1961)

**1 person, as director representing employers, to be elected for 5 years**

Ms Carolyn Talbot

**1 person, as director representing employers, to be elected for 2 years**

Mr Andrew Frankling

**1 person, as director representing employees, to be elected for 2 years**

Mr Michael Blaxland

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**25. SYNOD POOL**  
(Parish Disputes Ordinance 1999)

**12 members of the clergy, at least 9 of who are incumbents, to be elected by the clerical members of Synod for 3 years**

The Rev Neil A Flower  
The Rev Nigel Fortescue  
The Rev Raj Gupta  
The Rev Tom Hargreaves  
Canon Warwick A de Jersey  
The Rev Stuart Pearson  
The Rev Gavin Poole  
The Rev Craig Roberts  
The Rev Gordon Robinson  
The Rev Martin B Robinson  
The Rev Philip J Wheeler  
The Rev Ian Wood

**12 lay persons to be elected by the lay members of Synod for 3 years**

Mrs Wendy D Colquhoun  
Ms Caitlin Hurley  
Mrs Jennifer Katherine Lum

Mr Doug S Marr  
Mr Malcolm J Purvis  
Dr Karin N Sowada  
Ms Alicia J Watson  
Mr Peter S Wilson

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**26. COUNCIL OF TARA ANGLICAN SCHOOL FOR GIRLS**  
(Tara Anglican Girls' School Ordinance 1956)

**3 persons to be elected for 3 years**

Mr Greg Ellem  
Mr Glenn L Wilkins  
The Rev Ian J Wood

**1 person to be elected for 2 years**

The Rev Naomi G Ireland

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**27. COUNCIL OF TRINITY GRAMMAR SCHOOL**  
(Trinity Grammar School Constitution Ordinance 1928)

**2 clergymen to be elected for 3 years**

The Rev Dane H Courtney  
The Rev Trevor J W Oakley

**2 lay persons to be elected for 3 years**

Mr James E Mills  
Mr Richard M Pegg

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**28. WILLIAM BRANWHITE CLARKE COLLEGE COUNCIL**  
(The William Branwhite Clarke College Ordinance 1987)

**1 member of the clergy to be elected for 3 years**

The Rev Martin S Kemp

**1 lay person to be elected for 3 years**

Mr Matthew A Smith

I HEREBY DECLARE the persons named in the statement above to be elected to the office shown.

PETER F JENSEN  
Archbishop of Sydney  
11 September 2012

**Contested election**

In accordance with rule 5.4(6)(b) of the Schedule to the Synod Elections 2000, I hereby report as follows –

- (i) The number of formal and informal ballot papers in the election is as shown below,
- (ii) The following is a complete list of names of the nominees for the office, together with the number of votes recorded for each nominee, and indicates the name of the person to be declared elected.

	<b>Ballot Papers</b>	<b>Votes Recorded</b>
<b>1. DEPARTMENT OF EVANGELISM AND NEW CHURCHES BOARD</b>		
(Department of Evangelism and New Churches Ordinance 2010)		
Formal	434	
Informal	5	
Total	<u>439</u>	
 <i>Two (2) members of clergy to be elected for 3 years</i>		
The Rev Andrew Katay		272
The Rev Baden P Stace		315
 <b>Not elected</b>		
The Rev Mark Gilbert		240
 <b>2. DIOCESAN REPRESENTATIVES ON GENERAL SYNOD</b>		
(General Synod Representation Ordinance 1986)		
Formal	433	
Informal	7	
Total	<u>440</u>	
 <i>One (1) member of clergy to be elected for 2 years</i>		
The Rev Simon J Roberts		332
 <b>Not elected</b>		
The Rev Philip Bradford		101

I HEREBY DECLARE the persons named above elected to the office shown.

PETER F JENSEN  
*Archbishop of Sydney*

10 October 2012

## Resolutions passed

### 1/12 Review of School Chapels and Chaplains Ordinance 1975

Synod, noting the report concerning the review of the School Chapels and Chaplains Ordinance 1975 (the Ordinance) –

- (a) encourages Synod members, school councils and the Sydney Anglican Schools Corporation to consider the report and its recommendations and to provide comments on the report to the Diocesan Secretary by 31 March 2013, and
- (b) requests the Standing Committee to bring to the 2013 session of the Synod suitable amendments to the Ordinance having regard to such comments.

(Mr Tony Willis 8/10/12)

### 2/12 Amendment to Diocesan Policy Statement on Education

This Synod, noting the importance of students in Anglican schools learning to appreciate, refine and ennoble human culture in all fields of endeavour, particularly in the visual and performing arts, music and the media, amends the Diocesan Policy Statement on Education by adding another dot point under “A Christian approach to education .... education that is fully Christian will promote teaching and learning that ”

- “• cultivates, critiques and seeks the transformation of culture in accordance with godly wisdom ”.

(Dr Philip Selden 8/10/12)

### 3/12 Archbishop Rowan Williams

Synod, noting that Archbishop Rowan Williams will be stepping down from the office of Archbishop of Canterbury at the end of this year, prays for Dr Williams as he concludes his term of office and prepares to take on the role of Master of Magdalene College, Cambridge. The Synod also prays for wisdom and discernment for those involved in the choice of Dr William’s successor.

(The Rev Philip Bradford 8/10/12)

### 4/12 The Rev Canon Boak Jobbins OAM

Synod gives thanks to God for the ministry of the Rev Canon Boak Jobbins OAM. Boak grew up as a member of St Mark's Darling Point, trained at Moore College and served Christ's people at St Jude's Dural, Holy Trinity Adelaide, St Swithun's Pymble, as Dean of Sydney and at St Mark's Darling Point. In each of these places his faith in Christ, his powerful preaching and teaching ministry, his pastoral care, and his willingness to serve in a myriad of ways left a deep mark on the lives of many men and women. Boak's contribution to the life of the Diocese, not only as the Dean between 1992 and 2002, but in the Synod, its Standing Committee, the Liturgical Commission, the Presentation Board, and many other avenues has deeply enriched us. Shocked by his sudden death on 1 September, we commit ourselves to pray for his wife Di and for their family.

(The Rev Dr Mark Thompson 8/10/12)

### 5/12 Reduced number of days for Synod in 2013

Synod supports the 3<sup>rd</sup> Ordinary Session of the 49<sup>th</sup> Synod in 2013 being held over 3 days on Monday 14, Tuesday 15 and Wednesday 16 October, and for this purpose agrees to commence meeting at 2 pm and conclude meeting at 10 pm on each of those days, and suspends so many of the business rules as would prevent these arrangements.

(Dr Karin Sowada 9/10/12)

### **6/12 Violence against Christians in Nigeria**

Synod –

- (a) expresses dismay at recent reports of the murder in the early hours of Tuesday October 2<sup>nd</sup> of a least 25 Christian University students in Mobi in Northeastern Nigeria, where gunmen went door-to-door in the off-campus student accommodation in search of victims – especially as the attack is the latest in a long list of violent attacks attributed to Boko Haram and other Islamist groups which include bombings and other attacks on churches, the burning of homes where Christians had taken refuge and the murder of pastors, with over 700 deaths attributed to Boko Haram this year alone;
- (b) in accordance with the teaching of Jesus, rejects violence in the cause of religion and calls on all people of good faith to do the same and to work for the freedom to practice religion without fear of violence in every country throughout the world;
- (c) assures our brothers and sisters in Nigeria of our prayerful support as they go through this terrible time of testing and as they seek to use this trouble to witness to the love and mercy of Christ; and
- (d) requests a copy of this resolution be forwarded to the Primate of Nigeria and the General Secretary of IFES Nigeria (NIFES).

(The Rev Richard Blight 9/10/12)

### **7/12 Director of Ministry Training and Development**

This Synod notes that Dean Phillip Jensen concludes his 10 year appointment as the Director of Ministry Training and Development in December 2012.

Synod expresses its gratitude and appreciation for Dean Jensen's leadership of Ministry Training and Development and –

- (a) the systemic changes that have been, and continue to be, implemented to ordained ministry in the Diocese of Sydney;
- (b) the 26% increase in the number of ordained ministers over the last 10 years; and
- (c) the establishment of a culture of training that brings a high degree of commitment to the cause of Christ and the proclamation of the gospel in accordance with the teaching of scripture.

(Bishop Peter Hayward 9/10/12)

### **8/12 Mr Peter Kell**

Synod notes that this is Peter Kell's 41<sup>st</sup>, and last ordinary, session of Synod. Synod gives thanks to God for Canon Basil Williams who first encouraged Peter that he might use his time, talent and energy to serve in this forum. Synod further thanks God for Peter's extensive, consistent and long-lasting service of Christ, through his service of the Anglican Diocese of Sydney. This includes various roles at St Michael's Wollongong; in the Wollongong Region; at this Synod, notably as Deputy Chair and Chair of Committees; on the Standing Committee, as Ordinance Reviewer and Chair of Committees; as well as on other committees over the years, including the Moore College Council, the Mission Property Committee, the Mission Board Strategy Committee, and most notably in recent times, as CEO of Anglicare, and as Chairman of the Archbishop's Strategic Commission.

Synod thanks God for Peter's public civic ministry seeking the welfare of the cities in which he has lived and served, both greater Sydney, and his own beloved Wollongong. Synod also acknowledges the sacrificial and loyal support of his wife, Faye.

Synod expresses its appreciation for Peter's clear and logical thinking, his calm and organised manner, his ability to attend both to detail and to the 'big picture', for his ability to work with a variety of personalities and situations, for his teamwork and loyalty, and especially for his commitment to Christ as Lord and Saviour, to the Scriptures as God's Word, to the gospel as the power of salvation, and to loving good works as the appropriate fruit of the gospel. We pray for God's blessing on Peter and Faye in a continued active retirement.

(Canon Sandy Grant 9/10/12)

**9/12 Retirement of the Rev Dr John Woodhouse**

Synod gives thanks to God for the ministry of the Rev Dr John Woodhouse, the Principal of Moore College since 2002, as he plans to retire from the position in early 2013. Spanning nearly four decades, his contribution to the work of the gospel both in our Diocese and throughout the world as a pastor, as a scholar, as a writer and, in particular, as the Principal of the College has been marked by his unwavering commitment to the authority of the Scriptures and his deep and passionate concern for the growth of God's people.

During his time as the Principal, the College has been richly blessed by God with the growth in the number of godly and gifted students and the corresponding expansion of the well-qualified and equipped faculty that have produced significant academic works which do not go unnoticed by the Christian communities around the world. Furthermore, under his leadership, the College has been able to establish a number of significant achievements, including being granted self-accrediting authority by the Federal government for its courses, entering into agreements with various universities to supervise PhD students, establishment of the Priscilla and Aquila Centre for the encouragement of the ministries of women in partnership with men, as well as the Centre of Christian Living for assisting Christians to think theologically about various aspects of social issues. He has also paved the way for the redevelopment of the Newtown campus by overseeing the process of obtaining the approval for the master plan from the State government. In initiating, overseeing and facilitating these often complex and challenging works, his primary concern has always remained with the nurturing of the students and their development as ministers of the gospel.

Synod expresses its most profound gratitude to John and wishes him and his wife Moya God's blessing upon their future life and ministry.

(The Rev Kevin Kim 9/10/12)

**10/12 Churches Together NSW/ACT**

This Synod –

- (a) notes that the NSW Ecumenical Council, trading as Churches Together NSW/ACT, of which this Diocese has been a long standing member, has undergone a process of prayerful reflection, evaluation and reinvention, resulting in a simpler structure, as it seeks to encourage and support churches in ecumenical co-operation;
- (b) sends its prayerful good wishes to Churches Together as it seeks to serve the churches and bear witness to Christ; and
- (c) notes that the Diocese is currently not able to make a financial contribution to the work of Churches Together NSW/ACT, but encourages interested individuals and parishes to consider making a financial contribution to the Council as part of their giving.

(The Rev Dr James Collins 9/10/12)

**11/12 Youthworks' 2012 Webby award**

Synod congratulates the CEO and staff of Youthworks on being awarded the 2012 Webby in May 2012, following the adjudication of FERVR as the top internet site in the world in the "Religion and Spirituality" category. Synod assures Youthworks of its prayerful support as the staff work with churches and schools in Word ministry to children, youth and families, to raise mission-minded disciples for the glory of God. Synod also commends FERVR to all members and leaders of the youth groups in Diocesan churches and schools.

(The Rev Philip Griffin 9/10/12)

**12/12 Biblical view of marriage in Anglican schools**

Synod, noting the contestability within the community of the meaning and significance of marriage, encourages the Heads of all Anglican Schools to ensure that their teaching staff are adequately informed and equipped to explain, promote and defend the biblical view of marriage to their students and school community.

(The Rev Nigel Fortescue 9/10/12)

### **13/12 Electronic distribution of Synod materials**

Synod, noting the action that has been taken to date in response to resolution 22/8 (Electronic distribution of Synod materials) and resolution 20/11 (Publication of Synod proceedings in electronic form), requests the Standing Committee to bring to the next ordinary session of the Synod a proposal, together with any necessary changes to our ordinances, to reduce or discontinue the distribution of materials to Synod members in printed form with effect from the 1st Ordinary Session of the 50th Synod in 2014. The proposal to take into account the needs of Synod members who do not have ready access to high volume printing and the desirability of hard copies for archives and libraries. This proposal should consider the provision of a secure website to facilitate the provision of confidential information to Synod members.

(The Rev Nigel Fortescue 9/10/12)

### **14/12 Special Religious Education**

Synod, noting the report on *Special Religious Education in Government Primary Schools – the Challenge over the next Ten Years* –

- (a) affirms its commitment to the sustaining of high quality Special Religious Education within all Government primary schools within the Diocese, and
- (b) requests the Standing Committee to address the need for sufficient funds for this ministry in its 2014-2015 budget.

(Canon Phil Colgan 10/10/12)

### **15/12 Diocesan Policy Statement on Education**

Synod agrees to amend its Diocesan Policy Statement on Education by inserting a new paragraph 2.6.5 as follows (with consequential renumbering of existing paragraph 2.6.5) –

“2.6.5 Requires that the council of each Anglican school governed by an ordinance of the Synod, the board of each Anglican university college and the board of the Sydney Anglican Schools Corporation observe the following protocol in selecting or appointing a person as head –

Prior to the beginning of the selection process, the chair of the council or board is to inform the Archbishop of the process and the Archbishop, or a Regional Bishop nominated by him, is to be invited to be a part of the interview process, and the Archbishop is to be informed of the names on the final list prior to any offer being made for the position of head.”

(Dr Bryan Cowling 10/10/12)

### **16/12 Prayer for the 2013 Special Session of Synod**

That this Synod, believing that the next Archbishop of Sydney is already known to God, calls upon all parishes to conduct at least one special day of prayer before the Special Session of Synod in August 2013, praying that –

- (a) all Synod representatives will approach the Special Session of Synod in a spirit of humility, prayerfulness and unity of purpose;
- (b) all debate and election processes will be conducted to the glory of God; and
- (c) that God will guide Synod members towards the person of His choice.

(Ms Lyn Bannerman 10/10/12)

### **17/12 Responding to cases of abuse**

Synod –

- (a) affirms that the protocols of *Faithfulness in Service* approved by the Synod for the purposes of this Diocese should be adhered to by all clergy and church workers of the Diocese,

- (b) supports transparency and accountability in all dealings with the past failures of any organisation which has, or had, a duty of care toward children to prevent and appropriately respond to cases of abuse,
- (c) grieves with the victims of abuse (and their families) over any form of suffering caused by the actions of ministers or other leaders in any church, and
- (d) is grateful for the ministry and leadership of the Archbishop in responding to instances of abuse within our Diocese.

(The Rev Craig Roberts 10/10/12)

#### **18/12 The Rev Kara Gilbert**

Synod –

- (a) rejoices in God's kindness to us seen in the growth in the ministry of women in parishes, fellowships, specialist training ministries, Anglican Deaconess Ministries, Moore College, the Priscilla and Aquila Centre, Youthworks College and our other organisations,
- (b) gives thanks for the appointment of the Rev Kara Gilbert as the Archdeacon for Women in our Diocese; and
- (c) commits to praying for Ms Gilbert as she seeks to equip, encourage, recruit and train women for ministry throughout the Diocese.

(The Rev Nigel Fortescue 10/10/12)

#### **19/12 The Rev Paul Francis Mostyn**

Synod gives thanks to God for the life and ministry of the Rev Paul Francis Mostyn who died suddenly at the age of 54 on Tuesday 25 September 2012.

We acknowledge his varied ministry at the parishes of Springwood, Kingsgrove and Berala, and most recently as a chaplain working amongst those suffering from mental illness and until his death as chaplain of Lithgow Prison.

Synod expresses its condolences to his wife Deb, his children Naomi, Ben and Katie, and his father Frank.

We commit ourselves to pray for them and those who are grieving his loss and look forward to being reunited with him at the resurrection on the last day.

(The Rev Barry Macalister 10/10/12)

#### **20/12 Thanksgiving for the ministry of women**

Synod –

- (a) gives thanks to Almighty God for the ministry of women both ordained and lay in the church's life, and
- (b) prays that our gracious God may raise up many more such godly and gifted women to serve the cause of his gospel in Sydney and throughout the world.

(The Rev Philip Bradford 10/10/12)

#### **21/12 Use of Distributions from Diocesan Endowment**

Synod requests the Standing Committee consider bringing to Synod in 2013 –

- (a) an Appropriations and Allocations Ordinance that utilises the entire Diocesan Endowment distribution amount to be paid into the Mission Property Fund and applied towards church land acquisition projects, and

- (b) a Parochial Cost Recoveries Ordinance and associated schedules such that the annual ministry costs and parochial network costs of the Diocese are no longer aided by appropriations or allocations from the Diocesan Endowment in the next budget.

(The Rev Michael Williamson 10/10/12)

### **22/12 Church planting models for greenfields areas**

Synod requests the Mission Board, together with the Mission Property Committee and Evangelism and New Churches and in wide consultation with other interested persons to report to the Synod in 2013 on the proposed ministry model or models – along with possible alternatives – which underly the proposed land acquisitions and building plans in “Greenfield” areas of the Diocese.

(The Rev Richard Blight 15/10/12)

### **23/12 Problem Gambling in Australia**

Synod once again notes the enormous damage done to thousands of vulnerable Australians and their families and communities, through problem gambling especially via poker machines.

Synod again requests the members of Australia's Federal Parliament to take urgent action to implement a range of effective measures, as recommended by experts independent of the those who profit from gambling (including 'clubs and pubs' industries and state governments), so as to reduce the impact and incidence of problem gambling, for example, by the introduction of a \$1 dollar bet limit on poker machines.

(Canon Sandy Grant 15/10/12)

### **24/12 Freedom of Religion in light of possible government reforms**

Synod notes the hard work and incredible wisdom and public helpfulness of submissions prepared on behalf of our Standing Committee on matters of government relations, including –

- (i) reforms to the charities and not-for-profits sector,
- (ii) the impact on school building funds of a new draft tax ruling,
- (iii) bills to provide for same-sex marriage, and especially,
- (iv) anti-discrimination law reform and freedom of religion.

It thanks God for the work of all who contributed to preparation of these submissions, and especially notes the enormous contribution of the Diocesan Secretary, Robert Wicks.

Synod commends these submissions to the attention of leaders in our Anglican churches and organisations.

Synod urges the members of our Anglican community to vigorously exercise our legitimate freedoms of speech, association and religion, in godly, just and peaceful ways, and also to defend the peaceful and lawful use of such freedoms by others with whom we disagree, seeking in all things to imitate our Lord, Jesus Christ, as we speak the gospel and its implications, live and act as Christians, and respond to the critique of others in the public arena.

(Canon Sandy Grant 15/10/12)

### **25/12 Youthworks' "Growing Faith" website**

Synod welcomes the recent establishment of Youthworks' "Growing Faith" website ([growingfaith.com.au](http://growingfaith.com.au)). Synod welcomes the contribution of the resources, articles, and conferences on the site and commends them to the schools and parishes of the Diocese, to help equip and energize parents and carers in raising vibrant Christian families.

(The Rev Antony Barraclough 15/10/12)

**26/12 October 2013 Synod Service**

Synod requests the Archbishop to consider holding the 2013 Synod Service in St Andrew's Cathedral at a time prior to the scheduled 2.00 pm Synod meeting commencement time on either Monday 14 or Tuesday 15 October.

(Mr Brian Gaetjens 15/10/12)

**27/12 Amendments to *Faithfulness in Service***

Synod, noting the report on amendments to *Faithfulness in Service* –

- (a) defers consideration of the amendment to the definition "bullying" until the next ordinary session of the Synod, and
- (b) approves the remaining amendments referred to in the report for the purposes of this Diocese.

(Mr Lachlan Bryant 15/10/12)

**28/12 Towards 2050**

Synod, noting the terms of resolution 2/10 and the further report of the Standing Committee provided to the Synod in response to its request in resolution 3/11 –

- (a) thanks the Standing Committee for its further report which clearly and helpfully sets out the significant challenges to our Diocesan network of churches and ministries in meeting the growth in population and ethnic mix in Sydney and the Illawarra over the next 40 years,
- (b) requests that resolution 2/10 and the further report of the Standing Committee be referred to the Mission Board and, where appropriate, the Sydney Anglican Indigenous Peoples' Ministry Committee, for consideration and incorporation into the next phase of the mission of the Diocese, and
- (c) requests that on behalf of the Standing Committee, the Mission Board bring to Synod in 2013 the suggested shape of the next phase of the mission of the Diocese and its response to the recommendations in the Towards 2050 report.

(Bishop Peter Hayward 15/10/12)

**29/12 Alternative accommodation for the Archbishop**

Synod requests the Endowment of the See Committee to make arrangements to provide suitable alternative accommodation for the next Archbishop taking into consideration the advice of the Archbishop and Mrs Jensen, and having regard to the matters raised in the explanatory report accompanying the ordinance approving the sale of Bishops court.

(Dr Philip Selden 15/10/12)

**30/12 Thanksgiving for leadership of the Diocesan Mission**

Synod –

- (a) gives thanks to Almighty God for our Archbishop and his leadership of our 2002-2012 Diocesan Mission,
- (b) rejoices in God's blessing that he has enabled us to proclaim our Saviour the Lord Jesus Christ in prayerful dependence on the Holy Spirit, in order that people would hear his call to repent, trust and serve Christ in love, and be established in the fellowship of his disciples while they await his return,
- (c) thanks God for the increase in the number of people in Bible-based Churches in the Diocese, and
- (d) thanks God for the increase in Bible-based Christian fellowships, congregations and churches, equipping and nurturing their members both in the Diocese and throughout the world.

(Bishop Peter Hayward 15/10/12)

### 31/12 Review of the Diocesan Mission and the next phase of mission

Synod –

- (a) asks the Standing Committee, through its Mission Board, to survey Synod Members, Parish Councils and other Diocesan Organisations to review and assess what has been achieved and what lessons have been learned in the ten years of our Diocesan Mission,
- (b) asks the Standing Committee, through its Mission Board, to bring to Synod 2013 a detailed report on the work of this review, including specific recommendations as to what policies, structures and implementation strategies should be adopted for the next phase of mission in the Diocese to seek and to save the lost, and
- (c) following feedback from Parishes and Diocesan Organisations, bring to Synod 2014 for its approval the suggested shape of the next phase of mission within the Diocese.

(Bishop Peter Hayward 15/10/12)

### 32/12 United Mission Campaign in 2014

Synod asks the Standing Committee, through its Mission Board to work with Evangelism and New Churches to coordinate a united mission campaign throughout the Diocese around Easter 2014 so that we can be encouraged and enabled to share Christ with our friends and neighbours.

(The Rev Dominic Steele 15/10/12)

### 33/12 Actions of the Bishop of Gippsland

Synod –

- (a) notes with grave concern the Bishop of Gippsland's appointment in December 2011 of a clergyman with a male partner to be the minister of a parish in the Diocese of Gippsland,
- (b) welcomes the following protocol unanimously adopted by the Australian Bishops' Conference in March 2012 –

*As bishops in the Australian Church we accept the weight of 1998 Lambeth Resolution 1.10 and the 2004 General Synod resolutions 33, 59 and 61-64 as expressing the mind of this church on issues of human sexuality.*

*We undertake to uphold the position of our Church in regard to human sexuality as we ordain, license, authorise or appoint to ministries within our dioceses.*

*We understand that the issues of sexuality are subject to ongoing conversation within our Church and we undertake to support these conversations, while seeking to maintain the unity of the Spirit in the bond of peace.*

- (c) joins with the Standing Committee in expressing its dismay at the Bishop of Gippsland's May 18, 2012 Presidential address to the Anglican Diocese of Gippsland which appears to espouse actions that would constitute –
  - (i) a departure from the teaching of Scripture,
  - (ii) a departure from Lambeth Resolution 1.10 of 1998,
  - (iii) a departure from *Faithfulness in Service* §7.4, and
  - (iv) a breach of the Australian Bishops' Protocol agreed to by all Australian bishops (including the Bishop of Gippsland) in March this year,
- (d) declares that such actions would breach trust and fellowship at a profound level and deeply grieve us, and
- (e) prayerfully and respectfully requests the Australian Bishops to appoint clergy and church workers in line with the expectations of sexual conduct set out for Christians in Scripture, namely that one be chaste and not engage in sex outside of marriage (which it defines as heterosexual) and in accordance with –
  - (i) Lambeth Resolution 1.10 of 1998,
  - (ii) *Faithfulness in Service* §7.4, and
  - (iii) the Australian Bishops' Protocol, and

- (f) requests the Standing Committee, in light of the Bishop of Gippsland's actions, to look for ways to recognise, encourage and support those faithful Anglicans who are disenfranchised by such actions, and to reach those elements of society denied a faithful presentation of the gospel.

(The Rev Dominic Steele 15/10/12)

### **34/12 Consideration of Synod resolutions 19/11 and 29/11**

Synod notes the comments in the Standing Committee Report paragraphs 8.14 and 8.18 and asks Standing Committee to give due consideration to Synod motions 19/11 and 29/11.

(Mr Doug Marr 16/10/12)

### **35/12 Listening to Scripture and the experience of homosexual persons**

Synod encourages members to carefully read the Bible's teaching on godly sexual expression and in that light to listen to the experience of all people with same-gender attraction (as called for in the 1998 Lambeth Resolution 1.10), encouraging those who are seeking to lead godly and chaste lives with a view to our churches being better able to care for and encourage all people to submit to the Lordship of Christ.

(The Rev Chris Albany 16/10/12)

### **36/12 Department of Evangelism and New Churches**

Synod, in light of the *38/11 Review of the Department of Evangelism and New Churches* report –

- (a) requests the ENC to consult widely with the parish council, minister, mission area leader, regional council and bishop of the area in which any new fellowship is proposed to be planted, and
- (b) requests Standing Committee to bring to the next ordinary session of Synod a redrafted amendment to the *Department of Evangelism and New Churches Ordinance 2010* that would increase effective consultation while maintaining simplicity of process and harmony of relationships between all affected parties.

(The Rev Fergus Semler 16/10/12)

### **37/12 Shoalhaven Heads: Reclassification as a Parish**

Synod assents to the reclassification of Shoalhaven Heads as a parish with effect from 1 January 2013.

(The Rev Anthony Douglas 16/10/12)

### **38/12 Minchinbury: Reclassification as a Parish**

Synod assents to the reclassification of Minchinbury as a parish with effect from 1 January 2013.

(The Rev David Mears 16/10/12)

### **39/12 Australian Charities and Not-for-profits Commission**

Synod –

- (i) noting the report about the reforms to the charities and not-for-profits sector, and
- (ii) noting also that the legislation for the Australia Charities and Not-for-profits Commission ("ACNC legislation") did not commence on 1 October 2012 as expected due to its failure to pass the Senate by that time, and
- (iii) noting further that the Senate is due to recommence its consideration of the ACNC legislation during its current period of sittings which conclude on 29 November 2012,

encourages –

- (a) all parishes and other diocesan bodies to inform themselves about their likely obligations under the ACNC legislation and to stand ready to comply with such obligations should they become law, and

- (b) the Standing Committee to continue making representations to the Government about achieving reforms which add genuine value to both the sector and the broader community.

(Mr Robert Wicks 16/10/12)

#### **40/12 Common Prayer: Resources for Gospel-Shaped Gatherings**

Synod –

- (a) declares its opinion that the services in the revised form of *Common Prayer: Resources for Gospel-Shaped Gatherings* conform to the doctrine of the Anglican Church of Australia and encourages the churches of the Diocese to use such services in accordance with the *General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998*, and
- (b) requests that before the book is published the Archbishop's Liturgical Panel further develop –
- (i) the Marriage Service form 2 to reflect more explicitly the distinct duties of husband and wife according to the teaching of the scriptures and the Book of Common Prayer, and
  - (ii) the four services of the Lord's Supper to accommodate the contemporary practice of using multiple cups and common words of distribution by the minister.

(Bishop Robert Forsyth 16/10/12)

#### **41/12 Mission Area initiatives**

Synod gives thanks to God for the progress so far of the Mission Areas initiatives as a means of turning our hearts and minds outward towards the millions who do not know Christ in our Diocese, and of increasing gospel partnership between our churches, as well as between our churches and organisations.

Synod also recognises the great challenge of working together to reach the lost and assures our Mission Area Leaders of our prayers and support, and thanks them for their commitment to the many ministries and churches in their areas.

(Bishop Ivan Lee 16/10/12)

#### **42/12 Archbishop Peter Jensen**

This Synod notes that this is the last session of Synod before the retirement of our President Archbishop Peter Jensen in July 2013.

Synod takes this opportunity to express its admiration for the way in which Dr Jensen has presided over this and preceding Synods during the 12 years of his term of office. The Archbishop's inspirational Presidential Addresses and the skill and patience with which he has guided debates will long be remembered by those who have sat under his Presidency.

Synod gives thanks to Almighty God for the life and work of the President, his evangelical faith, his sharp mind, his wise counsel, his leadership of us in reaching the lost of Sydney and Wollongong through the Diocesan Mission, his representation of the Christian gospel to the secular world and the huge increase in the number of gospel workers who have been raised up during his episcopacy.

His leadership of this Diocese and the national and global Anglican Church has been of incalculable value, and Synod acknowledges its debt to him.

Synod gratefully wishes Dr and Mrs Jensen every happiness and prosperity in the years to come.

(Canon Rick Smith 16/10/12)

## 2012 Report of the Standing Committee

Contents	Item
Introduction	1
The Diocesan Mission	2
Actions with the Archbishop	3
Financial and Property Administration	4
General Administration	5
Relations with Government	6
The International, National and Provincial Church	7
Sydney Synod Matters	8

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### 1. Introduction

#### 1.1 Charter

The Standing Committee is constituted under the Standing Committee Ordinance 1897. Its duties arise under a number of ordinances and include the following –

- (a) making arrangements for the meetings of the Synod and preparing the Synod's business,
- (b) acting as a council of advice to the Archbishop (the "Archbishop-in-Council"),
- (c) considering and reporting upon matters referred to it by the Synod and carrying out the Synod's resolutions,
- (d) deliberating and conferring upon all matters affecting the interests of the Church,
- (e) making ordinances under delegated powers,
- (f) preparing and administering parochial cost recoveries and Synod appropriations and allocations,
- (g) appointing persons to fill casual vacancies among persons elected by the Synod to boards etc, and
- (h) monitoring the finances of diocesan organisations.

#### 1.2 Access

Meetings are held in the Chapter House, St Andrew's Cathedral. Mail should be addressed to "The Diocesan Secretary, Standing Committee of Synod, PO Box Q190, QVB Post Office NSW 1230" (telephone (02) 9265 1555; email [rjw@sydney.anglican.asn.au](mailto:rjw@sydney.anglican.asn.au)). Office hours are 9 am to 5 pm.

A report on each meeting is published a few days after the meeting on the Secretariat's website at [www.sds.asn.au](http://www.sds.asn.au).

#### 1.3 Meetings and members

Since October 2011 we have met 11 times. The names of the members will be listed in the 2012 Diocesan Year Book and on the Secretariat's website at [www.sds.asn.au](http://www.sds.asn.au).

During the year, the following changes took place to the membership of the Standing Committee –

- A vacancy arose in the position of a minister elected by the Northern Region upon the resignation of the Rev Philip Wheeler. The Northern Region elected the Rev Craig Roberts to fill the vacancy.

#### 1.4 Management and structure

Each meeting of the Standing Committee is like a small Synod meeting. The major committees are –

Mission Board	Ordination Training Fund Committee
Finance Committee	Social Issues Executive
General Synod Canons Committee	Stipends and Allowances Committee
Ordinance Reviewers and Panels	Work Outside the Diocese Committee

In response to recommendations arising from the report of the Archbishop's Strategic Commission, we agreed to establish a Governance and Audit Committee to monitor the compliance, governance and risk management processes of the central diocesan organisations and the way any conflicts of interest of members of those organisations are managed. See item 8.12.

Other committees are appointed from time to time for special tasks. We thank God for the faithfulness and expertise of the people who serve on our committees.

### **1.5 Mr Steve McKerihan**

We noted with sadness the death of Mr Steve McKerihan, former Chief Executive Officer of the Sydney Diocesan Secretariat and the Glebe Administration Board. We placed on record our deep appreciation of the dedicated and expert contribution Steve made to the work of the Secretariat, the Glebe Administration Board and the Diocese as a whole, especially in the events surrounding the recent financial crisis. We also recalled with gratitude Steve's godly character and resolute commitment to Jesus Christ.

### **1.6 Election of the Rev Rick Lewers as the next Bishop of Armidale**

We noted with pleasure that the Synod of the Diocese of Armidale elected the Rev Rick Lewers, rector of Engadine, to succeed Bishop Peter Brain as the next Bishop of Armidale.

### **1.7 Election of the Rev Gary Nelson as the next Bishop of North West Australia**

We noted with pleasure that the Synod of the Diocese of North West Australia elected the Rev Gary Nelson, Moore Theological College, to succeed Bishop David Mulready as the next Bishop of North West Australia.

### **1.8 Retirement of Mr Justice Peter Young AO**

We acknowledged the retirement of Mr Justice Peter Young AO from his distinguished career, including most recently as an Appeal Court Judge of the Supreme Court of New South Wales.

### **1.9 Ms Jenni Woodhouse**

We gave thanks for the tremendous contribution of Ms Jenni Woodhouse by supporting victims of abuse and promoting safe ministry in the Diocese and beyond.

## **2. The Diocesan Mission**

### **2.1 Diocesan Mission Strategy**

In 2002, the Synod adopted the mission strategy for the Diocese including the following Mission Statement –

To glorify God by proclaiming our Saviour the Lord Jesus Christ in prayerful dependence on the Holy Spirit, so that everyone will hear his call to repent, trust and serve Christ in love, and be established in the fellowship of his disciples while they await his return.

The initial goal of the Mission adopted by the Synod is –

To see at least 10% of the population of the region of the Diocese in Bible-based churches in 10 years.

The fundamental aim of the strategy is –

To multiply Bible-based Christian fellowships, congregations and churches which equip and nurture their members and expand themselves, both in the Diocese and 'in all the world'.

The Mission Strategy has directed much of the work we have undertaken during the year.

### **2.2 Mission Areas**

Last year we approved a change of name of the Connect09 Fund to the Mission Areas Fund.

This year we passed the Synod Fund (Mission Areas) Variation of Trusts Ordinance 2011 to –

- (a) pay the amounts allocated by Synod for on-going support and assistance and training for Mission Areas as an addition to the Mission Areas Fund, and
- (b) enable the Mission Areas Fund to be applied for such purposes of the Mission Areas as we determine, including on-going support and assistance and training for Mission Areas.

During 2012 we continued making quarterly payments of \$2,500 to each of the parishes whose senior minister had been appointed as a Mission Area Leader in recognition of the work they undertake.

### **2.3 Mission Property**

In order to start replenishing funds available to the Mission Property Committee to acquire land for church sites in greenfield areas, we supported the promotion of a bill to the Synod to raise \$2 million for this purpose in 2012 by way of a levy on parishes. See item 4.11.

We have also been working with the Mission Property Committee about broader strategies to raise funds for the acquisition of land for church sites and construction of ministry centres across the Diocese. For this purpose, we requested the Mission Property Committee to provide us with a progress report for the Synod about –

- (a) implementing the strategic priorities in acquisition of land for church sites and the

- construction of ministry centres, and
- (b) a statement of intention to cooperate among Anglican organisations, and
- (c) its fundraising activities.

The progress report is printed separately.

## **2.4 Review of Diocesan Mission**

We requested that motions be moved at the Synod –

- to give thanks to Almighty God for our Archbishop and his leadership of our 2000 – 2010 Diocesan Mission,
- to commence a review and assessment of what has been achieved and the lessons learned in the 10 years of the Diocesan Mission, and
- to initiate a report to the Synod in 2013 with recommendations about the next phase of mission in the Diocese.

## **3. Actions with the Archbishop**

### **3.1 Estate of Late M.A. Grant (Sisters' Endowment)**

The Archbishop-in-Council appropriated \$30,000 from this Estate for distribution by the Archbishop to assist clergy, clergy widows and clergy children or orphans who are in need.

### **3.2 Parramatta '54 Free Fund**

The income of this fund is to be distributed among the objects of the Diocese of Sydney as determined by the Archbishop-in-Council. During the year the following distributions were made –

- \$10,254 to reimburse the Endowment of the See for the costs of 5 Sydney Bishops and their wives to attend the March 2012 Australian Bishops' Conference held in Melbourne, and
- \$3,974 to reimburse the General Synod office for the "shared conference cost" and "travel equalisation adjustment" attributable to the 5 Sydney Bishops who attended the Australian Bishops' Conference.

### **3.3 Church of England Children's Home Burwood**

The Archbishop-in-Council withdrew the authority of the Church of England Children's Home Burwood to use the name "Church of England" pursuant to the General Synod – Use of Church Names Canon 1989 Adopting Ordinance 1990.

## **4. Financial and Property Administration**

### **4.1 Accounts, Audits and Annual Reports Ordinance 1995**

Organisations of the Synod which manage church trust property must report annually to the Synod. These reports include audited financial statements and must be lodged, together with a liquidity report, by 30 June each year. A different lodgement date has been approved for three organisations, Anglicare, Anglican Retirement Villages and Anglican Aid whose financial year ends on 30 June.

Organisations are also required to provide us with certain internal management financial information during the year.

The annual reports and audited accounts for about 40 organisations will be tabled in the Synod. Any major problems found by the Finance Committee from a review of these accounts and the additional internal management financial information will be reported.

### **4.2 Annual Financial Statements for the Synod Funds and Parish Funds**

The annual financial statements for the Amalgamated Synod Funds and Amalgamated Parish Funds have been prepared and the auditors have reported according to an agreed review of procedures instead of an audit.

These reports are printed separately.

### **4.3 Borrowing limits for organisations**

We approved the extension of a reduced borrowing limit for 1 organisation.

### **4.4 Ordination training fund**

From this Fund, bursaries are available to –

- (a) candidates studying through Moore Theological College or Youthworks College for ordination in Sydney, and
- (b) candidates studying through Moore Theological College or Youthworks College for commissioning as Diocesan Lay Workers in Sydney.

Bursaries of \$145,000 were paid in 2011 (\$245,000 in 2010).

#### 4.5 Ordinances

The following table shows the number of ordinances passed and assented to in 2006 to 2011 and in 2012 up to 19 September –

	2006	2007	2008	2009	2010	2011	2012
Standing Committee	48	45	38	27	36	40	30
Synod	5	3	6	13	4	10	0
	53	48	44	40	40	50	30

A separate report lists the ordinances passed by us since the 2011 session of the Synod. There are 12 ordinances of particular interest.

The St Philip's York Street Leasing Ordinance 2011 authorised the Property Trust to enter into a new head lease over the property known as 1 York Street, Sydney. See item 4.20.

The St James' Sydney Phillip Street Property Ordinance 1962 Further Amendment Ordinance 2011 facilitated the election of the Property Trust as the trustee of the property known as 169 Phillip Street, Sydney (St James' Hall) as a consequence of the resignation of the previous trustee, Glebe Administration Board.

The Archbishop of Sydney's Anglican Aid Ordinance 2011 reconstituted the Archbishop of Sydney's Community Care and Development Program as the Archbishop of Sydney's Anglican Aid.

The Archbishop of Sydney's Anglican Aid Incorporation and Transition Ordinance 2011 constituted the body known as the Archbishop of Sydney's Anglican Aid as a body corporate under the Anglican Church of Australia (Bodies Corporate) Act 1938.

The Synod Fund (Mission Areas) Variation of Trusts Ordinance 2011 provided for the payment of amounts allocated by the Synod for on-going support and assistance and training for Mission Areas into the Mission Areas Fund and for the Fund to be applied for such purposes of the Mission Areas as we determine.

The Diocesan Endowment Amendment Ordinance 2012 requires the Glebe Administration Board to advise us each year of the amount which may be prudently distributed from the Diocesan Endowment for spending by the Synod in the following year. See item 4.9.

The Synod Estimates and Parochial Cost Recoveries (Transition) Ordinance 2012 provides for arrangements to transition back to a triennial Synod funding cycle following a number of years of Synod funding on a yearly basis.

The 1 York Street (Special Distribution) Ordinance 2012 provided for the special distribution of the back payment of rent under the lease of the property known as 1 York Street, Sydney. See item 4.20.

The Endowment of the See Capital Ordinance 2012 and the Endowment of the See Expenditure Ordinance 2012 put in place new governance arrangements for property held for the Endowment of the See.

The Clergy Removals Fund Ordinance 2003 Amendment Ordinance 2012 restricted the payment of benefits from the Clergy Removals Fund to those parishes which the Regional Bishop determines are under financial hardship.

The Provisional Parishes (Office of Rector) Ordinance 2012 provided that the person who has charge of a separate cure of souls in a provisional parish is to be its rector rather than its curate in charge.

#### 4.6 Parochial cost recoveries - arrears

The following table compares the arrears of cost recovery charges as at 30 June 2011 and 2012 –

	2011	2012
Beverley Hills with Kingsgrove	732	-
Cabramatta	556	3,754
Chester Hill with Sefton	1,527	1,446
Dulwich Hill	3,646	-

	2011	2012
Harbour Church	943	-
Lord Howe Island	130	-
Richmond	-	3,057
Rosemeadow	3,095	-
Rouse Hill	821	9,648
Shellharbour City Centre	-	12,710
St George	1,878	-
	<u>13,328</u>	<u>30,615</u>

#### 4.7 Annual financial statements from parishes

Under the Parish Administration Ordinance 2008, parochial units are required to lodge their audited financial statements within 7 days after their annual general meeting of parishioners.

As at 30 April 2012, 99 parochial units (37%) had not lodged a set of prescribed financial statements. By 10 July this had improved so that only 15 parochial units (5.6%) had not lodged their financial statements.

The Finance Committee has processes in place to remind parochial units of their obligations under the Ordinance, assist with any enquiries and review the statements lodged. The Finance Committee also works with the Regional Bishops and the Archdeacon of Liverpool to investigate and report to us on the status of the audited financial statements for parochial units that are late in lodging the required information.

#### 4.8 Local revenues test for parish status

The parish of Auburn – St Philip had local revenues below the requisite amount in 2011. The parish has been advised of the importance of ensuring its 2012 and future revenues meet the relevant threshold figures in order to retain its parish status.

#### 4.9 Recommended distribution from the Diocesan Endowment for 2013

We noted the advice of the Glebe Administration Board for the purposes of clause 5(1) of the Diocesan Endowment Ordinance 1984 that \$3.335 million could prudently be distributed from the Diocesan Endowment in 2012 for spending by the Synod in 2013.

#### 4.10 Synod Appropriations and Allocations for 2013

Under clause 3 of the Synod Estimates Ordinance 1998 we are required to prepare for the 2<sup>nd</sup> ordinary session of the 49<sup>th</sup> Synod a statement of funding principles and priorities and a proposed ordinance reflecting the statement which contains estimates for 2013 of –

- the amount required for meeting the cost of sittings of the Synod, the maintenance of diocesan offices and the expenses of such other diocesan activities and commitments as, in our opinion, should be supported, and
- the amount which, in our opinion, should be granted to organisations under the control of Synod or to other organisations, and
- the amount of income available from endowments or other trusts for meeting the amounts referred to above in the relevant financial year.

A bill for the Synod Appropriations and Allocations Ordinance 2012, an explanatory report and the statement of funding principles and priorities are printed separately.

See item 8.13.

#### 4.11 Parochial cost recoveries for 2013

Under clause 5 of the Cost Recoveries Framework Ordinance 2008, we are required to prepare for the 2<sup>nd</sup> ordinary session of the 49<sup>th</sup> Synod an ordinance which specifies the cost recoveries charge in respect of ministry costs and parochial network costs to be paid by each parochial unit in 2013.

A bill for the Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012 and an explanatory report are printed separately.

See item 8.13.

#### 4.12 Stipends, allowances and benefits for 2013

A report on stipends, allowances and benefits for 2013 is printed separately.

#### 4.13 Work Outside the Diocese

In the 6 months to 30 June 2012, the Work Outside the Diocese Committee had applied \$158,180 from a

total Synod allocation in 2012 of \$200,000. It is expected that further amounts will be applied during the 6 months to 31 December 2012 from the 2012 allocation, and possibly also from reserves.

#### **4.14 Allocation of Synod funds to regional councils**

Under the Synod Appropriations and Allocations Ordinance 2011 an amount of \$300,000 was provided as an allocation to regional councils for 2012 for administration support. With the agreement of the Regional Bishops and regional councils, we allocated this amount as follows –

Georges River Regional Council	\$75,000
Northern Regional Council	\$75,000
South Sydney Regional Council	\$75,000
Western Sydney Regional Council	\$75,000
Wollongong Regional Council	\$0
Total	<u>\$300,000</u>

#### **4.15 Parochial support for the Diocese**

Under the Parochial Cost Recoveries and Support for the Diocese Ordinance 2009 the amount accruing as “parochial support for the Diocese” must be reported to us and the Synod with reference to subtotals arising under clauses 5(d) and 5(e) of the Ordinance.

As at 22 March 2012, 6 parochial units had committed to contribute a total of \$12,010 by way of “parochial support for the Diocese” under clause 5(d). A further amount of \$7,500 had been received by way of “donations” from 3 parochial units under clause 5(e) of the Ordinance.

In accordance with clause 5(h) of the Ordinance, we directed that the funds arising from the “parochial support for the Diocese” be applied to the capital of the Diocesan Endowment.

#### **4.16 Funding for 2013 Archbishop’s Election Synod**

Under clause 6 of the Synod Appropriations and Allocations Ordinance 2009, we approved the payment during 2012 and 2013 of up to \$53,000 in disbursements relating to the Archbishop’s Election Synod in 2013.

#### **4.17 Bishopscourt**

We requested that a bill for the sale of Bishopscourt be promoted to the forthcoming session of the Synod and recommended the passing of the bill.

The bill and an explanatory report are printed separately.

We also requested that following the passing of the bill at Synod, a motion be moved requesting the Endowment of the See Committee to make arrangements to provide suitable alternative accommodation for the next Archbishop.

#### **4.18 Future of Parish Planned Giving**

We received a report about the steps being undertaken by the Secretariat in relation to the closure of the Parish Planned Giving program.

#### **4.19 St Andrew’s Cathedral School consent to mortgage**

We consented to the St Andrew’s Cathedral School granting a mortgage over its lease of levels 6-8 and the roof top of St Andrew’s House, 474 Kent Street, Sydney. Our consent to such a mortgage is required under the Council of St Andrew’s Cathedral School Incorporation Ordinance 1978.

#### **4.20 Lease of 1 York Street**

We noted that pursuant to the St Philip’s York Street Leasing Ordinance 2011, the Property Trust had entered into a new head lease over the property known as 1 York Street, Sydney. We approved the Property Trust charging a management fee of 2.50% of the gross monthly rental received under this head lease for the remainder of its term.

We also passed the 1 York Street (Special Distribution) Ordinance 2012 to provide for the distribution between the parish of York Street and the Synod of a back payment of rent under the previous head lease of 1 York Street, Sydney.

#### **4.21 Consultation with Sydney Anglican Indigenous Peoples’ Ministry Committee**

We adopted a regulation under clause 6(5) of the Standing Committee Ordinance 1897 for the purposes of consulting with the Sydney Anglican Indigenous Peoples’ Ministry Committee concerning the sale of property used for Indigenous ministry.

#### 4.22 Greenoaks Apartments

By clause 9 of the Bishops court Back Block Development and Land Sale Ordinance 2004 (the "Ordinance"), we are required to report to each ordinary session of the Synod about –

- progress of the development authorised by the Ordinance, now called "Greenoaks Apartments", and
- application of the sale proceeds of the land the subject of the development, and
- action taken by us in response to the statement of intention under clause 8(3) of the Ordinance.

The Greenoaks development comprised a 6-storey apartment building containing 10 apartments over basement parking for 25 motor vehicles. Construction commenced in September 2005 and practical completion occurred in September 2007.

All of the apartments have now been sold.

Clause 8(3) of the Ordinance provides that when the final balance of the sale of the land, or parts thereof, is known, we intend that an appropriate sum be applied for the repair and maintenance of Bishops court. Although the final balance of the sale of the apartments has been finalised, there are no available funds to be applied for the purposes of clause 8(3). However, funds generated from the development have been applied to major roof repair and renovations undertaken at Bishops court over the last 3 years (over \$2.0m) and for other purposes permitted by the Ordinance.

As the development is now complete and all apartments sold this is the final report that is required to be made to Synod under the Ordinance.

#### 4.23 Gilbulla Memorial Conference Centre Sale Ordinance 2001

Under the Gilbulla Memorial Conference Centre Sale Ordinance 2001, we are required to provide an annual report to the Synod on progress in acquiring, constructing, adapting and/or renovating a property or building to be used as a conference centre and retreat house for the Diocese.

In 2007 we agreed to release to Anglican Youthworks, upon its request to the Property Trust, the invested funds from the sale of Gilbulla Memorial Conference Centre in order to purchase a new conference centre.

Anglican Youthworks has not yet been successful in acquiring another conference site but most recently has been actively pursuing camping and conferencing centre options north of Sydney. Another possible site purchase in another area of Sydney is also currently being investigated. Youthworks is not in a rush to secure another property and remains particular about the requirements for a suitable property.

#### 4.24 Review of large receipts policy and related matters

We appointed a committee to undertake a review of our large receipts policy. The review will include a number of related matters including –

- matters arising from Synod resolution 24/09 concerning the support for regional councils, and
- the process to be followed in determining the appropriate proportion of a large receipt from parish property to be made available for diocesan purposes, including the role of the Mission Property Committee in making such a determination.

We noted a discussion paper prepared by the Mission Property Committee concerning the review of the large receipts policy and, without endorsing its content, requested that this paper be considered as part of the review.

We expect to consider the outcome of the review later this year.

#### 4.25 Lady Alison Neville Starr Trust

We determined that an amount of \$146,787 received under a trust established by Lady Alison Neville Starr in 1974 should, in accordance with the trusts on which this amount is held, be paid to Anglicare Diocese of Sydney to be used for general welfare purposes of the Diocese.

### 5. General Administration

#### 5.1 Elections

The appointment of persons to serve on committees etc. continued to be a major part of our business. Some appointments are to fill casual vacancies among Synod appointees, and these appointments fall vacant at this coming Synod session. Other appointments are made by the Standing Committee in its

own right.

From November 2011 to June 2012, 151 such positions were filled (72 for the same period in 2010 – 2011).

## **5.2 Reports from Regional Councils**

Under clause 9 of the Regions Ordinance 1995 each regional council must give us an annual report for inclusion in our report to the Synod. The annual reports are printed separately, together with any reports for reclassification of provisional parishes under the Parishes Ordinance 1979.

## **5.3 Diocesan Policy Statement on Education**

We noted that the Diocesan Policy Statement on Education indicates Synod's expectation that the boards of Anglican educational organisations will appoint as heads only practising Christians who have signed a statement of personal faith and support for the Christian ethos and charter of the organisation.

In order to give better effect to this expectation, we requested that an amendment to the Policy be moved at the Synod to include in the Policy a protocol that should be followed by Anglican educational organisations when selecting or appointing a person as head.

A motion to enable consideration of this matter will be moved at the Synod at our request.

See also item 8.16.

## **5.4 Review of the School Chapels and Chaplains Ordinance 1975**

We received a report from a committee we appointed in 2009 to review the School Chapels and Chaplains Ordinance 1975. We requested that a motion be moved at Synod to enable Synod members, school councils and the Sydney Anglican Schools Corporation to consider and provide comments on the report with a view to suitable amendments to the Ordinance being brought to the Synod in 2013 having regard to such comments.

The report is printed separately.

## **5.5 Transition to the Australian Charities and Not-for-profits Commission**

In May 2011, the Federal Government announced the establishment of a regulator for the charities and not-for-profits sector, the Australian Charities and Not-for-profits Commission (ACNC). Since this announcement, we have made a number of submissions and been represented at various discussions with the Government about the legislation and administrative arrangements for the ACNC, which is due to commence operations on 1 October 2012.

See item 6.2.

We requested the Secretariat to manage the action required to transition to this new regulatory environment, noting that the costs of undertaking this work will go beyond the Secretariat's current resources. For this purpose we –

- (a) supported the continuation of work outlined in a project plan prepared by the Secretariat covering specific transitional issues relating to central diocesan organisations, parishes and other diocesan organisations, and
- (b) allocated an amount of up to \$10,000 from Synod Fund Contingencies to assist in completing some initial transitional work.

We also expressed our support for the creation of a new full-time position within the Sydney Diocesan Secretariat for the purposes of managing further transitional and ongoing compliance work arising in relation to the Australian Charities and Not-for-profits Commission.

## **5.6 Cessation of Christ Church St George as a recognised church**

On the recommendation of the Georges River Regional Council, we determined, under clause 20(1) of the Recognised Churches Ordinance 2000, that recognition of Christ Church St George as a recognised church should cease with effect from 1 January 2012. On our recommendation, the Archbishop also made the requisite declaration in the same terms.

## **5.7 Richard Johnson College Ltd**

We received a report about activities proposed to be undertaken by Richard Johnson College Ltd following the closure of its residential college some years ago and subsequent activities to support the alumni of Richard Johnson College and to award scholarships and provide support to other colleges.

In view of the new direction proposed to be taken by the Company, we approved a number of amendments to the Constitution of the Company which would have the effect of severing its ties with the Diocese. We also recommended to the Archbishop that, in consultation with the Wollongong Regional

Council, he withdraw the Company's authorisation to use the Anglican name under the General Synod – Use of Church Names Canon 1989 Adopting Ordinance 1990.

### **5.8 Freedom4Faith**

During the year we were informed of the work being undertaken by a group of church representatives and Christian academics known as Freedom4Faith. To date the work of Freedom4Faith has included –

- Identifying religious freedom issues and educating and sensitising churches and politicians about these issues, for example the principles for religious freedom adopted in 2010 by the Synod and, in a slightly extended form, by the General Synod.
- Contributing to background work addressing potential threats to religious freedom, for example the response to the Freedom of Religion and Belief Project commissioned by the Australian Human Rights Commission in 2008 and the current proposal from the Commonwealth Attorney General to consolidate anti-discrimination laws.
- Providing a means to network with others concerning religious freedom issues.

We expressed our support for Freedom4Faith and agreed to pay to Freedom4Faith \$10,000 from Synod Fund Contingencies as our 2012 Institution Affiliation Fee.

We also requested that Mr Robert Wicks be appointed to the Board of Freedom4Faith and Bishop Robert Forsyth be appointed as a member of its Campaign Committee.

See also item 6.3.

### **5.9 Discipline Ordinance 2006 Amendment Ordinance 2012**

We received a report about proposed changes to procedures in the Discipline Ordinance 2006 for dealing with complaints made against unpaid lay church workers. We requested that a bill for the Discipline Ordinance 2006 Amendment Ordinance 2012 to give effect to these changes be promoted to the Synod.

The bill and an explanatory report are printed separately.

### **5.10 Special Religious Education**

Following the Parliamentary Inquiry into the Education Amendment (Ethics Classes Repeal) Bill of 2011, we considered –

- (a) the action that should be taken over the next 10 years to respond to the challenges for Special Religious Education in Government schools, and
- (b) the steps that need to be taken to respond to these challenges, including the additional funding that would be required.

We requested that a motion be moved at the Synod to address the need for sufficient funds for SRE in Synod's 2014-2015 budget.

A report about this matter is printed separately.

See also item 6.6.

### **5.11 Affiliated Churches**

We declared Central Evangelical Church Canberra to be affiliated with the Diocese and authorised the Diocesan Secretary on our behalf to enter into an affiliation agreement with Central Evangelical Church Canberra.

### **5.12 Amendments to *Faithfulness in Service***

We requested that a motion be moved at the Synod to enable the Synod to approve certain amendments to the code of conduct, *Faithfulness in Service*.

A report about this matter is printed separately.

### **5.13 Provisional Parishes**

We passed the Provisional Parishes (Office of Rector) Ordinance 2012 to enable a person who has the charge of a separate cure of souls in a provisional parish to be called its rector rather than its curate-in-charge.

### **5.14 Constitution of SCEGGS Darlinghurst Limited**

We were asked to consider our support for a proposed amendment to the Constitution of SCEGGS Darlinghurst Limited which would have removed a provision which currently limits to those directors appointed by the Secretariat discussion of business concerning "the instruction or practice of religion or the appointment or removal of the chaplain".

We deferred consideration of this matter until we had the benefit of discussions with the school council about the amendment. We indicated that pending the outcome of these discussions, the suggested amendments should not be supported by the Secretariat.

#### **5.15 Half-yearly review of Secretariat's services to Synod and Standing Committee**

We undertook a half-yearly review of the services provided by the Secretariat to the Synod and the Standing Committee and confirmed that the Secretariat had satisfactorily provided such services under its current service level agreement with us for the period between November 2011 and April 2012.

We intend undertaking a yearly review of the services provided by the Secretariat between November 2011 and October 2012. As part of this review we will consider whether the current service level agreement needs to be reviewed for services provided during 2013, particularly in light of the proposed reduction of funding to pay for such services next year.

#### **5.16 Culture of review among parishes and clergy**

In 2009 we appointed a taskforce to recommend alternative approaches for encouraging a culture of review among our parishes and clergy, and for facilitating actual review mechanisms where parishes and clergy wish to request a review. We agreed to the taskforce preparing an email and web-based survey of rectors in consultation with Mission Area Leaders seeking advice about what resources they had used to enable them or their parish to review and develop ministry with a view to compiling the results into an annotated list of resources available for such reviews. We also supported including in the training of Mission Area Leaders familiarity with these resources and an encouragement to facilitate a culture of review among clergy and parishes.

We asked the taskforce to prepare a suitable report for the Synod once the survey had been completed.

We understand that the survey has been completed but we have not yet received a report about the matter.

#### **5.17 Safe Ministry Representatives**

We requested that parishes that have not already done so nominate a Safe Ministry Representative (SMR) and that the Professional Standards Unit consider its policy on the appointment of a staff member as a SMR.

### **6. Relations with Government**

#### **6.1 Social Issues Executive**

The Social Issues Executive (SIE) is one of our subcommittees. The SIE provides advice to the Archbishop on issues which are referred to it by him and provides advice on issues referred to it by us or at the request of the Synod. The SIE also identifies and initiates the study and discussion of social issues among Anglicans in the Diocese. During 2012, the SIE celebrated publishing its 100<sup>th</sup> 'Social Issues briefing', entitled 'A Look Back' which painted a picture of the many diverse issues that the SIE has written about. Other recent briefings treated various topics, including ethics classes; freedom of religion; church and state (and the Scripture Union High Court case); refugees; and disability insurance (all available at [www.sie.org.au](http://www.sie.org.au)). The SIE also acts as the advisory panel of the Centre for Christian Living, a centre started in 2011 devoted to examining ethical and moral issues from the perspective of Christian theology. For more information on the Centre for Christian Living, see the Moore Theological College Annual Report to Synod, or visit [www.ccl.moore.edu.au](http://www.ccl.moore.edu.au).

During the year, the SIE made submissions to the following Commonwealth Government and statutory commission inquiries –

- April 2012: Senate Legal and Constitutional Affairs Committee Inquiry into the *Marriage Equality Amendment Bill 2010*
- March 2012: Joint Select Committee on Gambling Reform Inquiry into the prevention and treatment of problem gambling
- October 2011: Department of Finance and Services Review into the Shop Trading Provisions of the *Retail Trading Act 2008*

It has also raised Diocesan awareness of the proposals to extend marriage law to same sex couples and encouraged members of the Diocese to contribute to the debate through contact with their elected Member of Parliament.

#### **6.2 Reforms to the charities and not-for-profits sector**

The major focus of our interaction with Government this year has been the extensive reforms to the charities and not-for-profits sector announced by the Federal Government as part of its May 2011 Budget.

During the year, we made the following submissions –

- Submission to Treasury regarding *A Definition of Charity – Consultation Paper* (December 2011)
- Submission to Treasury regarding *The Exposure Draft for the Australian Charities and Not-for-profits Commission Bill 2012* (January 2012)
- Submission to Treasury regarding *Review of Not-for-profit Governance Arrangements – Consultation Paper* December 2011 (January 2012)
- Submission to the Australian Charities and Not-for-profits Commission Taskforce regarding the *Australian Charities and Not-for-profits Commission: Implementation Design – Discussion Paper* (February 2012)
- Submission to the Treasury regarding *Charitable Fundraising Reform – Discussion Paper and Draft Regulatory Tax Statement* (April 2012)
- Submission to the Treasury regarding the Exposure Draft for the *Tax Laws Amendment (2012 Measures No. 4) Bill 2012: Tax Exempt Body “In Australia” Requirements* (May 2012)
- Submission to the House of Representatives Standing Committee on Economics – Inquiry into the *Exposure Draft Australian Charities and Not-for-profits Commission Bill* (July 2012)
- Supplementary submission to the House of Representatives Standing Committee on Economics – Inquiry into the *Exposure Draft Australian Charities and Not-for-profits Commission Bill* (August 2012)
- Submission to the Senate Community Affairs Legislation Committee regarding the *Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012* (August 2012)
- Submission to the Parliamentary Joint Committee on Corporations and Financial Services regarding the *Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012* (August 2012)
- Submission to the Senate Community Affairs Legislation Committee concerning the *Australian Charities and Not-for-profits Commission Bill 2012* and the *Australian Charities and Not-for-profits Commission(Consequential and Transitional) Bill 2012* (August 2012)
- Submission to the Parliamentary Joint Committee on Corporations and Financial Services regarding the *Australian Charities and Not-for-profits Commission Bill 2012* and the *Australian Charities and Not-for-profits Commission(Consequential and Transitional) Bill 2012* (August 2012)

A copy of each of these submissions is available on the Secretariat's website, [www.sds.asn.au](http://www.sds.asn.au).

A report summarising these submissions and the implications of the reforms for the Diocese will be printed separately.

### **6.3 Anti-discrimination law reform and freedom of religion**

Last year we expressed our in-principle support for the extension of Commonwealth anti-discrimination law to cover sexual orientation and sex and/or gender identity in response to a discussion paper issued by the Australian Human Rights Commission – *Protection from discrimination on the basis of sexual orientation, sex and/or gender identity*. However, in doing so, we indicated there was a need to balance any such extension with a right to religious freedom.

This year the Commonwealth Attorney General issued a further discussion paper on the *Consolidation of Commonwealth Anti-discrimination laws* seeking submissions on a range of matters including the possible extension of anti-discrimination law to cover additional characteristics beyond sexual orientation and sex and/or gender identity.

We made a submission in response to the discussion paper. In summary we submitted that –

- Commonwealth anti-discrimination law needs to better balance the legitimate right not to be unjustly discriminated against with other human rights, such as freedom of religion.
- The preamble to any consolidated anti-discrimination Act should provide that the object of the Act is to give effect to Australia's international obligations to prevent unjustified forms of discrimination in a manner which upholds rights to freedom of religion, association and cultural expression, as well as other human rights.
- Commonwealth anti-discrimination law should be extended to cover additional attributes listed under International Labour Organisation Convention No 111, including religion.

However our support for extending the law to cover additional attributes is subject to religious bodies (broadly understood) being able to lawfully discriminate on religious grounds, particularly in the area of employment, to ensure that the ethos and values of such bodies are maintained.

- Any exception from anti-discrimination law based on the inherent requirements of a position should be sufficiently broad to ensure that positions within religious organisations, and any organisation that promotes belief or ideology, are not viewed purely in terms of their function but also in terms of their contribution to the culture and ethos of the organisation.
- The right to be free from discrimination should include an obligation on the part of an employer to make reasonable accommodation for a staff member's religious beliefs, including in relation to matters giving rise to conscientious objection on the part of a staff member. There is also a need for protections in Commonwealth anti-discrimination law to prevent individuals from being coerced into the active promotion of activities or practices that are contrary to their sincerely held religious beliefs.
- Harassment based on a protected attribute should constitute a ground of unlawful discrimination. However in order to ensure that legitimate and reasonable conduct does not constitute harassment merely because offence is taken, any limits placed on the expression of genuinely held opinions must be drawn broadly and specific protections put in place for genuine public debate on matters such as political opinion, religious belief and sexual orientation.

A full copy of our submission can be found on the Secretariat's website at [www.sds.asn.au](http://www.sds.asn.au).

We also received a copy of a submission made by Freedom4Faith to the NSW Opposition in response to a consultation about religious freedom in New South Wales. We will consider whether to indicate our support of this submission.

#### **6.4 School building funds**

During the year the Australian Taxation Office (ATO) issued draft Tax Ruling TR 2011/05 about school or college tax deductible building funds. It is proposed that the draft ruling will replace the existing Tax Ruling TR 96/8 – School or College building funds.

The most significant difference between these rulings is the proportion of time that a building must be used as a school in order for it to qualify as a "school" for tax deductible purposes. Under TR 96/8 the test is the "primary and principle use" of the building. This requires the building to be used as a school for more than 50% of the time. The draft ruling TR 2011/D5 proposes that a building must be used exclusively as a school, with any other use being minor or occasional or integral to its use as a school.

In addition, the draft ruling suggests that many typical parish activities currently accepted by the ATO as school use under the existing ruling, including bible study, Sunday school, ESL and so forth, may not be regarded by the ATO as "use as a school".

We noted that the Property Trust has made a submission arguing that the draft ruling seeks to administer the meanings of "school" and "used as a school" in a manner contrary to the manner declared by the courts. The Property Trust also submitted that the transitional provisions for the draft ruling were unfair insofar as its provisions would apply to all gifts made to existing school building funds after the commencement of the draft ruling. Accordingly the Property Trust submitted that if, contrary to its submissions, the ATO persists with the draft ruling, it should only apply to school building funds endorsed after the date of its issue.

#### **6.5 Bills to provide for same-sex marriage**

We made a submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs concerning the Marriage Equality Amendment Bill 2012 and the Marriage Amendment Bill 2012. Both these bills make provision for extending marriage to same-sex couples.

We confirmed in the submission that we are, as a matter of principle, firmly opposed to extending the definition of marriage to include same-sex relationships. However if these Bills were introduced into Parliament, we submitted that –

- The Parliament should only proceed to consider legislation if it considers it has the constitutional power to pass it and, accordingly, the House of Representatives Standing Committee should take the necessary steps to inform itself about the constitutional validity of the Bills and include in its report its findings and conclusions about the matter.
- Alternative vows should be outlined for the solemnisation of marriage involving a same-sex couple rather than amending the existing vows for heterosexual couples or allowing same-

sex couples to use the term “husband” and “wife”.

- Both Bills should include in the Marriage Act 1961 an express provision that nothing in the Act or any other law imposes an obligation on a religious body to make its property available for the solemnisation of marriage to any couple, including on the grounds that the couple is in a same-sex relationship.
- Both Bills should provide for an extension of the protections in section 47 of the Marriage Act 1961 to civil celebrants where the marriage to be solemnised is between persons of the same sex.

A full copy of the submission can be found on the Secretariat’s website at [www.sds.asn.au](http://www.sds.asn.au).

Following the public consultation, the House of Representatives Standing Committee recommended a limited number of amendments to the Marriage Equality Amendment Bill 2012 which generally coincided with our submissions. Members of the Committee made personal comments at the end of their report which indicated that the majority (4 – 2) were not in favour of the legalisation of same-sex marriage.

## 6.6 Ethics classes

We received a report from the Executive Director of the Anglican Education Commission, Dr Bryan Cowling following the release of the Report of the Parliamentary Inquiry into the Education Amendment (Ethics Classes Repeal) Bill of 2011. Dr Cowling indicated that many of the 14 recommendations of the Inquiry were drawn from the submission made by the Anglican Education Commission to the Inquiry. In particular the Inquiry Committee recommended that –

- The NSW Government not seek to repeal section 33A of the Education Act 1990 that allows for Special Education in Ethics (SEE) classes in NSW Government schools and that it continue to facilitate the delivery of SEE in NSW Government primary schools as an option for students who do not attend Special Religious Education (SRE).
- The NSW Government maintain the current situation where neither the providers of SEE or SRE receive direct financial support from the Government; and that the Department of Education and Communities (the Department) publish on its website information advising that the provision of SEE and SRE are not government funded.
- The Department should require all providers of SEE or SRE to post their curriculum outlines and curriculum scope and sequence documents online, and that all relevant curriculum information be presented in the order in which it is taught.
- The Department collect and publish data annually on the number of students who participate in SEE, SRE and those students who do not attend either.
- The Department provide recommendations to schools regarding what constitutes adequate supervision for students and for activities that those students not attending SEE or SRE can be meaningfully engaged in during that timeslot.
- The Department require and monitor SEE and SRE providers to ensure that they have in place a system of accredited initial and ongoing training for their voluntary teachers that includes training in classroom management and child protection issues and that this information is published on the providers’ websites.
- The Department commission an independent review of both SEE and SRE in NSW Government schools to be conducted by appropriately qualified early childhood education reviewers in 2014-2015.

We also noted the Anglican Education Commission has endorsed the recommendations arising from the Inquiry and has called on the Government to accept and implement them expeditiously.

## 6.7 Extension of Working With Children Checks to voluntary workers

During the year, the Child Protection (Working with Children) Bill 2012 was introduced into the NSW Parliament by the Government. The Bill, if passed, will make significant changes to the screening procedure, known as the Working With Children Check, that is required of certain persons who are in child-related employment in NSW. In particular, the changes will require that a check be obtained for almost all volunteers in our parishes who directly assist with children’s and youth activities.

In anticipation of the Bill becoming law, we appointed a small committee to consider how to respond to any extension of Working With Children Checks to voluntary workers in the parish context and report back to us in due course with recommendations.

We have not yet received this report.

## 7. The International, National and Provincial Church

### 7.1 Appointment of a clergyman with a male partner in the Diocese of Gippsland

In February, we noted with concern the report in *The Gippsland Anglican* of December 2011 of the appointment of a clergyman, with a male partner, to part-time ministry in the parish of Heyfield in the Diocese of Gippsland. We considered that the appointment is contrary to the teaching of God's Word concerning appropriate Christian behaviour and the appointment of elders who are beyond reproach to serve the people of God. We also considered that it seriously diminishes the fellowship within the Anglican Church of Australia.

We conveyed these views to the Bishop of Gippsland and respectfully encouraged him to reconsider the appointment.

In March, we noted that while the Australian Bishops' Protocol on Human Sexuality (see item 7.3) addresses future actions it does not address the past action of the Bishop of Gippsland appointing a man living with a male partner to a ministry office. We therefore requested our Archbishop and bishops to continue their pastoral conversations with the Bishop of Gippsland with the goal of his public repentance and reconciliation.

In May, we noted our dismay at the Bishop of Gippsland's Presidential Address to the Anglican Diocese of Gippsland on 18 May 2012 from which it is reasonable to infer his intention to appoint, among others, practising homosexuals to ministry roles in his Diocese and support same-sex marriages. We considered that Bishop McIntyre's earlier appointment of a practising homosexual to a ministry office and his statement to the Gippsland Synod represent –

- a departure from the teaching of Scripture,
- a departure from the Lambeth Resolution 1.10 of 1998,
- a departure from *Faithfulness in Service* paragraph 7.4,
- a breach of the Australian Bishops' Protocol agreed to by all Australian Bishops (including the Bishop of Gippsland) in March this year, and
- a breach of trust and fellowship at a profound level which deeply grieves us.

We requested that a motion be moved at the Synod to enable the Synod to consider this matter.

### 7.2 Steps to recognise, support, protect and provide for faithful Anglicans

As a consequence of the actions taken by the Bishop of Gippsland, we commenced consideration of the steps we should take as a Diocese to recognise, support, protect and provide for faithful Anglicans who are disenfranchised and to reach those elements of society denied a faithful presentation of the gospel.

For this purpose, we encouraged the establishment of the Fellowship of Confessing Anglicans Australia (FCA Australia). We also asked the Archbishop to arrange for a report on how work might be undertaken to analyse and explain in detail the biblical view of human sexuality and its expression and on the institution of marriage.

We intend considering further steps that should be taken.

### 7.3 Australian Bishops' Protocol on Human Sexuality

In March, we welcomed the following protocol on human sexuality prepared by the bishops attending the 2012 Australian Bishops' Conference and thanked our bishops for their part in formulating it –

“As bishops in the Australian Church we accept the weight of 1998 Lambeth Resolution 1.10 and the 2004 General Synod resolutions 33, 59 and 61-64 as expressing the mind of this Church on issues of human sexuality.

We undertake to uphold the position of our Church in regard to human sexuality as we ordain, license, authorise or appoint to ministries within our dioceses.

We understand that issues of sexuality are subject to ongoing conversation within our Church and we undertake to support these conversations, while seeking to maintain the unity of the Spirit in the bond of peace.”

### 7.4 General Synod assessment

See item 8.17.

### 7.5 Proceedings involving Newcastle Professional Standards Board

We received a report about legal proceedings commenced by the Rev Graham Leslie Sturt and the Rev Graeme Russell Lawrence, clergymen of the Newcastle Diocese, against the Bishop of Newcastle and

others. Mr Sturt and Mr Lawrence were the subject of certain adverse determinations and recommendations by the Professional Standards Board (PSB) of the Newcastle Diocese in relation to allegations of sexual misconduct. They sought an order from the Supreme Court quashing the PSB's determinations and recommendations, or alternatively an order that they were invalid or void. The clergymen made various arguments to the effect that the PSB process was procedurally unfair, oppressive and prejudiced.

The Supreme Court handed down its judgment in the matter on 27 April 2012, finding in favour of the Bishop of Newcastle and other defendants.

The judgment may have implications for our own professional standards processes. We requested that a more detailed report about the case and its implications be prepared for our consideration.

We have not yet received this report.

## **7.6 Statement and Commitment the from 2012 FCA Leaders' Conference**

We noted the Statement and Commitment from the Fellowship of Confessing Anglicans Leaders' Conference held in London in April 2012. A full copy of the Statement and Commitment can be found at [www.fca.net](http://www.fca.net).

## **8. Sydney Synod Matters**

### **8.1 Archbishop's Election Synod in 2013**

A special session of the Synod to elect the next Archbishop of Sydney is scheduled to be held on 5, 6, 7, 8 and 9 August 2013.

A report about this matter is printed separately.

#### **8.1A Reduced number of days for ordinary session of Synod in 2013**

As in recent years, the ordinary session of Synod in 2013 is due to be held over a period of 5 days (Monday 14, Tuesday 15, Wednesday 16, Monday 21 and Tuesday 22 October 2013). Each day is scheduled to commence at 3.15pm and conclude at 9.30pm.

We considered reducing the number of days allocated for this and, possibly, subsequent ordinary sessions of Synod. There are 3 reasons for considering this matter.

Firstly, the cost of hiring the Wesley Theatre each day is approximately \$9,000. This includes the hire of the Theatre itself together with additional miscellaneous costs. Some years ago, consideration was given to identifying an alternative venue for the Synod. However, the Wesley Theatre was at that time (and probably continues to be) the venue that provides best value for money in terms of the facilities it provides. In addition to cost savings from hiring the Wesley Theatre, a reduced number of days for Synod would be expected to yield further direct and indirect cost savings, for example, in printing Synod papers and staff time.

Secondly, it is likely that the GAFCON II conference will be held during the week commencing 20 October 2013. This coincides with the second scheduled week for the Synod. There would be a number of leading members of the Synod, including, possibly, the new Archbishop of Sydney, who might be expected to attend GAFCON II.

Thirdly, members of the Synod would have recently given their time to participate in an Election Synod in August 2013. Both Synod members and the new Archbishop might appreciate an ordinary session of Synod held in October over a fewer number of days.

Given the current availability of the Wesley Theatre in October 2013, it is proposed that the ordinary session of Synod in 2013 be held over a period of 3 days on Monday 14, Tuesday 15 and Wednesday 16 October 2013. If Synod business were to commence at 2.00pm and conclude at 10.00pm each day (with the same time as present allocated for dinner breaks), this would allow for a total of 20 hours for Synod business compared to a total of 24  $\frac{3}{4}$  hours currently available over 5 days. A reduction in total business hours would probably necessitate some reduction in the time allocated to items such as the Archbishop's Presidential Address, the Mission report and Missionary Hour. An earlier start time for each day would also necessitate consideration of how to manage administrative arrangements relating to the turn over of business for each day, including the printing of the business paper, the preparation of minutes and preparation of answers in response to questions.

We requested that a motion be moved at the Synod to enable it to consider this proposal.

### **8.2 Parish Relationships Ordinance**

We requested that a bill for the Parish Relationships Amendment Ordinance 2012 be promoted again to

the Synod at our request. The bill had previously been promoted to the Synod in 2009, as an exposure draft, and again in 2010 and 2011 in a final form, where it was passed by the Synod but did not receive the Archbishop's assent.

We also requested that those responsible for the order of business for the 2012 session of Synod schedule consideration of this bill as the first item of business in one of the time slots reserved for ordinances, preferably in the first week of the Synod.

The bill and an explanatory statement for the bill are printed separately.

### **8.3 Authorised Services Ordinance**

At its session in 2011, the Synod passed the Authorised Services Ordinance 2011. The purpose of this Ordinance was to authorise the services referred to in the Schedule to the Ordinance for use in the Diocese.

Having received advice from the Chancellor, the Archbishop declined to assent to this Ordinance. The Ordinance did not therefore come into effect.

In reaching his decision, the Archbishop considered that it is not appropriate for the Synod to deem that a minister who uses the services specified in the Schedule is taken to be exercising the discretion allowed by section 5 of the Canon Concerning Services 1992. The Archbishop also expressed concern that the effect of the Ordinance may, inadvertently, be to limit the freedom that is given to ministers in the services used in their churches since, over time, the freedom may in practice be qualified by reference to the services authorised in the Schedule.

In the circumstances, the Archbishop considered that it would be wise to clarify what purpose the Ordinance is seeking to achieve and, if it is desirable to pursue this purpose, whether there is a more appropriate means to do so.

We informed Synod members and parishes about the Archbishop's decision.

### **8.4 38/07 Fellowship meal for the proclamation of the Lord's death**

By resolution 38/07, the Synod requested the Diocesan Doctrine Commission to consider the appropriateness, with respect to the teaching of Scripture and the Anglican formularies, of Anglican churches having a fellowship meal for the proclamation of the Lord's death, and to bring a report to Synod at a convenient time.

The Doctrine Commission has not yet reported on this matter.

### **8.5 22/08 Electronic distribution of Synod materials 20/11 Publication of Synod proceedings in electronic form**

By resolution 22/08, the Synod asked both us and the Secretariat to consider distributing Synod materials electronically to minimise costs. By resolution 20/11 Synod asked us to consider publishing the Synod proceedings for 2011 in electronic form.

In order to address the request in resolution in 20/11 and start addressing the request in resolution 22/08, we approved of the following actions –

- Prepare the 2012 Synod Book in a larger A4 format (instead of the current A5 format) to achieve better work flows in terms of formatting for the Synod proceedings publication.
- Post an electronic version of the Synod Book on the Secretariat's website as a single PDF document with navigation tabs as soon as this document is approved by us in August. This will give Synod members about 3 extra weeks to review and, if they wish, download the materials in the Synod Book.
- Reduce the number of copies of the printed version of the Synod Book only when a sufficient number of Synod members are prepared to download and use the electronic version at Synod.

We noted that the time/cost savings in preparing the Synod Book in A4 format allows us to justify replacing the existing web-based Synod proceedings format with an a single PDF electronic format with navigation tabs (from 2012 onward).

In order to progress further the request in resolution 22/08, we requested that a motion be moved at the Synod by which a proposal can be brought to the Synod in 2013 to discontinue the distribution of printed materials to members with effect from the 1<sup>st</sup> Ordinary Session of the 50<sup>th</sup> Synod in 2014.

### **8.6 24/09 Support for Regional Councils**

By resolution 24/09, the Synod requested that we consider how Regional Councils can be supported to continue their important role of funding ministry strategies in their regions. This is to include considering a change in the large receipts policy for sale and leasing ordinances so that the portion usually added to the capital of the Diocesan Endowment may instead be allocated to a Regional Council or other Diocesan beneficiary to further the Diocesan Mission and to bring a report on the operation of this matter to Synod.

We intend considering this matter as part of the review referred to in item 4.24.

### **8.7 40/10 Implementation of the grievance policy and procedure**

By resolution 40/10, the Synod –

- (a) determined that the grievance policy and procedure is to commence on 1 July 2011, and
- (b) requested that we approve up to 15 persons as the initial pool of diocesan conciliators for the purposes of the policy and procedure.

For the purposes of ongoing implementation, we agreed that the reasonable out of pocket expenses incurred by diocesan conciliators who are appointed by a Regional Bishop to deal with an allegation made under the policy and procedure should be reimbursed from Synod funds.

### **8.8 41/10 Amendments to the Anglican Church of Australia Trust Property Act 1917**

By resolution 41/10, the Synod endorsed the promotion to the New South Wales Parliament of a number of amendments to the Anglican Church of Australia Trust Property Act 1917 in relation to the governance of the Property Trust. The Synod requested that before promoting these amendments to Parliament, they be circulated to the Diocesan Bishops of the Province of New South Wales for comment for a period of 6 months. The proposed amendments were circulated with no substantive comment being made by any of the Diocesan Bishops during the requisite 6 month period.

Despite conveying the proposed amendments to the Attorney General at an initial meeting in June 2011 and a subsequent meeting with his staff in May 2012, we understand that the proposed amendments are still to be acted on by the Attorney General's Department.

### **8.9 43/10 Governance Policy for diocesan organisations**

By resolution 43/10, the Synod –

- (a) requested that a revised draft of the Governance Policy for diocesan organisations be sent to each member of the Synod and to the board of each diocesan organisation for comment, and
- (b) requested that a revised form of the Policy be brought back to the Synod in 2011 incorporating, as appropriate, comments made by Synod members and the boards of diocesan organisations, and the work of the Archbishop's Strategic Commission.

In view of the number and substantive nature of the comments made in response to the draft Policy and the likely focus of the recommendations of the Archbishop's Strategic Commission leading up to and during the Synod in 2011, we provided a brief progress report to the Synod in 2011 rather than a final draft of the Policy.

In December 2011, the Federal Government initiated a review of not-for-profit governance arrangements with a view to incorporating mandatory governance requirements in legislation establishing the new charities regulator, the Australian Charities and Not-for-profits Commission. Our initial view was that until these mandatory governance standards had been finalised, further work on the diocesan policy should be deferred. However in view of the subsequent decision of the Government to defer implementing the mandatory governance standards until 1 July 2013 we requested that the Diocesan Governance Committee consider reactivating its work on finalising a revised form of the Policy for the Synod.

We have not yet received a revised form of the Policy.

### **8.10 3/11 Towards 2050**

By resolution 3/11, the Synod noted an interim report in response to resolution 2/10 Towards 2050 and –

- (a) encouraged Synod members to consider the interim report and its recommendations and to provide comments on the report to the Diocesan Secretary by 31 March 2012, and
- (b) requested that we bring to the 2012 session of the Synod a motion to enable the Synod to consider the recommendations in the interim report.

Having reviewed the comments made about the recommendations in the interim report, we requested that a motion be moved at Synod to enable the recommendations to be incorporated into the next phase of the mission of the Diocese. The motion also requests that we bring the suggested shape of the next

phase of the mission to the Synod in 2013, together with our response to the recommendations in the Towards 2050 report.

A report about this matter is printed separately.

#### **8.11 8/11 Restorative justice**

By resolution 8/11, the Synod requested us to prepare a report for consideration at the 2012 session of Synod identifying and commenting upon by reference to the workings of the Diocesan Tribunal, the biblical and practical principles of restorative justice with an emphasis on restitution and reconciliation, and promoting any recommendations for change by way of suggested amendments to existing ordinances for the consideration of Synod.

We have not yet considered this matter.

#### **8.12 10/11 Archbishop's Strategic Commission on Structure, Funding and Governance**

By resolution 10/11, the Synod –

- (a) welcomed the report of the Archbishop's Strategic Commission on Structure, Funding and Governance together with the responses thereto of the Glebe Administration Board and Secretariat, the Property Trust and the St Andrew's Cathedral School, and
- (b) requested us to undertake consideration of the possible ways in which concerns raised in the responses from these bodies may be addressed and then how the recommendations may be implemented.

The Synod also requested that in light of our consideration of these matters, we pass such legislation as may be desirable or practicable, excluding any sale ordinance, or otherwise report to the next session of the Synod on any future proposals.

A report in response to the request in Synod resolution 10/11 is printed separately.

#### **8.13 17/11 Funding Principles and Priorities**

By resolution 17/11, the Synod noted a draft statement of funding principles and priorities, and –

- (a) requested us to insert in its principles a procedure to be adopted by any organisation seeking funds, including a detailed proposal for the purpose, likely timing of expenditure and a review of the reserves currently held by that body, and
- (b) requested that Synod members provide comments about the draft statement by 1 March 2012 with a view to the statement being finalised for the 2012 Synod session and circulated to Synod members by 1 August 2012 together with bills for Synod appropriations and allocations and parochial cost recoveries.

A revised form of statement of funding principles and priorities, bills and an explanatory report are printed separately.

#### **8.14 19/11 Indefinite term of membership on diocesan bodies**

By resolution 19/11, the Synod asked us to review the membership of diocesan organisations to determine any bodies which have members appointed for an indefinite term and to consider whether this is appropriate.

We have not yet considered this matter.

#### **8.15 22/11 Parish contribution to the Work Outside the Diocese Fund**

By resolution 22/11, the Synod, in an effort to maintain using 5% of the allocations for the Work Outside the Diocese Fund, requested us to consider asking each parish to pay \$172 voluntary contribution towards the Work Outside the Diocese Fund when they pay their first PCR instalment for 2012.

In response to Synod's request, we asked each parish to pay a voluntary contribution of \$172 (or such other amount as considered appropriate) when they pay their first PCR instalments for 2012 on the basis that such contributions will be used by the Work Outside the Diocese Committee to fund bursaries for individuals from overseas Provinces to attend the GAFCON Leadership Conference in 2012 or the foreshadowed GAFCON II gathering.

Voluntary contributions totalling \$5,006 were made by 26 parishes, although a further \$22,590 was contributed for this purpose by individuals and bodies affiliated with the Diocese.

#### **8.16 26/11 Poverty reduction and promoting a global vision in education**

By resolution 26/11, the Synod commended the work of Anglican Aid in seeking to reduce extreme poverty by supporting development projects particularly in and through Anglican congregations in third world countries. The Synod requested that the Diocesan Education Policy recognise that a Christian

approach to education will foster the teaching and learning that promotes a global vision of Christian care and compassion, including an understanding of the plight of those living in extreme poverty, which spans curriculum subjects and moves from classroom instruction to practical action.

In response to Synod's request, we agreed to amend the Diocesan Policy Statement on Education by inserting as a 14<sup>th</sup> dot point under the heading "A Christian Approach to Education" (on page 3) the following –

- fosters a global vision of Christian care and compassion (including an understanding of the plight of those living in extreme poverty) which spans curriculum subjects and moves from classroom instruction to practical action.

#### **8.17 28/11 General Synod assessment and consultation**

By resolution 28/11, the Synod supported the adoption of the following principles in respect of the finances of the General Synod –

- existing surpluses in the Special Fund should be used to reduce the amount of special assessment payable by those dioceses who choose to pay the special assessment,
- no surpluses should be accumulated in the Special Fund in the future,
- income from the General Synod reserve should be used to fund the General Secretary's office, and
- royalties should be paid from the sale of liturgical resources back to the General Synod reserve.

The Synod also noted that 3 bills for canons promoted at the last session of the General Synod with our support seeking amendments to sections 30, 32(2) and 63 of the Constitution were not debated or considered by the General Synod and –

- recorded its view that these amendments are critical to the maintenance of harmonious relationships within the Anglican Church of Australia,
- requested these views be conveyed to the General Synod Standing Committee and to the National Unity Task Force established by that body, and
- requested that these amendments, in the same or modified form be promoted to the next session of the General Synod by its representatives on that body.

We agreed to add to the 3 bills referred to in resolution 28/11, a fourth bill to amend Rule II concerning the membership of the General Synod Standing Committee so that Metropolitan dioceses have a guaranteed number of positions and that the representatives of relevant dioceses elect the persons to fill those positions.

In November, our representatives met with the General Synod Standing Committee to discuss resolution 28/11 and related matters. Following this meeting –

- (a) We authorised the payment of \$108,854.25 from 2011 Synod Fund Contingencies comprising \$25,344 corresponding to the amount withheld in 2010 in respect of the costs of the Primate's Research Assistant and \$83,510.25 being the outstanding balance of the revised general assessment for 2011.
- (b) We agreed to pay in quarterly instalments by 31 December 2012 the revised general assessment for 2012 which was expected to be \$287,582.29.
- (c) We resolved, pursuant to clause 4(2) of the Parochial Cost Recoveries and Support for the Diocese Ordinance 2009, that the amount to be applied in payment of the cost of membership of the Anglican Church of Australia in 2012 (through the payment of general assessments) is to be fixed at \$287,582.29.
- (d) We requested that the General Synod's Financial Principles and Policies Task Force –
  - circulate to all dioceses for comment a draft of its report before finalising the report for the General Synod Standing Committee, and
  - include recommendations in its report to restore the practice of circulating to all dioceses the proposed General Synod budget well in advance of the General Synod session to enable policy issues relevant to the budget to be fully considered by members at the General Synod session before members are asked to approve the budget.

We were subsequently informed by the General Synod that the expected amount for 2012 General Synod assessment of \$287,582.29 did not factor in a 5.5% increase on the 2012 forecasted amount and that the revised general assessment for 2012 would be \$305,850.28. We passed the Synod (General Synod

Assessment) Special Application Ordinance 2012 in order to meet this shortfall from unspent 2011 Synod Fund Contingencies.

We supported the promotion of revised bills and explanatory memoranda in respect of proposed amendments to section 30, 32 and 63 of the Constitution to the next session of the General Synod.

We also requested our representatives –

- (a) to pursue further discussions with the National Unity Task Force, both in relation to the proposed constitutional amendments and on broader matters in relation to General Synod resolution 155/10, and
- (b) to pursue discussions with the Task Force in connection with General Synod resolution 125/10 (Voting systems) with a view to progressing the drafting of a suitable bill to amend Rule II (Rules for the appointment of the Standing Committee of the General Synod) for promotion at the next session of the General Synod.

#### **8.18 29/11 Efficiency and transparency of Synod election processes**

By resolution 29/11, the Synod asked us to consider possible improvements to the efficiency and transparency of the Synod election processes without changing the qualifications and composition of the various committees, councils and boards.

We have not yet considered this matter.

#### **8.19 36/11 Common Prayer: Resources for gospel-shaped gatherings**

By resolution 36/11, the Synod –

- (a) received a development version of *Common Prayer: Resources for gospel-shaped gatherings*, and
- (b) commended its use and study by parishes of the Diocese during the next year, and
- (c) requested that comments and suggestions be made to the Archbishop's Liturgical Panel by 30 June 2012, and
- (d) requested the Archbishop's Liturgical Panel to bring a revised form of the book to the next session of Synod with a view to considering adding its contents to the appendixes of services recognised under the Authorised Services Ordinance.

In response to the request in resolution 36/11, we received a revised form of *Common Prayer: Resources for gospel-shaped gatherings* and –

- approved the printing of black and white copies of a suitable form of this document for Synod, and
- requested that a motion be moved at the Synod encouraging the use of this resource by the churches of this Diocese, and
- subject to the Synod passing a motion in or to this effect, agreed in principle to authorise the application of \$20,000 from the Publishing Reserve Fund to meet the costs of purchasing the first 1,000 copies of *Common Prayer: Resources for gospel-shaped gatherings* for distribution to parishes of the Diocese.

The revised form of *Common Prayer: Resources for gospel-shaped gatherings* will be printed separately.

#### **8.20 38/11 Review of the Department of Evangelism and New Churches**

By resolution 38/11, the Synod –

- (a) thanked God for the work of the Department of Evangelism and New Churches (ENC) and rejoiced in the potential of new fellowships reaching many in the Diocese, and
- (b) requested that in our review of the Department of Evangelism and New Churches Ordinance 2010 which is due for report to the Synod in 2012, we include analysis of a number of specified matters, and
- (c) if necessary, bring an amending ordinance reflecting any recommended changes to Synod session in 2012.

Having completed the review of the Department of Evangelism and New Churches Ordinance 2010, we requested that a bill to amend the Ordinance be promoted to the Synod.

The bill and a report about this matter are printed separately.

**8.21 Resolutions made by the Synod in 2011 and not mentioned in this report**

Circulars were sent to parishes and organisations about the matters arising from the 2011 Synod session. Copies of Synod resolutions were sent to appropriate persons and organisations.

**8.22 Ordinances for this session**

The bills for ordinances for this session of the Synod are printed separately, together with accompanying reports or explanatory statements.

For and on behalf of the Standing Committee.

ROBERT WICKS

*Diocesan Secretary*

19 September 2012



**Standing Committee of Synod - Synod Funds**

**Balance Sheet for the 12 months ended 31 December 2011**

	Fund 127 SDSF Work Outside the Diocese \$	Fund 128 SDSF Mission Areas Fund \$	Fund 129 Sydney Diocesan Synod Fund (SDSF) \$	Fund 153 SDA ABP's Professional Standards Unit \$	Fund 188 SDA Social Issues Executive \$	Fund 189 SDA Ordination Training Fund \$	Elimination \$	Total \$	Actual 31 December 2010 \$
<b>Assets</b>									
Cash	182,800	525,632	1,667,972	104,427	-	130,752	-	<b>2,611,583</b>	2,711,590
Receivables	-	-	5,774	16,484	-	-	-	<b>22,258</b>	31,862
Fixed Assets	-	-	-	4,765	-	-	-	<b>4,765</b>	4,284
Other	-	14	2,003	2,233	-	-	-	<b>4,250</b>	1,037
<b>Total assets</b>	<b>182,800</b>	<b>525,646</b>	<b>1,675,749</b>	<b>127,909</b>	<b>-</b>	<b>130,752</b>	<b>-</b>	<b>2,642,856</b>	<b>2,748,773</b>
<b>Liabilities</b>									
Payables	500	-	118,651	29,939	-	3,600	-	<b>152,690</b>	10,100
Provisions	-	-	69,571	28,108	-	-	-	<b>97,679</b>	63,727
<b>Total liabilities</b>	<b>500</b>	<b>-</b>	<b>188,222</b>	<b>58,047</b>	<b>-</b>	<b>3,600</b>	<b>-</b>	<b>250,369</b>	<b>73,827</b>
<b>Net assets</b>	<b>182,300</b>	<b>525,646</b>	<b>1,487,527</b>	<b>69,862</b>	<b>-</b>	<b>127,152</b>	<b>-</b>	<b>2,392,487</b>	<b>2,674,946</b>
<b>Equity</b>									
Accumulated Funds	226,494	89,293	1,737,885	299,579	49,023	272,674	-	<b>2,674,948</b>	2,719,358
Current year	(44,194)	436,353	(250,358)	(229,717)	(49,023)	(145,522)	-	<b>(282,461)</b>	(44,412)
<b>Total Equity</b>	<b>182,300</b>	<b>525,646</b>	<b>1,487,527</b>	<b>69,862</b>	<b>-</b>	<b>127,152</b>	<b>-</b>	<b>2,392,487</b>	<b>2,674,946</b>

**Amalgamated statement of cash flows for the year ended 31 December 2011**

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Interest received		102,966	103,352
Dividends and distributions		6,727,434	6,501,374
Grants and donations		1,385,167	1,401,883
Other income		644,105	518,979
Payments in respect of the operations		(8,956,282)	(8,605,802)
<b>Net cash inflow (outflow) from operating activities</b>	6	<b>(96,610)</b>	<b>(80,214)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(3,397)	(3,015)
<b>Net cash flows (outflow)/inflow from investing activities</b>		<b>(3,397)</b>	<b>(3,015)</b>
Net increase (decrease) in cash held		(100,007)	(83,229)
Cash and cash equivalents at the beginning of the year		2,711,590	2,794,819
<b>Cash and cash equivalents at the end of the year</b>		<b>2,611,583</b>	<b>2,711,590</b>

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

**Notes to the financial report for the year ended 31 December 2011**

**1. Purpose**

This financial report is an amalgamation of individual funds listed below. At 31 December 2011 the Synod Funds comprised of 5 funds (2010: 6 funds):

- Fund 127 Sydney Diocesan Synod Fund - Work Outside the Diocese
- Fund 128 Sydney Diocesan Synod Fund – Mission Areas Fund
- Fund 129 Sydney Diocesan Synod Fund
- Fund 153 The Archbishop’s Professional Standards Unit

## Fund 189 Sydney Diocesan Ordination Training Fund

During 2011 the balance of monies in the Social Issues Executive Fund (Fund 0188) were paid to Moore Theological College for the purpose of supporting the work of the Social Issues Executive. The Social Issues Executive Fund has therefore been closed.

The 129 group records the financial transactions as authorised by the Diocesan Synod Appropriations Ordinance each year in Australia.

Each of the funds has been established as per its own ordinance which outlines the purpose of the funds.

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

This is a special purpose financial statement that has been prepared for the sole purpose of providing amalgamated financial information to Synod and for distribution to the members of Synod and must not be used for any other purpose. The Finance Committee of Standing Committee has determined that the accounting policies adopted are appropriate to meet the needs of Synod.

The income statement and balance sheet are submitted as amalgamated statements for administrative purposes. The process of amalgamation consists of adding all the balances of the individual funds on a line by line basis. There is no consideration of beneficial interests, which is involved or implied in the preparation of the amalgamated financial report. Material transactions have been eliminated between the funds.

The net assets at the date of exit of funds exiting the amalgamated accounts are debited to the relevant category of equity. The items of the statement of income for a fund that has exited the amalgamated accounts during the period are only included in the amalgamated accounts until the date of exit. When a fund is joining the amalgamated accounts a credit to equity is generally recognised to record the net assets that have been included in the amalgamated accounts.

***Historical cost convention***

These financial statements have been prepared under the historical cost convention.

**(b) Revenue recognition**

Revenue and other income is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue and other income is recognised for the major business activities as follows:

***Grants and donations***

Grants and donations are recognised to the extent they have been deposited in the bank, which is the point at which the entity gains control of the grant or donation.

***Disposal of plant and equipment***

Income from the disposal of plant and equipment is measured at fair value of the consideration received or receivable less the carrying value of the fixed asset or group of assets sold. Gain or loss arising from the sale is recognised at net amount in the income statement.

***Distributions***

Distributions are recognised on an accruals basis when the right to receive payment is established.

***Interest***

Interest revenue is recognised on a time proportion basis using the effective interest method.

***Recoveries***

Personnel cost recoveries from parochial and non-parochial units have been accounted for as income received in respect of certain clergy entitlements to cover superannuation contributions, insurances and other premiums paid on behalf of parochial and non-parochial units.

Diocesan program costs recovered from parochial units have been accounted for as income received in respect of insurances and other centrally managed programs.

Recognition is on an accruals basis.

**(c) Grants and donations expense**

Grants and donations are generally recognised upon payment.



**Long service leave**

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised as a provision and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**(l) Goods and Service Tax (GST)**

The funds are members of the Sydney Diocesan Secretariat GST group.

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, 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 balance sheet.

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

**(m) Income tax**

The funds are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**3. Current liabilities - Payables**

	2011	2010
	\$	\$
Accrued expenses and accounts payable	152,690	10,100

**4. Current liabilities - Provisions**

	2011	2010
	\$	\$
<b>Current</b>		
Provision for General Synod Representatives (unpaid grants)	69,571	44,411
Employee benefits - annual leave	14,607	9,648
	84,178	54,059
	2011	2010
	\$	\$
<b>Movements in provision:</b>		
<b>Provision for General Synod Representatives</b>		
Balance 1 January	44,411	62,195
Transfer to General Synod Representatives	25,000	25,000
Reimbursement/(Payment) of General Synod expenses	160	(42,784)
Balance 31 December	69,571	44,411

**5. Non-current liabilities – Provisions**

	2011	2010
	\$	\$
<b>Non-current</b>		
Employee benefits - long service leave	13,501	9,668
	2011	2010
	\$	\$
<b>Provisions</b>		
Provisions - Current	84,178	54,059
Provisions - Non-current	13,501	9,668
Balance 31 December	97,679	63,727

**6. Reconciliation of surplus from the income statement to the net cash flows from operating activities**

	2011	2010
	\$	\$
Surplus (deficit) from ordinary activities	(282,461)	(44,412)
Non-cash depreciation expense	1,604	1,287
Loss on sale of plant and equipment	1,313	-
<b>Changes in assets and liabilities</b>		
Decrease (increase) in receivables	9,604	(12,058)
(Increase) in other assets	(3,212)	-
Increase (decrease) in provisions	142,590	(20,648)
Increase (decrease) in payables	33,952	(4,383)
Net cash inflow (outflow) from operating activities	<u>(96,610)</u>	<u>(80,214)</u>

**Members Declaration**

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 22 to 27:

- (a) comply with the accounting policies summarised in note 2;
- (b) give a fairly presented view of the Fund's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the members' opinion there are reasonable grounds to believe the individual funds will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

JOHN PASCOE  
Member

RODNEY COSIER  
Member

26 April 2012

**Synod Funds Amalgamated  
Report on Agreed Upon Procedures for 2011**

Report on Agreed Upon Procedures for the following funds –

Fund 127	SDSF Work Outside the Diocese
Fund 128	SDSF Connect09
Fund 129	Sydney Diocesan Synod Fund
Fund 153	SDA ABP's Professional Standards Unit
Fund 156	SDA College of Preachers
Fund 187	SDA St Andrew's House Rent Subsidies
Fund 188	SDA Social Issues Executive
Fund 189	SDA Ordination Training Fund

We have performed the procedures agreed with the Finance Committee as detailed in the written instructions of 10 February 2012 and described below with respect to validity, accuracy and authorisation of transactions in the entities listed above.

Our engagement was undertaken in accordance with Australian Auditing Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Members.

The procedures performed were performed solely to assist you in the validity, accuracy and authorisations of transactions of the entities listed above and are included in Appendices 1 and 2 [*not reproduced here*].

Because the procedures do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, we do not express any assurance or opinion on validity, accuracy and authorisation of transactions of the entities listed above.

Had we performed additional procedures or had we performed an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, other matters might have come to our attention that would have been reported to you.

**Findings**

Please refer to Appendices 1 and 2 for our findings [*not reproduced here*].

Our report is solely for your information and is not to be used for any other purpose or distributed to any other party. This report relates only to the Agreed Upon Procedures and does not extend to any of the financial reports of the entities/funds listed above, taken as a whole. We do not accept any responsibility for losses occasioned to Diocese of Sydney, the entities/funds listed above or to any other party as a result of the circulation, reproduction or use of our final or draft report contrary to the provisions of this paragraph.

PricewaterhouseCoopers

FRANCOIS BRUDER  
Principal

Sydney  
10 April 2012

## Parish Funds – Amalgamated

### Annual financial report – 31 December 2011

Incorporating –

- Parish Funds Funds 951 – 955 (unaudited)

### Standing Committee of Synod – Parish Funds

#### Amalgamated income and expenditure statement for the period ending 31 December 2011

	YTD	YTD	YTD	YTD	YTD		YTD	Dec-10
	Actual	Actual	Actual	Actual	Actual		Actual	YTD
	FUND 951 PARISH COSTS RECOVERY	FUND 952 CLERGY BENEFITS FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>								
AXA Stipend Continuance receipts	-	391,894	-	-	-	-	391,894	343,183
Interest on cash	30,803	12,794	7,512	7,933	2,564	-	61,606	103,500
LSL - Buy-backs	-	-	70,120	-	-	-	70,120	21,759
LSL - Claims - Anglican LSL Fund	-	-	859,956	-	-	-	859,956	817,594
LSL - Organisations	-	-	91,851	-	-	-	91,851	84,127
LSL - Organisations - Admin Fees	-	-	5,980	-	-	-	5,980	6,124
Moorebank Estate - Distribution	-	-	-	-	39,835	-	39,835	45,620
Asbestos Inspection Program	-	-	-	-	-	-	-	327,547
Connect09	-	-	-	-	-	-	-	100,108
PCR Variable Charge Recovery	3,282,894	-	-	-	-	-	3,282,894	3,550,000
PCR Superannuation Recovery	4,174,835	-	-	-	-	-	4,174,835	3,851,151
PCR LSL Recovery	550,414	-	516,597	-	-	(550,414)	516,597	475,549
PCR LSL - Admin Fees	-	-	33,817	-	-	-	33,817	34,617
PCR S&A Recovery	23,542	-	-	23,542	-	(23,542)	23,542	36,569
PCR Stipend Continuance Recovery	454,693	420,370	-	-	-	(454,693)	420,370	414,259
PCR Stipend Continuance Admin Fees	-	34,323	-	-	-	-	34,323	37,409
Stipend Continuance Organisations	-	56,849	-	-	-	-	56,849	56,115
Stipend Continuance Orgs - Admin Fees	-	4,479	-	-	-	-	4,479	5,068
PCR Risk Management Recovery	224,991	-	-	-	-	-	224,991	-
PCR Safe Ministry Recovery	100,000	-	-	-	-	-	100,000	-
Endowment of the See Funding Recovery	896,727	-	-	-	-	-	896,727	-
Sundry Income	1,347	-	-	-	-	-	1,347	-
<b>TOTAL INCOME</b>	<b>9,740,246</b>	<b>920,709</b>	<b>1,585,833</b>	<b>31,475</b>	<b>42,399</b>	<b>(1,028,649)</b>	<b>11,292,013</b>	<b>10,310,299</b>

Continued...

	YTD	YTD	YTD	YTD	YTD		YTD	Dec-10
	Actual	Actual	Actual	Actual	Actual		Actual	YTD
	FUND 951 PARISH COSTS RECOVERY	FUND 952 CLERGY BENEFITS FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>EXPENSES</b>								
Interest Expense	25,506	-	-	-	-	-	25,506	-
Accounting, Audit & Secretarial Fees	174,996	39,996	39,996	9,996	9,996	-	274,980	264,984
Audit Fees	10,500	-	-	-	-	-	10,500	10,245
Bad Debts Expense	-	906	-	-	-	-	906	-
Claims Paid	-	391,894	859,956	22,554	30,433	-	1,304,837	1,201,831
Consulting Costs	-	-	-	-	-	-	-	1,380
LSL - Buy-backs to the Anglican LSL Fund	-	-	70,120	-	-	-	70,120	22,962
LSL - Payments to the Anglican LSL Fund	-	-	607,442	-	-	-	607,442	559,676
Moorebank Estate - Management Fees	-	-	-	-	7,679	-	7,679	7,858
PCR Insurance	2,681,784	-	-	-	-	-	2,681,784	2,660,257
Asbestos Inspection Program	-	-	-	-	-	-	-	327,547
Connect09	-	-	-	-	-	-	-	100,174
PCR Superannuation	4,175,366	-	-	-	-	-	4,175,366	3,851,151
PCR LSL	550,414	-	-	-	-	(550,414)	-	-
PCR S&A	23,542	-	-	-	-	(23,542)	-	-
PCR Stipend Continuance	454,693	-	-	-	-	(454,693)	-	-
Operating Costs	279	-	-	-	-	-	279	9,032
Professional Standards Unit	395,000	-	-	-	-	-	395,000	395,000
Endowment of the See Parish Risk Management Program	896,727	-	-	-	-	-	896,727	-
Return of funds to Diocesan Endowment	224,991	-	-	-	-	-	224,991	215,116
Safe Ministry Training Program	300,000	-	-	-	-	-	300,000	1,000,000
Stipend Continuance	100,000	-	-	-	-	-	100,000	100,061
Insurance Expense	-	427,655	-	-	-	-	427,655	432,531
<b>TOTAL EXPENSES</b>	<b>10,013,798</b>	<b>860,451</b>	<b>1,577,514</b>	<b>32,550</b>	<b>48,108</b>	<b>(1,028,649)</b>	<b>11,503,772</b>	<b>11,159,805</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(273,552)</b>	<b>60,258</b>	<b>8,319</b>	<b>(1,075)</b>	<b>(5,709)</b>	<b>-</b>	<b>(211,759)</b>	<b>(849,506)</b>

**Consolidated Balance Sheet as at 31 December 2011**

	FUND 951 PARISH COSTS RECOVERY	FUND 952 CLERGY BENEFITS FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	Dec-10 TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Cash	1,333,467	760,036	331,518	411,702	70,431	-	2,907,154	3,138,042
PCR Receivables - Parishes	6,852	-	-	-	-	-	6,852	16,096
Organisations Receivable	-	-	260	-	-	-	260	1,916
Other receivables	3	13,077	-	-	7,545	-	20,625	28,753
<b>TOTAL Assets</b>	<b>1,340,322</b>	<b>773,113</b>	<b>331,778</b>	<b>411,702</b>	<b>77,976</b>	<b>-</b>	<b>2,934,891</b>	<b>3,184,806</b>
<b>Liabilities</b>								
LSL Fund Payable	-	-	-	-	-	-	-	140,315
Other Payables	10,500	20,304	153,216	-	-	-	184,020	81,861
<b>TOTAL Liabilities</b>	<b>10,500</b>	<b>20,304</b>	<b>153,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,020</b>	<b>222,176</b>
<b>Net Assets</b>	<b>1,329,822</b>	<b>752,809</b>	<b>178,562</b>	<b>411,702</b>	<b>77,976</b>	<b>-</b>	<b>2,750,871</b>	<b>2,962,630</b>
<b>Equity</b>								
Accumulated Surplus - Prior Year	1,603,374	692,551	170,243	412,777	83,685	-	2,962,630	3,812,136
Net Surplus/(Deficit) - Current Year	(273,552)	60,258	8,319	(1,075)	(5,709)	-	(211,759)	(849,506)
<b>TOTAL Equity</b>	<b>1,329,822</b>	<b>752,809</b>	<b>178,562</b>	<b>411,702</b>	<b>77,976</b>	<b>-</b>	<b>2,750,871</b>	<b>2,962,630</b>

**Amalgamated statement of cash flows for the year ended 31 December 2011**

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Recoveries from parochial units		10,751,755	9,390,909
Recoveries from non-parochial units		158,801	579,447
Long service leave parish buy-backs		70,120	21,759
Interest		70,768	94,337
Dividends and distributions		32,156	37,762
Other income		1,248,414	1,178,397
Interest and finance charges paid		(25,506)	(12,077)
Payments in respect of the operations		(12,537,396)	(11,992,974)
<b>Net cash inflow from operating activities</b>	3	<b>(230,888)</b>	<b>(702,440)</b>
Net increase (decrease) in cash held		(230,888)	(702,440)
Cash at the beginning of the period		3,138,042	3,840,482
<b>Cash at the end of the period</b>		<b>2,907,154</b>	<b>3,138,042</b>

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

**Notes to the financial report for the year ended 31 December 2011****1. Purpose**

The Parish Funds is a group of funds amalgamated in 2006 to administer clergy entitlements.

At 31 December 2011 the Parish Funds is comprised of 5 funds (2010: 5):

- Fund 951 Sydney Diocesan Parish Fund
- Fund 952 Clergy Benefits Fund
- Fund 953 Long Service Leave Clearing Fund

Fund 954 Sydney Diocesan Sickness & Accident Fund

Fund 955 Clergy Removals Fund

## **2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **(a) Basis of preparation**

This is a special purpose financial statement that has been prepared for the sole purpose of providing amalgamated financial information to Synod and for distribution to the members of Synod and must not be used for any other purpose. The Standing Committee has determined that the accounting policies adopted are appropriate to meet the needs of Synod.

The statement of income and balance sheet are submitted as amalgamated statements for administrative purposes. The process of amalgamation consists of adding all the balances of the individual funds on a line by line basis. There is no consideration of beneficial interests, which is involved or implied in the preparation of the amalgamated financial report. Material transactions have been eliminated between the funds.

The net assets at the date of exit of funds exiting the amalgamated accounts are debited to the relevant category of equity. The items of the statement of income for a fund that has exited the amalgamated accounts during the period are only included in the amalgamated accounts until the date of exit. When a fund is joining the amalgamated accounts a credit to equity is generally recognised to record the net assets that have been included in the amalgamated accounts.

#### ***Historical cost convention***

These financial statements have been prepared under the historical cost convention.

### **(b) Revenue recognition**

Revenue and other income is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue and other income is recognised for the major business activities as follows:

#### ***Grants and donations***

Grants and donations are recognised to the extent they have been deposited in the bank, which is the point at which the entity gains control of the grant or donation.

#### ***Distributions***

Distributions are recognised on an accruals basis when the right to receive payment is established.

#### ***Interest***

Interest revenue is recognised on a time proportion basis using the effective interest method.

#### ***Recoveries***

Personnel cost recoveries from parochial and non-parochial units have been accounted for as income received in respect of certain clergy entitlements to cover superannuation contributions, insurances and other premiums paid on behalf of parochial and non-parochial units.

Diocesan program costs recovered from parochial units have been accounted for as income received in respect of insurances and other centrally managed programs.

Recognition is on an accruals basis.

### **(c) Grants and donations expense**

Grants and donations are generally recognised upon payment.

### **(d) Acquisitions of assets**

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange.

### **(e) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(f) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

The collectability of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

**(g) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

**(h) Payables**

These amounts represent liabilities for goods and services provided prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(i) Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(j) Goods and Service Tax (GST)**

The funds are members of the Sydney Diocesan Secretariat GST group.

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, 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 balance sheet.

**(k) Income tax**

The funds are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**3. Reconciliation of surplus from the income statement to the net cash flows from operating activities**

	2011	2010
	\$	\$
Deficit from ordinary activities	(211,759)	(849,506)
<b>Changes in assets and liabilities</b>		
Decrease in receivables	19,028	142,768
Increase/(Decrease) in payables	(38,157)	4,298
<b>Net cash flows from operating activities</b>	<b>(230,888)</b>	<b>(702,440)</b>

### **Members Declaration**

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 29 to 33:

- (a) comply with the accounting policies summarised in note 2;
- (b) give a fairly presented view of the Fund's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the members' opinion there are reasonable grounds to believe the individual funds will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

JOHN PASCOE  
Member

RODNEY COSIER  
Member

26 April 2012

### **Parish Funds Amalgamated Report on Agreed Upon Procedures for 2011**

Report on Agreed Upon Procedures for the following funds –

Fund 951	Sydney Diocesan Parish Fund
Fund 952	Clergy Benefits Fund
Fund 953	Long Service Leave Fund
Fund 954	Sydney Diocesan Sickness & Accident Fund
Fund 955	Clergy Removals Fund

We have performed the procedures agreed with the Finance Committee as detailed in the written instructions of 10 February 2012 and described below with respect to validity, accuracy and authorisation of transactions in the entities listed above.

Our engagement was undertaken in accordance with Australian Auditing Standards applicable to agreed-upon procedures engagements. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Members.

The procedures performed were performed solely to assist you in the validity, accuracy and authorisations of transactions of the entities listed above and are included in Appendices 1 and 2 [*not reproduced here*].

Because the procedures do not constitute either an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, we do not express any assurance or opinion on validity, accuracy and authorisation of transactions of the entities listed above.

Had we performed additional procedures or had we performed an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements, other matters might have come to our attention that would have been reported to you.

### **Findings**

Please refer to Appendices 1 and 2 for our findings [*not reproduced here*].

Our report is solely for your information and is not to be used for any other purpose or distributed to any other party. This report relates only to the Agreed Upon Procedures and does not extend to any of the financial reports of the entities/funds listed above, taken as a whole. We do not accept any responsibility for losses occasioned to Diocese of Sydney, the entities/funds listed above or to any other party as a result of the circulation, reproduction or use of our final or draft report contrary to the provisions of this paragraph.

PricewaterhouseCoopers

FRANCOIS BRUDER  
Principal

Sydney  
10 April 2012

## Amendments to *Faithfulness in Service*

(A report from the Standing Committee.)

### Background

1. The General Synod Professional Standards Commission recommended changes to *Faithfulness in Service (FIS)* that were adopted by the General Synod Standing Committee in April 2011.
2. The changes to *FIS* do not take effect in this Diocese unless they are ratified by a resolution of the Synod.
3. The purpose of this report is to present the proposed amendments to enable the Synod to consider whether they should be adopted in this Diocese.
4. The amendments to *FIS* adopted by the General Synod Standing Committee are set out in the Annexure to this report.

### Proposed changes

#### *Bullying*

5. A new and more expansive definition of bullying is proposed, as set out in item 1(a) of the Annexure.
6. The new definition incorporates the “reasonable person” test in assessing whether the subject behaviour would be expected to victimise, humiliate, undermine or threaten the person or persons to whom the behaviour is directed and requires consideration of the context in which the behaviour occurred. The new definition also requires the subject behaviour to create a risk to the health and safety of the person or persons to whom the behaviour is directed.
7. “Cyberbullying” is specifically mentioned in the new definition which would include bullying through the use of social media.
8. The new definition also describes behaviour which is not bullying.
9. At the time of writing this report, Safe Work Australia is in the process of drafting a model Code of Practice to deal with bullying, *Preventing and Responding to Workplace Bullying*. Consideration is also being given to a definition of bullying used in Episcopal Standards legislation passed by the Diocese of Melbourne. Both the Code, once finalised, and the Melbourne legislation may have implications for how bullying should be defined.
10. For this reason it is not considered desirable to defer consideration of the new definition of bullying until the next ordinary session of Synod in 2013.

#### *Child Pornography and Child Exploitation Material*

11. Amendments to the definition of “child pornography” are proposed together with the insertion of a new and further category of “child exploitation material”.
12. The concept “child pornography” in the existing *FIS* lacks clarity. In the time since this part of *FIS* was drafted, a number of child protection agencies and others have moved towards more accurately defining child pornography for what it actually represents: the exploitation of a child or children.
13. The proposed changes, set out in items 1(b) and (c) of the Annexure, more closely link *child pornography* to *child exploitation* and seek to better describe what this type of pornographic material includes.

#### *Pastoral Relationships*

14. A number of changes to the standards and guidelines concerning pastoral relationships are proposed. These are set out in item 3 of the Annexure.
15. These changes place the onus on the member of clergy or church worker to assess whether a conflict of interest may exist between themselves and the person with whom they have a pastoral relationship and to take appropriate action in response.

#### *Children*

16. A number of the proposed amendments concerning children provide further clarity in respect of discipline and electronic communication in this area. These changes are set out in item 3 of the Annexure.

*Personal Behaviour*

17. Proposed changes in the area of personal behaviour are largely consequential to the revision of the definition of bullying. In particular these deal with the concept of 'abuse of power' and how this can affect the churches and communities in our Diocese.

18. These changes identify the impact of abuse and the environments in which bullying might occur in order for such behaviours and circumstances to be better recognised and avoided. The changes are set out in item 4 of the Annexure.

*Sexual Conduct and Financial Integrity*

19. Two short amendments are proposed (i) to include the child exploitation definition in Sexual Conduct, and (ii) to clarify that Financial Integrity includes all forms of tax evasion, not simply tax avoidance. These are set out in items 5 and 6 of the Annexure.

**Recommendation**

20. The Standing Committee recommends that consideration of the new definition of bullying be deferred until the next ordinary session of the Synod but that the remaining amendments to *FIS* in the Annexure be approved by the Synod.

For and on behalf of the Standing Committee.

LACHLAN BRYANT

*Director, Professional Standards Unit*

28 May 2012

## Amendments Summary

1. The following amendments be made in section 2 “**Key Terms**”:
  - a. delete the definition of “bullying” and substitute the following definition:
 

“**bullying** means repeated behaviour directed to a person or persons which a reasonable person, having regard to all the circumstances, would expect to victimise, humiliate, undermine or threaten the person or persons, and which creates a risk to their health and safety. Where it involves the use of information and communication technologies, it is often called cyberbullying. It can include:

    - making derogatory ,demeaning or belittling comments or jokes about someone’s appearance, lifestyle, background, or capability;
    - communicating in an abusive manner;
    - spreading rumours or innuendo about someone or undermining in other ways their performance or reputation;
    - dismissing or minimising someone’s legitimate concerns or needs;
    - inappropriately ignoring or excluding someone from information or activities;
    - touching someone threateningly or inappropriately
    - invading someone’s personal space or interfering with their personal property;
    - teasing, or making someone the brunt of pranks or practical jokes;
    - displaying or distributing written or visual material that degrades or offends.

Behaviour which is not bullying includes:

    - respectfully disagreeing with or criticising someone’s beliefs or opinions;
    - setting reasonable performance goals, standards or deadlines;
    - giving reasonable directives, feedback or assessments of performance or behaviour;
    - taking legitimate disciplinary action.”
  - b. add the following definition after the definition of “**child abuse**”:
 

“**child exploitation material** means material that describes or depicts a person who is or who appears to be a child –

    - (a) engaged in sexual activity; or
    - (b) in a sexual context; or
    - (c) as the subject of torture, cruelty or abuse (whether or not in a sexual context)

in a way that a reasonable person would regard as being, in all the circumstances, offensive. Child exploitation material can include any film, printed matter, electronic data, computer image or any other depiction.”
  - c. delete the definition of “**child pornography**” and substitute the following definition:
 

“**child pornography** means sexually explicit or suggestive material depicting children. Child pornography is a form of child exploitation material.”
2. The following amendments be made in section 4 “**Pastoral Relationships**”:
  - a. add the following standard after paragraph 4.6 and renumber the following paragraphs:
 

“4.7 When exercising pastoral ministry you are to act in the best interests of those to whom you are ministering. You must recognise any potential conflict of interest and take steps to resolve it.”
  - b. add the following guidelines after paragraph 4.13 as renumbered and renumber the following paragraphs:
 

“4.14 Where your ministry responsibility to one person may conflict with your responsibility to another person to whom you are ministering, or with your own needs, you should seek advice from a colleague or supervisor. Consider the possibility of transferring ministry responsibility for one or both of these to another minister.

4.15 If you are unable to act in the best interest of the person to whom you are ministering because of your own interests you should seek advice from a colleague or supervisor and transfer ministry responsibility for the person to another minister.”

c. delete the guideline in paragraph 4.32 as renumbered, add the following guidelines and renumber the following paragraphs:

“4.32 Any communication in a ministry context, whether formal or informal, is a pastoral encounter. Communication may be face-to-face, in writing or involve some form of technology. Consider the appropriateness and impact of your words and actions.

4.33 Innuendoes or compliments of a sexual nature are always inappropriate. When a person asks questions or seeks advice around topics of a sexual nature, be aware that they may have motives or needs that you do not understand. Be realistic about your own ability to assist them.”

d. add the following guideline after paragraph 4.34 as renumbered and renumber the following paragraphs:

“4.35 When considering using technology for communication, you should apply the same principles as you would in any other form of communication. Minimise the risk of harming others or yourself by asking:

- is this an appropriate way to communicate about this matter?
- should this communication be confidential? If so, do not use electronic media;
- how will the language and images used impact upon the person receiving the communication and any other person who may access it?
- could the circumstances of the communication, including the language and images used, suggest your relationship with the other person(s) is inappropriate?”

e. add the following material after paragraph 4.35 as renumbered:

**“Risks associated with using technology in communication**

Clergy, church workers, and other participants in church activities – including children – often communicate using text and picture messaging, email, instant messenger services and chat rooms, video conferencing, blogs and internet forums, websites, social networking sites, and other forms of electronic interaction.

Remember information posted online is tracked and can be retrieved. Dangers associated with the use of communication technology are not always appreciated by clergy and church workers. These dangers include:

- losing your privacy;
- losing control of information (such as photographs or emails);
- ignoring personal security settings on social networking sites;
- being unable to determine if people are who they say they are;
- being exposed to unwanted information; and
- becoming a victim of cyberbullying when someone sends or spreads threatening or embarrassing information.”

3. The following amendments be made in section 5 **“Children”**:

a. add the following guideline after the heading “Discipline” and renumber the following paragraphs:

“5.41 If you have overall responsibility in a Church body, you should ensure that:

- there is a strategy to prevent child abuse from occurring during church activities. This includes giving age-appropriate warnings to children about their own behaviour; and
- parents or guardians are advised that abuse of any child during children’s activities will not be tolerated.”

b. In the material after the heading “Disciplining children” substitute “; and” for the fullstop at the end and add the following line commencing with a bullet point:

“you make a record of the circumstances of the incident and discipline.”

- c. add the following heading and guidelines after paragraph 5.44 as renumbered:

**“Communication**

- 5.45 If you have overall responsibility in a Church body, you should ensure there is a policy for clergy and church workers which deals with the use of technology to communicate with children in pastoral ministry.
- 5.46 When considering using technology for communication, you should apply the same principles as you would in any other form of communication with children. You should take care that:
- it is an appropriate way to communicate with a child;
  - it is an appropriate way to communicate about the matter;
  - you are sensitive to the impact of your words, images and actions on the child and any other person who may access it;
  - you do not use sexually suggestive, explicit or **offensive language** or images; and
  - the circumstances of the communication, including the language and images used, do not suggest your relationship with the child is inappropriate.”

- d. add the following material after paragraph 5.46 as renumbered:

**“Risks associated with using technology in communication with children**

Clergy, church workers and other participants in church activities – including children – often communicate using texting and picture messaging, email, instant messenger services and chat rooms, video conferencing, blogs and internet forums, websites, and group social networking sites.

Remember information posted online is tracked and can be retrieved. Dangers associated with the use of communication technology with children are not always appreciated by clergy and church workers. These dangers include:

- ignoring personal security settings on social networking sites;
- disclosing contact details or images of the child in the communication;
- being unable to determine if people are who they say they are;
- exposing the child to unwanted or inappropriate information;
- the child becoming a victim of cyberbullying; and
- sexual predators gaining access to the child.

Clergy and church workers can assist children to stay safe when using technology to communicate with others by:

- educating children and their parents or guardians about the risks associated with the use of this technology;
- encouraging children to exercise care in disclosing personal information about themselves and others such as their contact details;
- encouraging children to talk about anything that worries them with their parents or guardians, older siblings, friends, and clergy and church workers with whom they have a **pastoral relationship** instead of posting their problems in a chat room or blog; and
- encouraging children to talk about anything they see or experience online that worries them.”

4. The following amendments be made in section 6 **“Personal Behaviour”**:

- a. add the following sentence at the end of paragraph 6.1:

“In a context where their responsibility is to care for others, people will especially observe the way in which clergy and church workers exercise power.”

- b. add the following paragraphs after paragraph 6.1 and renumber the following paragraphs:

“6.2 Abuse of power is at the heart of many relationship problems in the Church and the community. In essence, abuse is one person’s misuse of power over another. Sometimes abuse will be a one off event and at other times it will be a pattern of behaviour.

6.3 **Abuse** can take any of several overlapping forms: **bullying, emotional abuse, harassment, physical abuse, sexual abuse or spiritual abuse.**"

c. add the following guidelines and material after the heading 'Guidelines' and renumber the following paragraphs:

"6.15 You need to be aware of the impact that abuse can have on people.

**The impact of abuse**

A person who is abused may suffer emotionally, psychologically, physically, socially and spiritually. The impact can be life long and affect the person, their relationships and their capacity for ministry.

*How abuse affects the person and their relationships*

The person who is abused may experience:

- feelings of shame, humiliation, rejection, powerlessness, insecurity, anger and resentment;
- sadness, tearfulness, depression, anxiety;
- fatigue, disturbed sleep, changed appetite and ill health;
- substance abuse, gambling and use of pornography;
- becoming more withdrawn or aggressive;
- burn out;
- suicidal thinking and action;
- loss of self-esteem and self-confidence;
- marital and family problems;
- breakdown in community and collegial relationships.

*How abuse affects ministry*

Clergy or church workers who are abused may experience:

- loss of coping skills;
- disillusionment;
- inability to concentrate;
- loss of motivation;
- decreased productivity and competence;
- bad decision-making and poor judgement;
- loss of faith or crisis of vocation;
- difficulty trusting others;
- diminished employability;
- premature desire to cease employment.

6.16 You need to be able to identify **bullying** and the cultures and environments which encourage it.

**Cultures and environments which encourage bullying**

Contexts in which bullying is likely to flourish are characterised by:

- overbearing or inadequate leadership;
- poor management;
- a high level of competition;
- a climate of uncertainty and insecurity;
- lack of support and governance structures;
- poor handling of conflict;
- rigid structures;
- low level of participation or consultation;
- excessive demands on time;
- unclear role description and processes;
- inadequate grievance procedures."

5. The following amendments be made in section 7 “**Sexual Conduct**”:
  - a. add before the fullstop at the end of the standard in paragraph 7.5 the words “or **child exploitation material**”.
6. The following amendments be made in section 8 “**Financial Integrity**”:
  - a. In paragraph 8.5 delete the word “avoidance” and substitute the word “evasion”.

10 April 2011

## Anglican Church Property Trust Diocese of Sydney (ACPT)

(A report to the 2<sup>nd</sup> ordinary session of the 49<sup>th</sup> Synod)

### A message from the Chairman of the ACPT, Mr Robert Tong AM



During 2011/12, as in previous years, ACPT, as the corporate trustee of the Diocese, operated across the full spectrum of diocesan activities. Some notable outcomes include –

- *streamlining* the parish Leasing and Licensing Policy to deliver greater autonomy to Wardens generally while adding robustness to the leasing and licensing of tenants operating in industries that have proven to be problematic for parishes over many years;
- *exercising* oversight of all significant parish projects (contracts > \$500,000), including the 9 parish projects that were supported by grants from funds contributed from the Diocesan Endowment during 2007. With one exception - caused largely by unexpected latent conditions on an awkward development site - all of these projects were delivered materially on time and within budget;
- *undertaking* detailed work on the investment objectives, policy, and strategic asset allocation for the Long Term Pooling Fund (LTPF);
- *managing* the periodic insurance revaluation of the property of all parishes and many diocesan organisations. Authorising an insurance policy for the building / contents of parishes for a fixed period of 3 years at 2011 premium rates to provide certainty in respect to 55% of the total insurance premium that is funded through PCR contributions; and
- *negotiating* with a multi-national head lessee in respect to a new head lease (concluding in 2089) over a city site, on terms that are expected to deliver significant returns to the local parish and the synod over the long term.

I would like to take this opportunity to thank parish councils, senior clergy and the Sydney Diocesan Secretariat (“SDS”) team that supports the ACPT and for the level of camaraderie and teamwork that exists, often in the face of intensive workloads, to deliver lasting meaningful ministry outcomes for the diocese.

I also take this opportunity to acknowledge the critical skills provided by the members of the ACPT Board. These people are:

Name	Title, Description	Institution/ Industry
Canon Christopher Allan	Healing Service minister, St Andrew’s Cathedral and ex project manager, Lend Lease Corporation	Ministry
Rev Andrew Bruce	Rector, parish of Cooks River and ex structural engineer, Sinclair Knight Merz	Ministry
Mr Roger Collison	Investment Consultant	Finance
Mr Glynn Evans	Architect, retired partner, Allen Jack + Cottier	Building
Dr Peter Jensen	Archbishop of Sydney	Ministry
Mr Richard Neal	Partner, Teece Hodgson & Ward Solicitors	Law
Mr David Nelson	Registered Property Valuer, David Nelson & Partners	Property
Rev Craig Roberts	Rector, Neutral Bay Anglican and ex accountant, PricewaterhouseCoopers	Ministry
Mr Peter Rusbourne	Partner, Watkins Tapsell, Solicitors	Law
Mr Robert Tong	Partner, WB Scott & Tong, Solicitors	Law
Mrs Melinda West	Manager, Pascoe Whittle, Accountants	Accountancy

In addition, I extend the Board’s appreciation to Mr Ian Pike, a former Board member, and the Head of Business Credit at BankWest, who provides specialist advice to the investment, finance and insurance committee of the Board.

I commend this report to the Synod.

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A message from the **Head of Parish Property (SDS), Mr Greg Ellem,**

My colleagues, James Cartwright, Scott Lincoln, Cindy Wong and myself are proud to have partnered parishes and the ACPT as each of the numerous major property renovation projects mentioned by the Chairman have reached conclusion.



We hope and pray that the tangible ministry benefits that these new and/or enlarged ministry centres that are available to serve the local communities in Annandale, Auburn, Berowra, Broadway, Dapto, Glenmore Park, Hoxton Park, Marrickville, Naremburn, Rouse Hill, Rooty Hill and beyond will be a blessing for our diocese for many years to come.

The staff who serve the ACPT as its executive management team are employed by SDS – which recovers its costs under several service level agreements with the ACPT.

In addition to negotiating the new Head Lease referred to earlier, ACPT with the considerable assistance of the parish wardens, settled a long running dispute with a former tenant of the property. The settlement proceeds will materially contribute to budgets of both parish and Synod.

In this 2011/2012 ACPT report to Synod you will find –

- 1. Executive Summary;
- 2. An explanation of how the ACPT is constituted / its purpose; and
- 3. Major Activities (some of the major activities of the ACPT in more detail)

... but first, we would like to share some comments about the ACPT from the parishes of Enfield and Broadway ...

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**“Our parish** has had close contact with the ACPT for over a decade commencing with the sale of a branch church and rectory, which (by ordinance) provided the funds for three projects. Part of the proceeds were given to diocesan activities, the remainder was to allow the building of a dwelling for an assistant minister, the renovation of our 1923 hall and a reserve for preservation of our 1848 church.

Like most projects, the original concept was modified in the light of changing circumstances. The single dwelling became a duplex to provide an income stream to the parish in addition to providing accommodation for an assistant minister. Apart from the inevitable delays in having the Development Application approved, this project went smoothly and the rental income allows the parish to support some mission activities in neighbouring parishes.

The need to restore our heritage building came sooner than expected, when cockatoos damaged the wooden shingles in the spire. When the tiles were removed it was found that the supporting timbers had dry rot and the top layers of stone were loose. Suddenly what was a relatively small job became a large endeavour. There were many conversations with the ACPT, with James Cartwright in particular, to determine how to proceed.

Renovating an old building is fraught with danger as we found when the first tenders were received, and our initial plans had to be modified to fit our remaining funds. Again, the ACPT was a source of good advice about handling payments, especially the GST, so that the project was completed on time and (almost) within budget (including contingency). The parish now has a hall that will allow us to extend our ministry in our community.

We have been blessed by God and the challenge is to now use the resources we have been given to His glory.

The past ten years have been exciting, frustrating and tiring, and it has been a learning experience for those involved. We have relied on the staff in the ACPT, especially James Cartwright and his colleagues, for advice on what to do, for correcting us when we were not following correct procedures, and for answering what to them must have been silly questions.

At all times they were prepared to listen and while they offered advice, they permitted us to make our own decisions. Having this support structure gave us a greater appreciation of the contribution the Secretariat can make to individual parishes.”

**George Cooney, Warden, Parish of Enfield**

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**“Not that I recommend it,** but if you ever want to experience the value of being part of a larger Church community with a central support network, then having your Church burn down will do the trick.

Over the past six years, the support of the SDS and ACPT has been invaluable as we’ve pursued the St Barnabas Redevelopment Project. I don’t believe I am overstating it to say that we could not have reached the point we have (where our new Church is open and operating) without their support.

On the day of the fire in May 2006, representatives of the ACPT came to site and began to advise us on where to go from here. There really is no manual for such a crisis, but the advice from the ACPT was the next best thing. We were also provided with temporary office space and facilities, until we could rent our own.

The ACPT provided advice and counselling during the planning phase for our project. We are especially grateful for the blend of support and autonomy they have provided us. They let our Parish make the key decisions about the redevelopment, but encouraged us to make bold and courageous decisions and counselled against foolish ones. This was a great aid to our Parish as we formed our vision for a new, modern Church, twice the size of the old building.

Representatives of the ACPT also took a lead role in our dealings with the Diocese’s insurers, and helped us secure a very positive outcome, without which the redevelopment would not have been possible. They also provided endorsement for the grant applications to the Mission Property Committee and the Vincent Fairfax Family Foundation, which provided the two cornerstone grants for the redevelopment project. Finally, they assisted us in securing the project finance facility to allow the project to commence.

Finally, during the design and execution phase, representatives of the ACPT have spent countless hours providing us with the administrative support and technical and commercial advice in relation to contract negotiations and building issues.

Particular thanks should go to Cindy Wong, Scott Lincoln, James Cartwright and Steve Joynes, all of whom went well beyond the call of duty at various times to help us through. Finally, we owe a special debt of gratitude to Greg Ellem, who has quite literally been with us every step of the way. His enthusiasm, encouragement and wisdom were invaluable and this project is as much the fruit of his labour as it is ours.”

#### **David Britton, Warden, Parish of Broadway**

As many parishes know, the ACPT vision is to provide valued services to parishes in mission, and the ACPT is dedicated to fulfilling this vision, even in these times of intense financial pressures.

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### **1. Executive Summary**

During the period 1 January 2011 to 30 June 2012, the ACPT (as trustee for parishes and some diocesan organisations) –

- *Received*, reviewed, signed and processed over 600 documents (including development applications, building contracts, leases, licence agreements, contracts of sale etc);
- *Co-ordinated* the submission of NSW Government Community Building Partnership (“CBP”) grant applications that led to grants totalling **\$5.28 million** being made **to 198 parish projects** under “CBP I, II & III” (2010-12 inclusive).
- *Arranged* and placed insurance cover for over 300 diocesan entities (parishes & numerous organisations);
- *Prepared and issued* 14 circulars about a range of policy/procedure matters such as - grant funding, tax-deductible school building funds, polling place licence agreements, insurance matters, property maintenance as well as the quarterly “About Your Invested Funds” circular to parishes and diocesan organisations on whose behalf the ACPT invests funds;
- *Concluded* major parish property renovation projects that enabled by the generous grants to a number of parishes made from the Diocesan Endowment during 2007. As a result, new and/or enlarged ministry centre were opened at Annandale, Auburn, Berowra, Broadway, Dapto, Glenmore Park, Hoxton Park, Marrickville, Naremburn, Rouse Hill and Rooty Hill (between 2009-2012);
- *Revised*, updated, streamlined and rewrote the “Building Works Kit” into “plain English” and obtained Standing Committee approval for the delegated authority to be raised from \$20,000 to **\$100,000** for contracts signed by parish Wardens;<sup>1</sup>

<sup>1</sup> Noting that all Development Applications (regardless of \$ value) need to be signed by the ACPT

- *Revised* and re wrote the, “Leasing Licensing User Guide”, and obtained ACPT Board and Standing Committee approval of the delegated authority for licence agreements signed by Parish Wardens being raised from \$20,000 to **\$50,000**; <sup>2</sup>
- *Arranged* for a staff member of the ACPT to be appointed by the Heritage Branch of the NSW Department of Planning as a permanent member of the Religious Property Advisory Panel (RPAP). RPAP advises the NSW Heritage Council and considers, amongst other things, recommendations to list church buildings on the NSW Heritage Register;
- *Streamlined and arranged* access for parishes to ACPT Client Fund Statements via the SDS Extranet (<https://secure.anglican.asn.au/Extranet> ) to enhance the provision of timely data;
- *Championed* an informal Christian Churches property trust network for discussion, sharing and lobbying areas of joint interest / concern; and
- *Intervened* – via government departments/ministers to achieve positive Local Environmental Plan and Special Infrastructure levy outcomes (which was driven by the ACPT as part of the informal Christian Churches property trust network).

## 2. Constitution and Purpose

The ACPT is an incorporated body constituted by the Anglican Church of Australia Trust Property Act 1917 (“1917 Act”). The Anglican Church Property Trust Diocese of Sydney Ordinance 1965 regulates the functioning of ACPT.

Pursuant to the 1917 Act, ACPT is the legal owner and trustee of church trust parish property within the Diocese of Sydney. As owner, ACPT is required to be involved in a wide range of parish property transactions, including but not limited to insurance, leases, property sales / purchases, and building contracts.

## 3. Major Activities – some of the major activities of the ACPT are –

### (a) Insurance

Pursuant to the terms of the Church Insurances Ordinance 1981 the ACPT effects insurance on behalf of parishes and some diocesan organisations.

The annual renewal date of the diocesan insurance policies is 31 August. With an annual insurance premium of approximately \$3.0million, to insure some 1,000 parish buildings and property of many diocesan organisations, this is a mammoth task.

The ACPT Manager, Insurance Services begins the renewal process early each year by collecting key insurance data from parishes and Organisations to facilitate negotiations with various investment grade insurance counterparties for suitable insurance cover for parishes and many Organisations. Significant time is also spent reviewing the adequacy and extent of existing cover with the assistance of the ACPT, GAB and SDS Boards as well as the diocesan insurance broker.

**Since 2007, the ACPT Board has contracted fixed rate agreements with the buildings and contents (industrial special risk) insurer to lock in considerably lower premium rate than market.**

Through effectively fixing the variable cost (premium rate) of a key insurance product, the budgeting for PCR cost is streamlined and given the upward movement in market premium rates generally over the past few years as a consequence of an unusually high convergence of natural disasters, has led to a very cost effective the premium rate delivered to parishes and Organisations compared to current market rates.

### **Increasing the age for Volunteer Insurance cover to 90 years of age**

In response to feedback from parishes and senior clergy, the ACPT has arranged to extend the cover to volunteers up to the age of 90 (previously there was a limit of volunteer cover of 85 years of age).

### **Introduction of short-form, one-off use licence agreements**

With the assistance of the diocesan insurance broker and Manager, Legal Services, a Short-form Licence Agreement (SFLA) has been introduced for one-off licensing of non-parish specific activities such as wedding receptions and birthday parties in church halls / grounds (which the diocesan insurer considers to be private functions). The SFLA specifically incorporates the insurance requirements for the licensing (hire).

<sup>2</sup> Noting that by resolution of the Standing Committee that all licence agreements for childrens services need to be approved by the ACPT Board.

**Low cost public liability insurance for licensees (hirers)**

Feedback from parishes indicates that it is sometimes difficult for individual hirers of church trust property to obtain their own public liability insurance. In response, the ACPT negotiated an arrangement to enable hirers to apply for insurance cover from the insurer (Ansvar) for the cost of a very reasonable \$50.00.

**Outsourcing ISR insurance claims management**

Reflecting the overall complexity of the Church Insurances Program, high volume of routine (and non-routine) insurance questions that arise on a daily basis, the need to follow up formal notification of potential incidents and claims and fact that the Church Insurances Program is supported by SDS with a single staff member (compared to multiple staff in comparable church organisations), the Board determined that either additional resources needed to be applied to support the Program if it is continue to operate in an efficient manner within appropriate risk parameters.

As a consequence, during the past year, the ACPT Board approved the claims management process for parish buildings and contents to be outsourced to a third party specialist insurance claims management firm, Marsh Pty Ltd.

**Insurance Enquiries**

Insurance related enquiries are dealt with by the Manager, Insurance Services (Cindy Wong). These enquiries include day-to-day insurance enquiries and issuance of Certificates of Currency which enable parishes to conduct on site activities.

**(b) NSW Community Building Partnership Grant Programs (“CBP Grant Programs”)**

The ACPT has promoted, facilitated and administered the CBP Grant Programs over the last three years. The process includes –

- assisting parishes construct applications and liaising with local MPs;
- reviewing documentation and grant conditions applicable to each successful parish;
- responding to enquiries from parishes about various aspects of the CBP Grant Program;
- responding to enquiries from the NSW CBP Office and NSW Government Members of Parliament about successful parish projects;
- receiving and distributing grant funds to each successful parish;
- reporting to the NSW State Government in accordance with grant funding criteria;
- following up incomplete outstanding information from grantees that is required to satisfy NSW Government CBP Grant Program audit procedures and ensure that parishes are given a fair opportunity to share in future Programs.

A summary follows of the extent to which parishes have successfully participated in the three CBP Grant Programs since 2009:

<b>CBP (Mark I, II, III)</b>	<b>No. of successful Parishes</b>	<b>\$ Grant amount (rounded)</b>
CBP 2009 (I)	33	900,000
CBP 2010 (II)	97	2,800,000
CBP 2011 (III)	68	1,600,000

**(c) Investment, Finance and Insurance Committee of the ACPT Board (“IFC”)**

In addition to the insurance responsibilities outlined previously, the IFC, comprising the sub-committee Chairman, Mr Richard Neal, Mrs Melinda West, Mr Craig Roberts, Mr Roger Collison and Mr Ian Pike, is charged with reviewing and developing policy and procedures for adoption by the full ACPT Board in relation to the 275+ investment funds that the ACPT manages as trustee on behalf of parishes and diocesan organisations.

In recent months the IFC has concluded in depth work on the investment objective/policy, and strategic asset allocation for the LTPF.

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To get in touch with ACPT staff, please use the following contact details –

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<b>Scott Lincoln</b> , Manager ACPT (Northern & Western Regions)	<a href="mailto:slx@sydney.anglican.asn.au">slx@sydney.anglican.asn.au</a>	02 9265 1633
<b>James Cartwright</b> , Manager, ACPT (Georges River, South Sydney & Wollongong Regions)	<a href="mailto:jac@sydney.anglican.asn.au">jac@sydney.anglican.asn.au</a>	02 9265 1561
<b>Greg Ellem</b> , Head of Parish Property	<a href="mailto:gxe@sydney.anglican.asn.au">gxe@sydney.anglican.asn.au</a>	02 9265 1546

On behalf of the Anglican Church Property Trust Diocese of Sydney

ROBERT TONG AM  
*Chair, ACPT*

GREG ELLEM  
*Head of Parish Property*

21 August 2012

## Archbishop's Election Synod in 2013

(A report from the Standing Committee.)

### Introduction

1. The Standing Committee has authorised the booking of the Wesley Centre from Monday 5 August 2013 to Friday 9 August 2013 for a special session of the Synod to elect the next Archbishop.

### The Timetable

2. The See of Sydney will become vacant when the present Archbishop retires on 11 July 2013. The election of a new Archbishop takes place at a special session of the Synod (the "Election Synod") convened under the Archbishop of Sydney Election Ordinance 1982 (the "Ordinance").

3. Under clause 5(2A) of the Ordinance, the Election Synod must be held not less than 3 weeks and not more than 6 weeks after the See becomes vacant. Thus, if the See becomes vacant on 11 July 2013, the Synod must be held during the period 1 August 2013 to 22 August 2013.

4. It is expected that the Standing Committee will resolve at its February 2013 meeting that the vacancy in the See be filled in accordance with the Ordinance (under clause 2(2) of the Ordinance this resolution can be made up to 20 weeks before the See actually becomes vacant). If the Standing Committee so resolves, then the Archbishop must summon the Synod to elect a new Archbishop within 21 days of the resolution being passed. Thus, the summons is likely to be sent to Synod members in late February 2013.

5. By clause 7(2) of the Ordinance, nominations for Archbishop close 42 days before the first day of the Election Synod. Thus, if the first day of the election Synod is 5 August 2013, the closing date for nominations will be 24 June 2013. This means that there will be a period of about 4 months between the sending of the summons and the close of nominations.

6. There are other dates and times in the Ordinance which do not concern Synod members at this stage.

### The Procedure

7. Under the Ordinance the procedure for electing the Archbishop is, in general terms, as follows –

Formal Matters	President's address, tabling of documents, election of officers etc. This occurs on Day 1.
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Compilation of Select List	Each nominee is proposed and seconded, after which the Synod considers whether the name of each nominee is to be placed on the Select List. A nominee will be placed on the Select List if a majority of either the lay or the clerical members of the Synod vote in favour of this happening. In 2001, there were 5 nominees and the compilation of the Select List comprising 2 nominees was completed on Day 1.
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Compilation of Final List	Each nominee whose name appears on the Select List is again proposed and seconded, after which the Synod considers whether the name of each nominee on the Select List is to be placed on the Final List. A nominee will be placed on the Final List if a majority of both lay and clerical members of the Synod vote in favour of this happening.
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Additional steps occur if, on the first attempt, there are less than, or more than, 3 names on the Final List.

In 2001, the compilation of the Final List comprising 1 nominee occurred on Day 2.

Final Selection	If there is only 1 nominee on the Final List, the Synod considers a motion that the nominee be invited to be Archbishop.
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If there are 2 or 3 nominees on the Final List each is proposed and seconded. Speeches in respect of each nomination then take place. Under the Ordinance the Synod must then adjourn to the next day. When the Synod resumes, a ballot takes place. If one candidate receives an absolute majority of votes, he is declared to be elected. Otherwise the Synod must adjourn. When the Synod resumes it has several options about how to proceed.

In 2001, because there was only 1 nominee on the Final List, a motion to invite the nominee to be Archbishop was moved on Day 2.

8. Although the last Election Synod in 2001 was concluded on Day 2, the final ballot for the Election Synod in 1993 took place on Day 4.
9. Accordingly the Standing Committee considers that the Wesley Centre should be booked for 5 days for the 2013 Election Synod recognising that we will be liable for the cost of hiring the Centre for 5 days if the session concludes after a fewer number of days.

For and on behalf of the Standing Committee

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

## 10/11 Archbishop's Strategic Commission on Structure, Funding and Governance

(A report from the Standing Committee.)

### Purpose of this report

1. The purpose of this report is to advise to the Synod of the action taken by the Standing Committee in response to resolution 10/11 which is in the following terms –

Synod welcomes the report of the Archbishop's Strategic Commission on Structure, Funding and Governance together with the responses thereto of the Glebe Administration Board ("GAB") and Sydney Diocesan Secretariat ("SDS"), Anglican Church Property Trust Diocese of Sydney (the "Property Trust") and St Andrew's Cathedral School ("SACS"), and requests the Standing Committee to –

- (a) undertake consideration of the possible ways in which –
  - (i) the concerns raised in the responses from the GAB/SDS, the Property Trust and SACS may be addressed, and then
  - (ii) the recommendations may be implemented, and
- (b) in the light of (a), pass such legislation as may be desirable or practicable, excluding any sale ordinance, or otherwise report to the next session of the Synod on any future proposals.

### Executive Summary

Recommendation of Archbishop's Strategic Commission	Standing Committee's response
Recommendation 1 – Future of Bishops court	Standing Committee requested that an ordinance for the sale of Bishops court be promoted to the Synod this year and recommended that Synod pass such ordinance.
Recommendation 2 – Strategic plan for St Andrew's House	<p>Standing Committee noted that St Andrew's House Corporation (the "Corporation") has –</p> <ul style="list-style-type: none"> <li>(a) undertaken significant work to enhance the financial return from the St Andrew's House building, and has developed policies for the long term financial future of the Corporation, and</li> <li>(b) obtained conditional development approval for the subdivision of St Andrew's House.</li> </ul> <p>Standing Committee also requested that the Corporation prepare for the Standing Committee's consideration a report about the consequences of proceeding with the subdivision of St Andrew's House, and the Corporation's recommendations in relation thereto, to enable the Standing Committee to fully review the matter before any decision to proceed with the subdivision is made.</p>
Recommendation 3 – Strategic review of the benefit of the Anglican brand name	Standing Committee determined that no further work be undertaken at this time in relation to the strategic review of the Anglican brand name.
Recommendation 4 – Creation of a central investment management board	<p>Standing Committee resolved –</p> <ul style="list-style-type: none"> <li>(a) to reconsider the proposal for a central investment management board ("CIMB") after the end of 2013, being the end of 3 years after the implementation of the arrangements recently put in place (namely, the separate management of St Andrew's House, and the outsourcing of the investment management of GAB and the Property Trust's trusts) to allow those arrangements to be fully evaluated against considerations such as risk, performance, cost and administrative efficiency, and</li> <li>(b) to request that, in the meantime, GAB, the Property Trust and the Corporation provide the Standing Committee with reports each 6 months in terms of those performance indicators, the first of such reports to be provided before the end of 2012.</li> </ul>

Recommendation of Archbishop's Strategic Commission	Standing Committee's response
Recommendation 5 – Investment strategy and related matters	Since recommendation 5 was tied to the creation of a CIMB, the Standing Committee determined that this recommendation also be deferred and reconsidered when the proposal for a CIMB is reconsidered.
Recommendation 6 – Endowment of the See	Standing Committee passed the <i>Endowment of the See Capital Ordinance 2012</i> and the <i>Endowment of the See Expenditure Ordinance 2012</i> to provide a new regime for the governance of the Endowment of the See.
Recommendation 7 – Sydney Diocesan Secretariat	Standing Committee resolved – (a) to reconsider the proposals concerning the SDS after the end of 2013, being the end of 3 years after the major reforms to SDS, including the operation of service level agreements with diocesan organisations, to be evaluated against service delivery and internal cost controls, and (b) to request that, in the meantime, SDS keep the Standing Committee informed of its operations and plans for the future.
Recommendation 8 – Property Trust's investment function	Since recommendation 8 was tied to the creation of a CIMB, the Standing Committee determined that this recommendation also be deferred and reconsidered when the proposal for a CIMB is reconsidered.
Recommendation 9 – Chairmen's Committee	Standing Committee invited the Archbishop to appoint a Chairmen's Advisory Committee comprising the chairmen of the major Diocesan organisations, as a forum for organisations to discuss common matters of interest and share information, and provide advice to the Archbishop, with such Committee to operate on the basis that discussions and information shared is confidential and cannot be disclosed outside of the meeting.
Recommendation 10 – Governance and internal controls	Standing Committee agreed to establish a Governance and Audit Committee ("G&A Committee") on the following terms – (a) the G&A Committee should comprise members with appropriate experience appointed by the Standing Committee with membership not limited to persons who are also members of the Standing Committee, (b) the function of the G&A Committee is to monitor the compliance, governance and risk management processes of the central diocesan organisations (SDS, GAB, the Property Trust, the EOS Committee and the Corporation), and the way in which any conflicts of interest of members of those organisations are managed, (c) the reasonable costs of the G&A Committee (including any required costs of administration support) are to be recovered from those organisations, and (d) the G&A Committee be required to report regularly to the Standing Committee and annually to the Synod about its work.
Recommendation 11 – Conflicts of interest	Standing Committee noted that its response to recommendation 10 also dealt with the matters raised by recommendation 11.
Recommendation 12 – Amend constituting ordinance of central diocesan bodies	Standing Committee, subject to the appointment of a Chairmen's Advisory Committee, determined that no further action be taken in relation to recommendation 12 of the Archbishop's Strategic Commission.

## Background

2. In December 2011, in response to resolution 10/11, the Standing Committee established a Working Group to consider the recommendations of the Archbishop's Strategic Commission ("ASC") and make recommendations to the Standing Committee. A copy of the recommendations of the ASC is set out in the Annexure to the report. The Working Group consisted of 9 members, comprising 5 persons appointed by the Standing Committee, the chairman of the ASC, and one member appointed by each of the Property Trust, GAB/SDS and the Endowment of the See Committee (the "EOS Committee").

3. The membership of the Working Group was –

*Members appointed by the Standing Committee*

Neil Cameron

James Flavin

Raj Gupta

Geoff Kyngdon

Stephen Semenchuk

*Chairman of the ASC*

Peter Kell

*Appointee of the Property Trust*

Richard Neal

*Appointee of SDS/GAB*

Bruce Ballantine-Jones

*Appointee of the EOS Committee*

Philip Selden

4. The Working Group met on 8 occasions and provided 5 reports to the Standing Committee. The remainder of this report summarises the recommendations of the Working Group and the Standing Committee's response to those recommendations.

5. The Standing Committee thanked the members of the Working Group for their efforts in completing this work in time for the Standing Committee to report to the 2012 session of the Synod.

*Recommendation 1 – Future of Bishops court*

6. Recommendation 1 of the ASC was that Bishops court be sold and that part of the proceeds be applied towards acquiring suitable alternative accommodation for the Archbishop.

7. The EOS Committee has prepared an ordinance for the sale of Bishops court which is being promoted to the Synod by request of the Standing Committee. The Standing Committee has recommended that the Synod pass the ordinance.

8. The Working Group recommended that if the Synod was to be asked to consider the proposal for the sale of Bishops court it should be asked to consider an ordinance for the sale which is accompanied by a suitable statement of evidence as to the reasons for the sale. It advised the Standing Committee that in its opinion the Synod may be unwilling to consider the sale of Bishops court if the proposals for the review of governance of the Endowment of the See (as to which see Recommendation 6 below) were not addressed beforehand.

*Recommendation 2 – Strategic plan for St Andrew's House*

9. Recommendation 2 of the ASC was that a strategic plan be developed for St Andrew's House to maximise short term yield while creating the option to realise (wholly or partly) the equity value of the asset.

10. The Working Group, in considering this recommendation, received a report from the Corporation about the work it has undertaken in relation to St Andrew's House. This work included –

- (a) the leasing of levels 3, 4 and 5 on long term leases on commercial terms,
- (b) the leasing of the car park to a commercial car park operator for an initial 5 year period,
- (c) the outsourcing of the property management to a commercial property manager,
- (d) the development of policies for the reserving of funds for future capital works, rental voids and incentives from the St Andrew's House fund, and
- (e) obtaining conditional approval for the subdivision of St Andrew's House.

11. The formalisation of the policies referred to in (d) of the preceding paragraph is intended by the Corporation not only to ensure the long term financial sustainability of the Corporation but also to ensure sustainable levels of distributions to the stakeholders of St Andrew's House (the Diocesan Endowment and Endowment of the See).

12. The Working Group was also advised by the Corporation that it has obtained conditional development approval for the stratum subdivision of St Andrew's House. The Corporation has engaged consultants to address the conditions of the approval, and it is expected that the conditions will be met

over the next few months. Then, the question of proceeding to formally undertake the subdivision will need to be considered.

13. In light of the work undertaken by the Corporation the Working Group did not consider that there was any additional work which it, or another committee, ought take in relation to the development of a strategic plan for St Andrew's House. Rather, the Working Group considered that the Standing Committee should now monitor the ongoing work of the Corporation by way of the periodic reports to the Standing Committee. The Standing Committee adopted this recommendation of the Working Group.

14. The Working Group also recommended that the Standing Committee undertake a full review of the consequences of the subdivision of St Andrew's House before any decision to proceed with the subdivision is undertaken. It noted that there are significant issues, including the potential loss of rate and tax exemptions and the loss of control of the building, that need to be considered before any decision to proceed with the subdivision is made. The Standing Committee has adopted this recommendation.

*Recommendation 3 – Strategic review of the benefit of the Anglican brand name*

15. Recommendation 3 of the ASC was that the Standing Committee commission a strategic review of the benefit to Diocesan organisations of the Anglican brand name.

16. During the course of its consideration of this recommendation the Working Group considered –

- the legislative framework for the use of the word “Anglican” in the name of organisations, and
- recent experience within the diocese of seeking to have organisations make a financial contribution to the work of the Diocese, and
- the experience of other dioceses in seeking contributions from organisations which use the Anglican name, and
- an assessment of those organisations in the Diocese which are thought to have the capacity to contribute financially to the work of the Diocese.

17. The Working Group noted that proposals for asking diocesan organisations which use the Anglican name to contribute funding to the Diocese have been raised before. However, other than in relation to providing funding for specific purposes (such as schools providing funding for the Anglican Education Commission), the Working Group was not aware that such proposals have been pursued. The Working Group noted that there is likely to be significant objection at the Synod to such proposals. Further, those organisations which are likely to have the greatest capacity to contribute financially to the work of the Diocese are usually recipients of Government funding grants or tax concessions. However, the terms upon which that funding is provided or those concessions are made available are likely to constrain the organisation from providing funding for general diocesan purposes.

18. The Working Group advised the Standing Committee that it did not consider that this recommendation of the ASC should be pursued further at this time. The Standing Committee has agreed that the recommendation not be pursued further at this stage.

*Recommendation 4 – Creation of a central investment management board*

19. Recommendation 4 of the ASC proposed the establishment of a central investment management board (“CIMB”) and that diocesan bodies be encouraged to work towards ensuring that all investment activity for assets in excess of \$5 million in aggregate be undertaken through the CIMB or an external manager appointed by CIMB.

20. In its Final Report dated 15 August 2011, the ASC made the following comments in support of the proposal –

- The ASC observed that the greatest financial expertise serving the Diocese was within SDS and GAB and, while it was evident there were some very able and financial aware people serving on other boards, there was (in the ASC's view) a general scarcity of committed Christians with a genuine depth of financial management experience and insight who were willing to serve. In the ASC's view, this meant that this limited resource was spread too widely, too thinly and ineffectively. The ASC believed that a CIMB would consolidate this limited resource and would consist largely of those within the Diocese who have investment and financial acumen, particularly from GAB and SDS.
- The ASC noted that if the CIMB was the sole body making investment decisions, there would be no need for other boards to have investment expertise. There would be no reason (in the ASC's view) why the investment assets of other diocesan bodies (such as Anglicare and Anglican Retirement Villages) could not be invested by the CIMB on behalf of those bodies. Indeed, the ASC considered that there would be a strong preference for this to occur.

- The ASC considered that while the recommendation that diocesan bodies undertake investments through a CIMB is contrary to the recent tendency for division of effort, the division of effort was not justifiable from the perspective of the overall diocesan financial interests.

21. The ASC acknowledged the significant reforms undertaken by GAB since late in 2009 to reform its investment processes. In the ASC's view, the creation of the CIMB would further enhance the investment processes in the Diocese.

22. The Working Group noted that since early 2010 GAB had undertaken a series of major reforms to enhance its investment processes for the Diocesan Endowment. Those reforms included reviewing the investment objective of the Diocesan Endowment, reviewing the strategic asset allocation and investment policies (particularly having regard to risk), and outsourcing the investment management and investment accounting functions to professional external service providers. These reforms had been reported to the Standing Committee and to the Synod. The Property Trust has undertaken similar reforms in relation to the investment processes for its Long Term Pooling Fund ("LTPF").

23. There is now a high degree of co-operation between GAB and Property Trust in relation to their investment processes which allows the relevant expertise on both boards to be pooled. For example, both GAB and Property Trust have appointed the same asset consultant and investment manager for the funds they respectively manage and joint meetings are held with the consultant and manager to discuss investment strategy and performance. However, while there is a high level of co-operation, the processes allow GAB and Property Trust to each adequately weigh and serve the distinct investment objectives of the funds they respectively manage.

24. GAB has also enhanced its reporting to both the Synod and the Standing Committee. By way of example, GAB now reports to the Standing Committee quarterly about the investment performance of the Diocesan Endowment, and those reports are widely available.

25. The Working Group understood that this co-operative model adopted by GAB and the Property Trust has reduced the complexity and cost of their investment management processes. Previously, GAB and the Property Trust undertook the investment of their funds through a central investment vehicle known as the Glebe Group. Among other things, that vehicle required an Australian Financial Services Licence ("AFSL") to undertake the investment management function. However, the Glebe Group has subsequently been effectively closed because of the burdensome and costly administrative and external regulatory requirements associated with holding such a licence. The present co-operative model minimises those burdens and costs.

26. The reforms which GAB has undertaken have also sought to address conflicts of interest which existed in relation to St Andrew's House. Prior to early 2010 GAB was the manager of St Andrew's House (on behalf of the Corporation), as well as being the lender and the "beneficial owner" of part of that property. This created a number of conflicts which are likely to have contributed to many of the recent issues associated with the management and finances of St Andrew's House. GAB sought to deal with these conflicts by initiating the withdrawal of its authority to undertake the day to day management of the building (which has been assumed by the Corporation).

27. The Working Group advised the Standing Committee that the ASC's proposals for a CIMB required more thought if some of the complexities, costs and conflicts of past processes were to be avoided –

- The Working Group advised that it is likely that a CIMB, in the form proposed, would need to hold an AFSL. As mentioned, holding an AFSL is burdensome and costly.
- Care needed to be taken to ensure that a CIMB was aware of, and effectively manages, the distinct investment objectives of the underlying funds invested in it.
- A CIMB would also need to ensure that conflicts (such as the conflicts associated with the management, financing and ownership of St Andrew's House) are avoided or effectively managed. In relation to St Andrew's House, the model proposed by the ASC appeared to the Working Group to reinstate the structure which GAB sought to unwind, which gave rise to the conflicts of interest.

28. If it was only the funds of GAB, the Property Trust and the Corporation which were invested through a CIMB the Working Group was doubtful, at the present time, that the benefits of a CIMB would outweigh the benefits of the present arrangements which involve a high level of co-operation between these bodies. Rather, the Working Group was concerned that a CIMB would add to the cost and complexity with little net benefit. The Working Group acknowledged that there would be greater force in the argument for a CIMB if it was a diocesan investment vehicle through which all organisations invested. However, the Working Group understood that informal soundings with members of other diocesan

organisations suggested that it is unlikely that those organisations would want to utilise the investment services of a diocesan entity such as a CIMB.

29. Accordingly, while the Working Group recognised the possible merits of a CIMB, it did not support the creation of a CIMB at this time. In coming to this view it was influenced by the significant reform in existing investment processes which appeared to have been effective and ought be further encouraged. But the Working Group was conscious that such reforms may not be maintained and, over time, unhelpful practices of the past might re-emerge.

30. Accordingly, the Working Group recommended that the proposal for the CIMB be reconsidered after the end of 2013, being 3 years after the initial reforms, to allow such reforms to be assessed against performance indicators such as risk, performance, cost and administrative efficiency. This recommendation was adopted by the Standing Committee.

31. The Working Group also recommended that, in the meantime, GAB, the Property Trust and the Corporation should be requested to report to the Standing Committee each 6 months in terms of such performance indicators to enable the Standing Committee to monitor the ongoing effectiveness of the reforms until such time as the proposal for a CIMB is reconsidered. This recommendation was also adopted by the Standing Committee, and the first of such reports is to be provided by the end of 2012.

#### *Recommendation 5 – Investment strategy and related matters*

32. Recommendation 5 of the ASC proposed that –

- the Standing Committee approve the CIMB's investment strategy at the level of asset allocation and material variations of asset mix, and
- the CIMB be subject to a borrowing limit approved by the Standing Committee, and
- the constituting ordinance of the CIMB be amended to clarify that the objective should be to first preserve the real value of the assets invested, and then provide a reasonable income.

33. Since Recommendation 5 was tied to the creation of a CIMB the Working Group considered that this recommendation ought also be deferred and reconsidered when the proposal for a CIMB was reconsidered. The recommendation of the Working Group that further consideration of Recommendation 5 be deferred was adopted by the Standing Committee.

34. However, in relation to the specific issues raised in this recommendation, the Working Group flagged that at the appropriate time further consideration needs to be given to the major practice and governance issues which would arise if members of Standing Committee were to be involved in decisions about asset allocations and asset mixes.

35. The Working Group considered that it was questionable whether the members of the Standing Committee would have expertise in such complex matters, and whether the Standing Committee's involvement would diminish the responsibility and accountability of the CIMB for undertaking the investment function. It was noted that questions as to whether members of Standing Committee so acting may be 'shadow directors' (with responsibilities under the *Corporations Act*) needed further reflection.

36. In the meantime, the Working Group considered that the present approach whereby the Standing Committee appoints the members of boards, regularly reviews investment strategy, and if not satisfied informs the relevant body, remains a good one. If still not satisfied, Standing Committee can change the members of the board. The Working Group's suggestion that GAB, the Property Trust and the Corporation report regularly to the Standing Committee was thought to assist the Standing Committee in monitoring the work of those bodies, particularly in relation to reviewing investment strategy.

37. The Working Group also flagged that enshrining the principle that the real value of the capital of a fund must be preserved before any distributions can be made by the fund is not without difficulty. This issue required more detailed consideration at the relevant time. Taken to the extreme the principle could mean that no distributions can be made from the fund if, for example, capital levels declined because of a decline in investment markets as has been experienced in recent times. An alternative approach, and one which GAB and the Property Trust have followed in recent years, is to recognise that there is risk inherent in investment activities, but the key issue is not to try and eliminate risk (as a requirement to maintain the real value implies) but to identify acceptable risk tolerances for the maintenance of the real value, and manage the investments according to those tolerances. GAB reported in some detail to the Synod in 2011 about its approach to maintaining the real value of the capital of the Diocesan Endowment. The Working Group believed that the proposed periodic reports to the Standing Committee will continue to allow this issue to be discussed.

*Recommendation 6 – Endowment of the See*

38. Recommendation 6 of the ASC was that the *Endowment of the See Ordinance 1977* be amended to –

- Insert a clause that establishes the objective to preserve the real value of the EOS.
- Enable the trustee of the CIMB to be responsible for managing the EOS investments and allocate income from those investments to the EOS Committee.
- Enable the EOS Committee to be responsible for budgeting and expenditure, within the amount allocated (as determined by the CIMB, on the recommendation of the Archbishop).
- Clarify that all real property transactions, including mortgages, sales or leases are to be endorsed by the Synod or the Standing Committee.

39. On the basis that the ASC's recommendations for a CIMB are not being further pursued at this time, the Working Group considered that the Property Trust was the appropriate trustee for these purposes.

40. The Working Group proposed that the 1977 Ordinances be repealed and that 2 ordinances, namely the *Endowment of the See Capital Ordinance 2012* and the *Endowment of the See Expenditure Ordinance 2012*, be passed to address the governance matters raised by the ASC and other related ordinances. Both the EOS Committee and the Property Trust were consulted in the course of the preparation of these proposed ordinances.

41. The Standing Committee adopted the recommendation of the Working Group and has passed the 2 ordinances.

42. The basic framework of the ordinances is as follows –

- (a) There are now 2 funds. The existing EOS fund (Fund 301) is now the Capital Fund. A new fund has been created which is known as the Expenditure Fund.
- (b) The Property Trust is the trustee of the Capital Fund. The principal objects of the Capital Fund are –
  - to maintain the real value of the investments of the EOS, and
  - to receive distributions from the St Andrew's House fund (in respect of the EOS's 50% interest in that fund), and
  - to care for, repair, renovate and refurbish the real property of the Endowment of the See to an appropriate standard having regard to the age and use of that property (the real property of the EOS consists of the residences of the Archbishop and those assistant bishops provided with housing owned by the EOS).
- (c) The Property Trust is to provide for distributions from the Capital Fund to the Expenditure Fund in accordance with the Capital Ordinance.
- (d) The mechanism for the calculation and payment of the distributions is as follows –
  - The Property Trust is to determine before 30 June each year the amount which may be distributed to the Expenditure Fund after taking into account its costs and expenses of administering the Capital Fund, the retention of an appropriate amount from the returns of the Invested Property to maintain the real value of that property, and the retention of an appropriate amount to undertake the repair of the real property of the Fund.
  - The Property Trust is to give notice of its determination to the EOS Committee as soon as is practical after the making of the determination and, in any event, by 30 June.
  - The amount determined by the Property Trust is to be paid to the Expenditure Fund by 4 equal instalments due on 1 January, 1 April, 1 July and 1 October in the calendar year following the year in which the determination is made.
- (e) The Expenditure Fund comprises an initial sum of \$3 million, the distributions made by the Property Trust from time to time, and other sums paid into the Fund from other sources. The purpose of the Expenditure Fund is to pay the expenses of the Endowment of the See. The Endowment of the See Committee will administer the Expenditure Fund.
- (f) The purpose of providing an initial sum for the Expenditure Fund is to provide adequate working capital for the EOS Committee.

- (g) The Property Trust will report each year about the Capital Fund under the *Accounts, Audits and Annual Reports Ordinance 1995*. The EOS Committee will provide a copy of the financial statements of the Expenditure Fund each year to the Standing Committee.
- (h) The 1977 Ordinance has been repealed.

*Recommendation 7 – Sydney Diocesan Secretariat*

43. Recommendation 7 of the ASC proposed the following in relation to SDS –
- that a degree of contestability be introduced in the provision of services by SDS, and
  - that SDS be headed by a board different from that of GAB, comprising individuals with experience in the service industry, and
  - that SDS be rebadged as “Sydney Diocesan Services”.
44. In its Final Report the ASC made the following comments in support of its recommendation –
- SDS should supply administrative, secretarial and accounting services to the parishes, to the CIMB and to the Endowment of the See, as well as other diocesan organisations from time to time. The scope of services that SDS provides to its clients should be reviewed. In particular a quantitative and qualitative survey needs to be undertaken of the parishes and the needs of the CIMB and the EOS also researched.
  - To ensure high quality services being delivered at the lowest cost, a degree of contestability should be introduced in the provision of services by SDS. The principles which should be considered include –
    - fixed term service contracts (3 to 5 years)
    - “opt out” provisions for client organisations at the time of tendering – so that the SDS does not have monopoly provision status
    - clear service level agreements and appropriate incentives and sanctions
  - Because SDS operates as a specialist service provider it ought be headed by a different board from that of GAB.
45. The Working Group was aware that, since early 2010, SDS has undertaken a series of major reforms to its operations. Central to those reforms had been the negotiation of service level agreements with the organisations served by SDS. These agreements specify the services which SDS is to provide, and the requisite service standards. They form the basis of negotiations between the organisation and SDS about the fees to be charged for the provision of those services. There is significantly more transparency around the costs of SDS and fee levels than was previously the case.
46. The performance by SDS against those service standards is reviewed by SDS and the relevant organisations every 6 months. New service level agreements (and fee levels) are discussed each year. Accordingly, there is periodic opportunity for SDS and the organisations it serves to review SDS's services. Given this, the Working Group thought that further surveys or research was not needed for SDS to understand the services required to be provided.
47. The ongoing process for reviewing the services provided by SDS has resulted in the outsourcing of services previously provided by SDS, particularly in those areas where SDS could no longer draw on economies of scale to provide those services effectively and efficiently. Examples of services which have been outsourced are the St Andrew's House tenant management (in 2010), the investment management and investment accounting for GAB and the Property Trust (in 2010), the St Andrew's House building management (in 2011) and the St Andrew's House car park management (in 2011).
48. The reforms to SDS have resulted in substantial reductions in its costs, primarily through substantial reductions in the number of staff members. The evidence is that the recent reforms have resulted in SDS becoming a more efficient and focussed organisation. The Working Group considered that the present focus of SDS on service quality at a reasonable cost ought to be encouraged.
49. The proposal that SDS be headed by a board which is different from that of GAB assumed that the present members of SDS do not have adequate experience and expertise in the service industry. However, the Working Group noted that the majority of the current members of SDS have substantial experience in professional service organisations. Such experience has been significant in overseeing the substantial reforms to SDS since 2010 to enhance service.
50. The Working Group understood that SDS and GAB have recognised that common membership creates the potential for conflicts of interest but that, on examination, the only area where this could become an issue concerns the fees charged by SDS for services provided to GAB. To address this, GAB has initiated a third party review process to ensure that the fees charged by SDS to GAB were the

reviewed externally. This year the review process was undertaken by the Finance Committee of Standing Committee which concluded that the fees charged by SDS were reasonable given the work to be undertaken for GAB.

51. Since nearly half of the SDS staff workload relates directly to GAB, there are significant synergies in the common board membership. These include greater consistency in the development of board policies and practices, and greater consistency in reporting lines and arrangements. These enhance the efficient use of staff time and energy.

52. Accordingly, in light of the reforms which have been undertaken and these other matters, the Working Group advised the Standing Committee that it did not consider that the recommendations of the ASC in relation to SDS should be pursued at this time. Rather, the existing members of SDS ought to be encouraged to continue with the reform process commenced in 2010. However, the Working Group was conscious that such periodic reviews of an organisation such as SDS are desirable and, accordingly, recommended that the proposals be reconsidered after the end of 2013, being 3 years after the major reforms, to allow the operation of service level agreements with diocesan organisations to be evaluated against service delivery and internal cost controls. In the meantime, SDS should be requested to keep the Standing Committee informed about its operations and plans for the future.

53. The Working Group's advice and recommendations were accepted by the Standing Committee.

*Recommendation 8 – Property Trust's investment function*

54. Recommendation 8 of the ASC proposed that the Property Trust's investment function be passed over to the CIMB, and that the board of the Property Trust be comprised of members with the skill set to conduct its core business.

55. Since Recommendation 8 was also tied to the creation of a CIMB, the Working Group recommended that Recommendation 8 ought to be reconsidered when the proposal for a CIMB is reconsidered. In any event the Working Group said it was not aware of any suggestion that the present membership of the Property Trust does not collectively possess the skill set required to conduct its core business. The Working Group has been informed that a review of the skills of the members of the Property Trust is part of the annual review of board performance undertaken by the Property Trust.

56. The Standing Committee accepted the recommendation of the Working Group to reconsider Recommendation 8 when the proposal for a CIMB is reconsidered.

*Recommendation 9 – Chairmen's Committee*

57. Recommendation 9 of the ASC proposed the creation of a chairmen's committee.

58. The Working Group supported the establishment of a Chairman's Committee as a forum by which chairmen of the major diocesan organisations may share information about organisations and provide advice to the Archbishop. To reflect the role of the Committee, the Working Group suggested that it is best called the "Chairmen's Advisory Committee" (or Consultative Committee). It also considered that to enhance the work of this Committee it should be made clear that the Committee is to operate on the basis that discussion and information is confidential and cannot be disclosed outside of the meeting.

59. The Standing Committee adopted the recommendations of the Working Group and invited the Archbishop to appoint a Chairmen's Advisory Committee comprising the chairmen of the major diocesan organisations, as a forum for organisations to discuss common matters of interest and share information, and provide advice to the Archbishop, with such committee to operate on the basis that discussions and information shared are confidential and cannot be disclosed outside of the meeting.

*Recommendation 10 – Governance and internal controls*

60. Recommendation 10 of the ASC was that a process of review of the governance and internal controls of central diocesan organisations be undertaken by the chairmen's committee.

61. The Working Group agreed that a formal process for the review of the governance and internal controls of central diocesan organisations (SDS, GAB, the Corporation, the EOS Committee and the Property Trust) ought be established, but it did not think that the Chairmen's Advisory Committee was the most appropriate group to undertake this task. Among other things, the Chairmen's Advisory Committee comprises representatives of the organisations being reviewed (thus creating conflicts of interest), the accountabilities of the Chairmen's Advisory Committee to the Synod are unclear, and reviewing governance and internal controls would give the Chairmen's Advisory Committee a more significant role than is appropriate for that Committee.

62. Rather, the Working Group considered that the Standing Committee should establish a new sub-committee, the Governance and Audit Committee ("G&A Committee"), to undertake the role of undertaking ongoing review of the governance and internal controls of the central diocesan organisations.

63. The Working Group recommended that the G&A Committee comprise persons appointed by the Standing Committee, but not necessarily members of the Standing Committee, who have appropriate experience in reviewing governance and internal controls of organisations.

64. The Working Group acknowledged that there are likely to be costs involved in the G&A Committee undertaking its work, particularly the costs of administrative assistance. The nature of the assistance required, and hence the costs, will be for the G&A Committee to determine (perhaps with the Standing Committee's approval). The Working Group recommended that such costs ought be recovered from the relevant organisations on a basis to be recommended by the G&A Committee to the Standing Committee.

65. The Working Group recommended that the G&A Committee report on an ongoing basis to the Standing Committee, and also report annually to the Synod about its work.

66. The Working Group's recommendations were accepted by the Standing Committee.

*Recommendation 11 – Conflicts of interest*

67. Recommendation 11 of the ASC was that the Standing Committee be requested to draft and implement appropriate policies and protocols to minimise the risk of conflicts of interest arising from volunteer cross membership of boards and committees, and that members of all diocesan boards annually declare to their own board their membership of other diocesan boards.

68. The Working Group noted that the Synod Governance Committee is presently considering a range of issues, including conflicts of interest, and intends in due course to bring proposals for the consideration of the Standing Committee and the Synod.

69. In the meantime, the Working Group considered that the G&A Committee ought to include in its work of reviewing the governance of the central diocesan organisations consideration of the way in which any conflicts of interest of members of those organisations are managed.

70. The Working Group noted that an issue which should be further considered by the Synod Governance Committee is whether when someone is nominated for a position on a board or committee that person's membership of any other related organisation should be provided to the electing body. A further issue to be considered is whether whenever an item of conflict arises, the person with the conflict should declare the interest and leave the meeting while it is being discussed.

71. The Standing Committee noted that its response to Recommendation 10 also dealt with the matters raised by Recommendation 11.

*Recommendation 12 – Amend constituting ordinance of central diocesan bodies*

72. Recommendation 12 of the ASC was that the Standing Committee examine whether it is possible to amend the constituting ordinance of the central diocesan bodies to permit the sharing of confidential information between those bodies for the better financial health of the Diocese.

73. The Working Group was advised that the concerns of the ASC giving rise to Recommendation 12 would be substantially addressed by the establishment of the Chairmen's Advisory Committee (see Recommendation 9).

74. Accordingly, the Working Group recommended that if the Chairmen's Advisory Committee was established no further action should be undertaken in relation to Recommendation 12. In light of its invitation to the Archbishop about the appointment of a Chairmen's Advisory Committee, the Standing Committee does not propose any further action in relation to Recommendation 12 at this stage.

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

### Recommendations of the Archbishop's Strategic Commission on Structure, Funding and Governance

<b>Recommendation 1</b>
The EOS should sell Bishops Court and apply part of the proceeds to acquire suitable alternative accommodation for the Archbishop.
<b>Recommendation 2</b>
That a strategic plan be developed for St Andrew's House to maximise the short term yield while creating the option to realise (wholly or partly) the equity value of the asset.
<b>Recommendation 3</b>
The Standing Committee commission a strategic review of the benefit to Diocesan organisations of the Anglican brand name.
<b>Recommendation 4</b>
A new centralised investment body, the Central Investment Management Board ("CIMB") be established. Diocesan bodies should work towards ensuring that all investment activity of assets in excess of \$5 million in aggregate is undertaken through the investment management expertise of the CIMB or an external manager appointed by them.
<b>Recommendation 5</b>
Standing Committee should approve the CIMB's investment strategy at the level of asset allocation – <ul style="list-style-type: none"> <li>• material variations of asset mix should require the approval of the Standing Committee,</li> <li>• the CIMB be subject to a borrowing limit approved by the Standing Committee,</li> <li>• the constituting ordinance be amended to clarify that the objective should be to first preserve the real value and then provide a reasonable income.</li> </ul>
<b>Recommendation 6</b>
The EOS Ordinance be amended to – <ul style="list-style-type: none"> <li>• insert a clause that establishes the objective to preserve the real value of the EOS,</li> <li>• enable the CIMB to be responsible for managing the EOS investments and allocate income from those investments to the EOS Committee,</li> <li>• enable the EOS Committee to be responsible for budgeting and expenditure, within the allocated amount (as determined by the CIMB, on the recommendation of the Archbishop),</li> <li>• clarify that all real property transactions, including mortgage, sale or lease, are to be authorised by the Synod or the Standing Committee.</li> </ul>
<b>Recommendation 7</b>
That a quantitative and qualitative survey of parishes and research of the needs of the CIMB and the EOS be undertaken to clarify the role of SDS and determine the services to be provided.  That a degree of contestability should be introduced in the provision of services by SDS that SDS be headed by a board different from that of GAB, comprising individuals with experience in the service industry. That SDS be rebadged as Sydney Diocesan Services.

<b>Recommendation 8</b>
That the ACPT's investment function be passed over to the CIMB and that the Board of ACPT be comprised of members with the skill set to conduct its core business.
<b>Recommendation 9</b>
That a Chairmen's Committee be established.
<b>Recommendation 10</b>
That a process of review of governance and internal controls of the central diocesan organisations be undertaken by the Chairmen's Committee.
<b>Recommendation 11</b>
Standing Committee be requested to draft and implement appropriate policies and protocols to minimise the risk of conflicts of interest arising from volunteer cross memberships of boards and committees. That members of all Diocesan boards annually declare to their own board, their memberships of other Diocesan boards.
<b>Recommendation 12</b>
The Standing Committee examine whether it is possible to amend the constituting ordinance of the central diocesan bodies to permit the sharing of confidential corporate information between those bodies for the better financial health of the Diocese.
<b>Recommendation 13</b>
That a more fundamental reform of the central diocesan bodies be re-visited after the other recommendations are implemented and have been in place for a number of years.

## Glebe Administration Board

### Annual Report to the Synod for 2011

*This Annual Report should be read in conjunction with the Audited Financial Statements for 2011 for the Glebe Administration Board as trustee of the Diocesan Endowment.*

Item	Contents
<b>Introduction</b>	
1	Context
<b>Key Outcomes</b>	
13	Key Outcomes in 2011
<b>Governance of GAB</b>	
15	Constitution and Charter
19	Access
20	Membership and Meetings
22	Structure
24	Committees of GAB
<b>Diocesan Endowment</b>	
25	Introduction
30	Financial Results for 2011
37	Investment performance during 2011
41	Review of Deposit & Lending Services policies
44	Expenses of administering the Diocesan Endowment
45	Maintenance of real value of the Diocesan Endowment
<b>St James' Hall</b>	
54	Introduction
56	Financial Results
59	Distributions from the Fund

#### **Introduction**

##### **Context**

1. The principal activity of Glebe Administration Board ("GAB") is to act as trustee of the property known as the Diocesan Endowment. In December 2009, following the significant investment losses suffered by the Diocesan Endowment, the Standing Committee reconstituted GAB by electing a new board comprising 4 members from the previous board and 4 new members (with another new member added later).
2. The new board saw its role as guiding a governance reform process and reviewing the investment policies for the Diocesan Endowment having regard to its core objective of maintaining the real value of the Endowment and providing a reasonable income therefrom for distribution by the Synod.
3. GAB reported to the Synod in 2010 and 2011 about the reforms made to its governance processes to ensure proper board functions, oversight and accountability of management, and appropriate reporting to stakeholders about its work. GAB continues to monitor and review its governance processes, having regard to its commitment to the highest standards of governance. GAB's governance framework, policies and procedures are outlined in its Governance Statement, a copy of which can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.
4. In reviewing the investment policies for the Diocesan Endowment, the key drivers for GAB have been to manage risk, enhance investment returns, reduce costs and keep the Synod and the Standing Committee fully informed about the work undertaken. This work has resulted in significant changes in the way in which the 3 activities of the Diocesan Endowment, namely the market investments, the management of the interest in St Andrew's House, and its deposit and lending services, are undertaken.
5. In relation to the market investments, GAB has reviewed the strategic asset allocation, reviewed its investment policies, and outsourced to professional service providers the management of the investments and the investment accounting.

6. The management of St Andrew's House is no longer undertaken by GAB but, since 2010, has been undertaken by St Andrew's House Corporation in accordance with the St Andrew's House Ordinance 1975. In turn, the Corporation has undertaken significant work to improve the operational performance of St Andrew's House, with the releasing of vacant floors in the office tower, the leasing of the car park, and the outsourcing of the building management to a professional property manager.

7. GAB has undertaken significant work to review its deposit and lending services which comprise the Glebe Income Accounts and the lending and treasury activities. In 2011 and early 2012 a review of these services was undertaken with the advice of an external consultant which has resulted in new policies being adopted to better manage capital requirements, credit risk and liquidity risk.

8. A copy of GAB's Investment Policy Statement for the Diocesan Endowment and the new policies for deposit and lending services can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>. Copies of the quarterly reports provided by GAB about the investment performance of the Diocesan Endowment can also be accessed via that web page.

9. Significant work has been undertaken to reduce the costs of managing the Diocesan Endowment. The costs of managing the Endowment are now significantly less than they were in 2010. GAB aims to ensure that costs of administering the Endowment do not exceed more than 1.1% of the net assets of the Endowment. Administration costs were less than this benchmark in 2011.

10. GAB is confident that the reforms undertaken since December 2009 have enhanced governance and ensured that risks associated with the investment of the property of the Diocesan Endowment are managed within acceptable limits, given the core objective of maintaining the real value of the Endowment and providing a reasonable income therefrom.

11. These reforms have been undertaken during times of significant volatility in both Australian and international investment markets. In recent times, and for the foreseeable future, investment markets have been and will remain subdued, and this has impacted and will continue to impact the level of returns from the investment of the Endowment. The amounts which GAB has recommended be distributed from the Diocesan Endowment for the Synod have been reduced, but this is the consequence of the lower return environment and the requirement that the real value of the Diocesan Endowment be maintained.

12. This is the context within which this Annual Report refers to the work of GAB during 2011.

### **Key Outcomes**

#### **Key Outcomes in 2011**

13. The key points relating to the work of GAB in 2011 as trustee of the Diocesan Endowment are as follows –

- The property of the Diocesan Endowment was invested in accordance with the investment objective, strategic asset allocation and investment policies set out in the Investment Policy Statement for the Diocesan Endowment.
- In 2011, the surplus from the investment of the Diocesan Endowment was \$7.903 million, which was \$234,000 under budget for the year.
- The net assets of the Diocesan Endowment increased from \$109.8 million as at 31 December 2010 to \$114.4 million as at 31 December 2011.
- The total return on the investments during 2011 was 9.0%, versus a weighted average benchmark return of 2.7%. The total return was impacted by a significant revaluation of the St Andrew's House building as at 31 December 2011 (in which the Diocesan Endowment has a 50% interest) and the return from its deposit and lending services (Glebe Income Accounts, lending and treasury investments). However, the returns from market investments (such as Australian shares and overseas shares) detracted from performance because of poor conditions in those markets during 2011.
- While the real value of the Diocesan Endowment has been maintained over the period 30 June 2010 to 31 December 2011, this has been the result of the impact of revaluations of St Andrew's House over that period. The real value of the market investments of the Endowment has not been maintained because of the performance of investment markets. As a consequence, GAB has recommended to the Standing Committee a reduced distribution of \$3.335 million in 2012 for spending by the Synod in 2013.
- GAB continues to review the principles and policies for the investment of the property of the Diocesan Endowment. In March 2011, GAB undertook its annual review of the strategic asset allocation and investment policies, and this review resulted in some changes to the strategic asset allocation. During 2011 and early 2012 GAB reviewed the key policies of its

deposit and lending services relating to capital adequacy, credit risk and liquidity risk to ensure that they better reflect prudent commercial and regulatory practices.

- GAB aims to limit the costs of administering the Diocesan Endowment to an amount that is not more than 1.1% of the net assets of the Endowment. Then costs of administering the Endowment in 2011 were 1.03% of the net assets of the Endowment as at 31 December 2010.

14. During 2011, GAB was also the trustee of the St James' Hall fund. The key points relating to the work of GAB as trustee of that fund were as follows –

- The net surplus of the fund in 2011 was \$1.824 million, which was \$650,000 ahead of budget.
- The net assets of the fund increased from \$23.4 million as at 31 December 2010 to \$23.9 million as at 31 December 2011.
- With the approval of the parish of St James' King Street, on whose behalf the property of the fund is held, an ordinance was promoted by GAB to the Standing Committee to vest the trusteeship of the fund in the Property Trust with effect from 1 January 2012, and provide for the management of the fund by a management committee constituted by agreement between the Property Trust and the parish. This ordinance was passed by the Standing Committee. Accordingly, GAB is no longer the trustee of the fund.

## **Governance of GAB**

### **Constitution and Charter**

15. GAB is constituted by the *Glebe Administration Ordinance 1930* and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

16. GAB is the trustee of the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984* (the "Diocesan Endowment"). Until 31 December 2011, GAB was also the trustee of the property held on the trusts set out in the *St James' Sydney Phillip Street Property Ordinance 1962* ("St James' Hall").

17. GAB is also the trustee of St Andrew's House. But, under clause 1 of the *St Andrew's House Ordinance 1975*, responsibility for the management of St Andrew's House is vested in the Council of St Andrew's House Corporation.

18. Under clause 2 of the *Glebe Administration Ordinance 1930*, GAB is to invest the property vested in it in a way which –

- preserves the real value of the property, and
- provides a reasonable income therefrom.

### **Access**

19. The principal office of GAB is Level 2, St Andrew's House, Sydney Square (PO Box Q190, QVB Post Office, NSW 1230). Telephone (02) 9265 1555. The hours of access are between 8.30 am and 5.30 pm.

### **Membership and Meetings**

20. The members of GAB are the persons who are, from time to time, the members of Sydney Diocesan Secretariat ("SDS"), a body also incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*. The members of SDS are appointed by the Standing Committee.

21. The names of the persons who served as members of GAB during 2011 and their meeting attendance record follow –

<b>Board Members</b>	<b>No of Meetings Eligible to Attend</b>	<b>No of Meetings Attended</b>
Canon Bruce Ballantine-Jones OAM	12	12
Mr Mark Ballantyne	12	7
Bishop Robert Forsyth	12	10
Mr Ben Koo	12	9
Mr Andrew McLoughlin	12	10
Mr Ian Miller	12	8
Mr John Pascoe	12	11

Dr Laurie Scandrett*	4	3
Mr Ross Smith	12	11

\* Dr Laurie Scandrett retired on 25 May 2011.

### Structure

22. GAB has no employees. Administration, secretarial and accountancy services are provided to GAB by SDS on a fee for service basis. During 2011, the executives of SDS with the greatest authority for the strategic direction and management of GAB were –

- Mark Payne Chief Executive Officer
- Michael Blaxland Chief Financial Officer
- Andrew Frankling Head of Investments

23. Investment management and investment accounting services for the Diocesan Endowment are provided by third party service providers.

### Committees of GAB

24. During 2011, GAB reviewed its committee structure. Following that review, GAB has an Audit Committee whose function is to monitor, report and make recommendations to GAB about the financial reporting processes of GAB, the internal control systems of GAB, and the independent audit process of GAB. The functions formerly exercised by other committees of GAB are now exercised by the Board.

### Diocesan Endowment

#### Introduction

25. The investment objective for the Diocesan Endowment is as follows –

“To achieve a real rate of return over rolling 5 year periods of 5% per annum net of external investment management fees and adjusted for tax effects, subject to –

- (a) preserving the real value of the Diocesan Endowment over rolling 10 year periods with a 70% probability, and
- (b) the sum of the distributions from the Diocesan Endowment plus administrative and other costs (not including external investment management expenses) not exceeding 5%, on average, over rolling 5 year periods.”

26. A fuller explanation about the investment objective is set out in the Investment Policy Statement, a copy of which can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

27. As at 31 December 2011, the property of the Diocesan Endowment was invested in accordance with the following asset classes, strategic asset allocation (SAA) and asset class ranges –

Asset Class	Min %	SAA %	Max %
Australian Shares	15	25	35
Overseas Shares – Developed	0	18	28
Overseas Shares – Emerging	0	2	5
St Andrew’s House <sup>1</sup>	20	25	30
<b>Total Growth Assets</b>	<b>50</b>	<b>70</b>	<b>80</b>
Australian Sovereign Bonds	0	10	20
Overseas Sovereign Bonds	0	7	20
Deposit & Lending Services (net capital) <sup>2</sup>	10	13	20
Other Cash (not included in Deposit & Lending Services)	0	0	30
<b>Total Defensive Assets</b>	<b>20</b>	<b>30</b>	<b>50</b>

Notes:

1. GAB, as trustee of the Diocesan Endowment, is a holder of a 50% interest in St Andrew's House (the other 50% stakeholder is Anglican Church Property Trust Diocese of Sydney as trustee of the Endowment of the See).
2. The strategic asset allocation for the Deposit & Lending Services reflects the amount of capital of the Diocesan Endowment allocated those Services (lending, deposit taking and treasury activities) undertaken by the Endowment.



28. The investments in the Australian Shares, Overseas Shares, Australian Sovereign Bonds and Overseas Sovereign Bonds asset classes were made through funds operated by Mercer Investment Nominees Limited and approved by GAB. Each of these funds is a multi-manager fund, meaning that the property invested in a Mercer fund is, in turn, invested in underlying funds operated by fund managers who are specialists in the relevant asset class.

29. GAB considers that investing in multi-managed funds benefits the Diocesan Endowment by –
- (a) giving it exposure to a range of investment managers in each asset class, thus reducing the risks associated with over-exposure to any one manager, and
  - (b) requiring that Mercer, rather than GAB, monitor and assess the performance of each investment manager, and
  - (c) simplifying the investment processes of GAB and reducing the overall costs of administering the Endowment.

### Financial Results for 2011

30. The financial results for the Diocesan Endowment for 2011 are set out in the Annual Financial Statements. Those results can be restated in the following simplified manner (with the inclusion of budget information) –

\$000s	Actual 2011	Budget 2011	Variance	Actual 2010
<b>Income</b>				
Income from interest	12,655	12,395	260	11,650
Net income from St Andrew's House Fund	9,319	939	8,380	4,559
Income from indirect property	27	119	(92)	131
Income from Australian shares	(1,951)	3,205	(5,156)	(1,812)
Income from Overseas shares	(1,998)	1,839	(3,837)	793
Other Income	101	-	101	182
<b>Total Income</b>	<b>18,153</b>	<b>18,497</b>	<b>(344)</b>	<b>15,503</b>
<b>Expenses</b>				
Interest	7,038	7,536	498	7,216
Professional Fees	247	359	112	731
Provision for impairment of loans & mortgages	500	-	(500)	-
Other Expenses	2,465	2,465	-	4,344
<b>Total Expenses</b>	<b>10,250</b>	<b>10,360</b>	<b>110</b>	<b>12,291</b>
<b>Net Surplus / (Deficit)</b>	<b>7,903</b>	<b>8,137</b>	<b>(234)</b>	<b>3,212</b>

31. The negative variance between the actual surplus for 2011 and the budgeted surplus for 2011 was due to a number of factors. The most significant adverse factor was the consequence of the under performance of the Australian shares asset class and the Overseas shares asset class which are reflected in the lines "Income from Australian shares" and "Income from Overseas shares". The underperformance of these asset classes largely reflects market conditions during 2011.

32. However, the net income from the St Andrew's House Fund was significantly ahead of budget reflecting the change in the value of the Diocesan Endowment's interest in the fund. The principal factor impacting the increase in the value of the Endowment's interest was a significant revaluation of the St Andrew's House building, the major asset of the fund, as at 31 December 2011. The main reasons for the revaluation were the leasing of levels 3, 4 and 5 of the St Andrew's House tower, and the leasing of the car park.

33. A provision of \$500,000 was created in relation to a loan made to a non-Diocesan entity. Action is being taken to enforce security to recover the loan, and the provision has been created in respect of potential losses.

34. The net assets of the Diocesan Endowment were \$114.4 million as at 31 December 2011, compared to \$109.8 million as at 31 December 2010. The balance sheet is set out in the Annual Financial Statements and can be restated in the following simplified manner –

\$000s	Actual 31 December 2011	Actual 31 December 2010
<b>Assets</b>		
Cash	63,163	52,741
Australian shares	23,615	26,752
Overseas shares	19,204	20,349
Australian bonds	9,294	10,953
Overseas bonds	4,231	4,297
Interest in the St Andrew's House Fund	40,962	31,629
Loans and mortgages	92,707	112,563
Other	2,235	1,084
<b>Total Assets</b>	<b>255,412</b>	<b>260,368</b>
<b>Liabilities</b>		
Provision for distribution	3,640	5,250
Glebe Income Account deposits	136,365	144,270
Other liabilities	982	1,030
<b>Total Liabilities</b>	<b>140,987</b>	<b>150,550</b>
<b>Net Assets</b>	<b>114,425</b>	<b>109,818</b>

35. The movement in the net assets of the Diocesan Endowment between 31 December 2010 and 31 December 2011 can be reconciled as follows –

	\$000s
Net Assets as at 31 December 2010	109,818
Plus capital returned from the Parish Cost Recoveries Fund in 2011	300
Plus additions to capital during 2011 from parish ordinances	44
Plus Surplus for 2011	7,903
Less Provision for Distribution	3,640
<b>Net Assets as at 31 December 2011</b>	<b>114,425</b>

36. GAB continues to have no bank debt. An undrawn line of credit for \$15 million remained in place to provide liquidity, if required. However, that line was not drawn during 2011, nor drawn subsequently.

#### Investment performance during 2011

37. The performance of the investments of the Diocesan Endowment during 2011 was as follows –

Assets	Year ended 31 December 2011 %		
	Return (after fees)	Index	Variance
<b>Growth Assets</b>			
Australian Shares	-7.95	-10.98	3.03
Overseas Shares – Developed (hedged)	-6.74	-1.95	-4.79
Overseas Shares – Developed (unhedged)	-9.08	-5.34	-3.74
Overseas Shares – Emerging (unhedged)	-20.68	-18.44	-2.25
St Andrew's House	29.47	8.10	21.37
<b>Defensive Assets</b>			
Australian Sovereign Bonds	12.22	13.44	-1.22
Overseas Sovereign Bonds (hedged)	10.39	11.17	-0.78
Deposit & Lending Services	21.26	15.00	6.26
Cash	6.67	4.69	1.98
<b>Total Return on Net Assets vs Weighted Index</b>	<b>9.04</b>	<b>2.71</b>	<b>6.33</b>

38. The relevant index for measuring the performance of each of the asset classes in which the property of the Diocesan Endowment is invested are as follows –

Asset Class	Index
Australian Shares	S&P/ASX 300 Accumulation Index
Overseas Shares –Developed (hedged)	Morgan Stanley Capital International World Index (ex Aust) hedged into \$A with net dividends reinvested
Overseas Shares – Developed (unhedged)	Morgan Stanley Capital International World Index (ex Aust) in \$A with net dividends reinvested
Overseas Shares – Emerging (unhedged)	Morgan Stanley Capital International Emerging Markets Free Float Index
St Andrew's House	CPI plus 5% (being the Investment Objective)
Legacy Assets	CPI plus 5% (being the Investment Objective)
Australian Sovereign Bonds	UBSW Australian Treasury Bond Index (All Maturities)
Overseas Sovereign Bonds	JP Morgan Global Government Bond Index in \$A (Hedged)
Deposit & Lending Services	Benchmark return of 15% pa
Cash	Reserve Bank of Australia cash rate

39. The investment manager reports to GAB each quarter about the performance of the investments managed by the investment manager, and makes a presentation to a joint meeting of members of GAB and the Investment and Finance Committee of the Property Trust. GAB prepares a report each quarter about the investment performance of the Diocesan Endowment. Those reports can be found on the website at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

40. The investment portfolio of the Diocesan Endowment was reviewed by the asset consultant in March 2011, and again in March 2012, as part of the “annual health check” of the investment of the property of the Diocesan Endowment. As a consequence, on each occasion, some changes were made to the SAA for the Diocesan Endowment. Information about those changes can be found in the reports for the investment performance of the Diocesan Endowment.

#### **Review of Deposit & Lending Services policies**

41. “Deposit & Lending Services” comprises the Glebe Income Account deposits for the Diocesan Endowment, and the loans and treasury investments of GAB. While part of the Diocesan Endowment, these services are managed separately from the market investments of the Endowment.

42. During 2011 GAB reviewed its key policies for Deposit & Lending Services, being the policies relating to capital allocation, credit risk and liquidity. The review was undertaken to ensure that those policies better reflect prudent commercial and regulatory practices. The review was undertaken with the assistance of an external consultant who provides consultancy services to a range of authorised deposit taking institutions. New policies were adopted by GAB on 28 March 2012, and copies of these policies can be found on the website at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

43. The key features of the new policies are as follows.

##### *Capital adequacy*

- (a) New rules have been adopted to ensure that Deposit & Lending Services has adequate capital to protect against risk. These rules require that the assets of Deposit & Lending Services (loans and treasury investments) be risk weighted according to the standards prescribed by the Australian Prudential Regulatory Authority (“APRA”) for authorised deposit taking institutions, and that a prescribed capital ratio be adopted to allow the minimum level of capital required to be held to be determined.

##### *Credit risk*

- (b) New rules have been adopted to better manage credit risk. These rules now require that exposures to counterparties (whether treasury counterparties or borrowers) be determined by reference to the capital allocated to Deposit & Lending Services.

##### *Liquidity risk*

- (c) GAB has updated its rules to ensure adequate liquidity for its Deposit & Lending Services. Greater attention is now given to managing large depositors, and the forecasting of liquidity needs.

#### **Expenses of administering the Diocesan Endowment**

44. GAB aims to limit the total costs of administering the Diocesan Endowment to an amount of not more than 1.1% of the net assets of the Diocesan Endowment. In 2011, the costs of administering the

Diocesan Endowment were \$1.13 million (being 1.03% of the net assets of the Diocesan Endowment as at 31 December 2010). For these purposes, the costs of providing the Deposit & Lending Services are not considered to be part of the costs of administering the Diocesan Endowment, since the cost of those services are taken into account when determining the return from Deposit & Lending Services.

#### **Maintenance of the real value of the Diocesan Endowment**

45. As noted earlier in this report, under clause 2 of the *Glebe Administration Ordinance 1930*, GAB is to invest the property of the Diocesan Endowment in a way which preserves its real value and provides a reasonable income therefrom. GAB measures its performance against this object with effect from 30 June 2010, which was the date from which investment management of the Diocesan Endowment was outsourced.

46. The movement in the net assets of the Diocesan Endowment since 30 June 2010 has been as follows –

<b>Date</b>	<b>Value of Net Assets (\$m)</b>
30 June 2010	\$103.4
31 December 2010	\$109.8
30 June 2011	\$110.6
31 December 2011	\$114.4

47. Over the period 30 June 2010 to 31 December 2011, the Consumer Price Index increased by 4.24%. Over the same period, the value of the net assets of the Diocesan Endowment increased by 10.6%. This suggests that the real value of the net assets has been maintained.

48. The Diocesan Endowment consists of 3 components, the market investments, the value of the interest of the Diocesan Endowment in the St Andrew's House fund, and the amount of the capital allocated to support Deposit & Lending Services. The movement in the value of these components since 30 June 2010 has been as follows –

<b>Component of the DE</b>	<b>Value as at 30 June 2010 (\$m)</b>	<b>Value as at 31 December 2011 (\$m)</b>	<b>Change in value (\$m)</b>	<b>Change in value (%)</b>
Market investments	61.7	61.8	0.1	0.2
St Andrew's House	27.9	41.0	13.1	47.0
Deposit & Lending Services	13.8	11.6	(2.2)	(15.9)
<b>Total</b>	<b>103.4</b>	<b>114.4</b>	<b>11.0</b>	<b>10.6</b>

49. This table shows that the increase in value in the Diocesan Endowment over the period 30 June 2010 to 31 December 2011 is due almost entirely to changes in the value of the interest in the St Andrew's House Fund. However, it is to be noted that the change in the value of the interest in the St Andrew's House Fund has been an unrealised change. Further, over the period, the interest has not generated any cash to enable the payment of the expenses of the Diocesan Endowment and the making of distributions.

50. The table shows a reduction in the value of the capital applied towards Deposit & Lending Services. During 2011, the capital applied has been a proportion of the balance of loans made by Deposit & Lending Services. As the total value of those loans has reduced, so too the amount of the capital applied has been reduced. The amount by which the capital allocated to Deposit & Lending Services has been reduced has been offset by a reallocation of that capital to the market investments. Those services generate a surplus each year which is available towards the payment of the expenses of managing the Diocesan Endowment and the payment of distributions.

51. The table also shows that the value of the market investments of the Diocesan Endowment increased from \$61.7 million as at 30 June 2010 to \$61.8 million as at 31 December 2011. This is an increase of only 0.2%, which is significantly less than the CPI change over the same period. However, if the reduction in the capital allocated to Deposit & Lending Services (\$2.2 million) which was applied to the market investments is also taken into account, the total value of the market investments has reduced over the period.

52. A significant factor which has contributed to the reduction in the value of the market investments is the investment performance over the period. Over the period 30 June 2010 to 31 December 2011, the overall return on the market investments was only 1.4%. The return on those investments is largely

influenced by market conditions, which are beyond the control of GAB.

53. The modest overall return from the market investments points to the need to reduce the amount applied as distributions for spending by the Synod, if the value of the market investments is to be maintained. For this reason GAB has recommended that the distribution to be provided for in 2012 for spending by the Synod in 2012 be reduced to \$3.335 million, which is less than the amount of the distribution of \$3.642 million provided for in 2011 for spending by the Synod in 2012.

### **St James' Hall**

#### **Introduction**

54. During 2011 GAB was also the trustee of the St James' Hall fund. However, pursuant to the *St James' Sydney Phillip Street Property Amendment Ordinance 2011*, the trusteeship was transferred to the Property Trust with effect from 1 January 2012 and the fund is now managed by a management committee constituted in accordance with an agreement between the Property Trust and the parish of St James' King Street.

55. The principal asset of the St James' Hall fund is the St James' Hall building which is a 14 storey office tower in Phillip Street, Sydney. That building is held on the trusts specified in the *St James' Phillip Street Sydney Property Ordinance 1962*. The income of the fund is applied in accordance with the *St James' Phillip Street Sydney Property Ordinance 1962*.

#### **Financial Results**

56. The financial results of the St James' Hall fund for 2011 were as follows –

<b>\$000s</b>	<b>Actual 2011</b>	<b>Budget 2011</b>	<b>Variance</b>	<b>Actual 2010</b>
<b>Income</b>				
Net Property Income	1,516	1,592	(76)	1,838
Other Income	25	11	14	15
Property Revaluation	693	-	693	4,656
<b>Total Income</b>	<b>2,234</b>	<b>1,603</b>	<b>631</b>	<b>6,509</b>
<b>Expenses</b>				
Fund Expenses	410	429	19	424
<b>Net Surplus</b>	<b>1,824</b>	<b>1,174</b>	<b>650</b>	<b>6,085</b>

57. The income from the property revaluation reflects the revaluation of the St James' Hall building as at 31 December 2011.

58. The net assets of the St James' Hall fund were \$23.91 million as at 31 December 2011, compared to \$23.41 million as at 31 December 2010. The assets and liabilities of the fund were –

<b>\$000s</b>	<b>Actual 31 December 2011</b>	<b>Actual 31 December 2010</b>
<b>Assets</b>		
Cash	836	837
Receivables	175	145
Property	27,000	26,300
Other	5	9
<b>Total Assets</b>	<b>28,016</b>	<b>27,291</b>
<b>Liabilities</b>		
Payables	356	78
Loans	3,750	3,800
<b>Total Liabilities</b>	<b>4,106</b>	<b>3,878</b>
<b>Net Assets</b>	<b>23,910</b>	<b>23,413</b>

**Distributions from the Fund**

59. Distributions from the Fund are paid in accordance with the *St James' Sydney Phillip Street Property Ordinance 1962*. An ordinance to provide for the distribution of income earned in 2010 and in subsequent years was passed by the Standing Committee in February 2011. The ordinance seeks to ensure that distributions from the income of the building are set at sustainable levels, having regard to the need to meet expenses, service and repay the debt of the Fund, and provide for future capital expenditure needs.

JOHN CHAPMAN  
*Secretary*

28 May 2012

# Glebe Administration Board as trustee for the Diocesan Endowment Annual Financial Report for 2011

## Report by the Chief Executive Officer

For the year ended 31 December 2011

### Background

Glebe Administration Board ("GAB") is the trustee of the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984*. That property is known as the Diocesan Endowment (the "DE").

By clause 2 of the *Glebe Administration Ordinance 1930* the principal object of GAB in relation to the DE is to maintain the real value of that property, and provide a reasonable income there from.

Each year, the Synod or its Standing Committee determines the amount to be distributed from the DE for the purposes of funding the activities of the Diocese of Sydney approved by ordinance.

The costs of administering the DE are paid from the property of the DE.

### Results for 2011

In 2011 the DE recorded a surplus on a consolidated basis of \$7,903,586 (2010 surplus \$3,211,713).

The result for 2011 was affected by the subdued performance of the Australian and Overseas share markets, in which a substantial portion of the property of the Endowment is invested. However, offsetting this, was an increase in the value of the DE's interest in the St Andrew's House fund, arising principally from an increase in the value of the St Andrew's House building as at 31 December 2011.

Overall, the value of the net assets of the DE increased to \$114,425,711 as at 31 December 2011 (\$109,818,486 as at 31 December 2010).

### Significant events during 2011

#### *Investment management*

During 2011 Mercer Australia Pty Limited provided advice to GAB about the investment of the property of the DE. The investment of the property of the DE is undertaken in accordance with an Investment Policy Statement, a copy of which can be found on GAB's web page. It is reviewed periodically.

During the first quarter of 2011, an annual "health" check of the portfolio was undertaken with the assistance of Mercer. This did not result in any material changes to the Investment Policy Statement of the DE.

#### *Deposit and lending services*

The deposit and lending services of the DE comprise the taking of deposits by way of the Glebe Income Accounts, the making of loans and the treasury function by which cash is invested on a short term basis.

During 2011, GAB commenced a major review of its policies for capital adequacy, credit risk and liquidity. This review is intended to further improve GAB's risk management and to ensure these policies are appropriate.

#### *Distributions*

GAB considers that the level of distributions provided or paid from the property of DE in recent years has been too high to enable GAB to fulfil the primary object of maintaining the real value of the property of the DE. In March 2011, GAB recommended to the Standing Committee of the Synod that a distribution of \$3,640,000 be provided for in 2011 for spending in 2012. The amount of the distribution recommended was substantially less than the distribution provided for in 2010 (\$5,250,000) for spending in 2011. GAB's recommendation was adopted by the Standing Committee

#### *Costs*

GAB has reviewed the costs of managing the investments of the DE, and managing the affairs of the DE more generally. These costs were significantly reduced in 2011, compared to 2010.

MARK PAYNE  
*Chief Executive Officer*

9 March 2012

## **Statutory Report of the members of the Glebe Administration Board as trustee for the Diocesan Endowment**

### **For the year ended 31 December 2011**

In accordance with a resolution of the Board, the members of the Glebe Administration Board submit herewith the financial reports as at 31 December 2011 –

#### **Scope**

This financial report covers both Glebe Administration Board as trustee for the Diocesan Endowment as an individual entity and the consolidated entity consisting of Glebe Administration Board and its controlled entities. Glebe Administration Board as trustee for the Diocesan Endowment is referred to as the “Board” within this financial report.

Glebe Administration Board is an incorporated body created by the *Glebe Administration Ordinance 1930* in accordance with the *Anglican Church of Australia (Bodies Corporate) Act 1938*. Its registered office and principal place of business –

Glebe Administration Board  
Level 2, St Andrew’s House  
Sydney Square NSW 2000

#### **Principal activities**

The object of Glebe Administration Board is to act as trustee of church trust property vested in it or in respect of which it may be appointed trustee and to do so in a way which both:

- (a) preserves the real value of that property; and
- (b) provides a reasonable income there from.

To achieve this, the principal activities of the Board have been to own, manage, develop, let, buy and sell real estate and securities as Trustee for the Diocesan Endowment, and to receive money on deposit or loan and the borrowing of money upon charge of such real estate in order to manage wealth and create income.

There were no significant changes in the nature of the Board’s activities during the year.

#### **Results for the year**

The consolidated total changes in equity before distributions and capital transactions, after adjusting the equity and fixed interest portfolio to market value and equity accounting for the beneficial interest in St Andrews House, is a surplus of \$7,903,586 (2010: \$3,211,713 surplus).

#### **Distributions**

Dividends are not paid by the Board, but the Board has made distributions of \$5,250,000 (2010: \$5,400,000) from the provision for distribution account.

Review of operations and significant changes in the state of affairs

A review of the operations of the Board and commentary on any significant changes in the state of affairs of the Board is contained in the report by the Chief Executive Officer.

#### **Members**

The Standing Committee of the Diocese of Sydney appoints members for terms of 3 years. Standing Committee has the power to remove any member before the expiration of their term. The non-executive members receive no remuneration. The Chief Executive Officer attends Board meetings.

The following members were in office at 31 December 2011.

#### **Canon Bruce Ballantine-Jones OAM (Chairman), age 69**

Canon Ballantine-Jones was first appointed to the Board in September 1993 and was elected Chairman on 16 December 2009. He is an Honorary Associate Minister at Caringbah Anglican Church and is a Diocesan Representative on General Synod.

#### **Mr Mark Ballantyne BE, MBA, FIAA, age 43**

Mr Ballantyne is a qualified Actuary and Director level executive with over 20 years experience in all facets of financial services. He attends East Lindfield Anglican Church. Appointed to the Board on 7 December 2009.

#### **Bishop Robert Forsyth, BA, BD, ThL, DipA, MTh, age 62**

Bishop of South Sydney, Chairman of Anglican Media Council, Archbishop’s Liturgical Panel and EU Graduates Fund. Member of the Standing Committee of the Diocese of Sydney and Standing Committee

of General Synod, Member of Doctrine Commission Diocese of Sydney and a Corporate Trustee of the Anglican Church of Australia. First appointed to the Board in May 2000.

**Mr Ben Koo, BCom, BEc, age 35**

Mr Koo is a Bank Analyst with Goldman Sachs Australia with previous experience in Corporate Restructuring and Corporate Finance and the past decade as a research analyst. He attends St Faith's Anglican Church Narrabeen. Previously he was a warden at the Anglican Church at Annandale. Appointed to the Board 7 on December 2009.

**Mr Andrew McLoughlin, BBus, CPA, MTax, age 49**

Mr McLoughlin is Deputy Inspector-General of Taxation, with 20 years in banking, financial services and taxation. He has held executive level positions. He attends East Lindfield Anglican Church. Appointed to the Board on 7 December 2009.

**Mr Ian Miller BA, LLM, ThL, GAICD, age 59**

Mr Miller is a partner in Hunt and Hunt Lawyers with 33 years legal experience. He is a member of Hammond Care, Director of Church Missionary Society Trust Ltd, Australian College of Theology Ltd, Pentel Australia Pty Ltd, Consultant Editor of CCH Australia and a member of Ethics Committee of Royal Rehabilitation Centre of Sydney. He is also Chairman of Barker College Council, member of the Board of Enquiry, Sydney Diocesan Representative on General Synod and Provincial Synod and serves on the Parish Relationships Ordinance panel. He attends Beecroft Anglican Church. First appointed to the Board in August 1999.

**Mr John Pascoe, FCA, BEc, age 51**

Mr Pascoe is a partner of Pascoe Whittle Chartered Accountants, which has extensive experience in the not-for-profit sector. He is a member of Standing Committee, and its Finance Committee (Deputy Chairman), the Sydney Church of England Finance and Loans Board (Chairman) and the Mission Board Strategy Committee. He and his family are partners in the ministry at St Andrew's Cathedral. Appointed to the Board on 7 December 2009.

**Mr Ross Smith, MAppFin, BEc, age 45**

Mr Smith is a Chartered Accountant and Director, Corporate Recovery, McGrathNicol with 25 years experience in Accounting, Finance, Corporate Restructuring and Advisory. He and his family attend Carringbah Anglican Church. Appointed to the Board on 6 December 2010.

**Resignations**

Mr Laurie Scandrett resigned from the Board on 25 May 2011 having served on the Board since November 1990.

**Chief Executive Officer**

**Mark Payne, BEc, LLB, LLM, FFSIA, AAIM, age 48**

Mr Payne was appointed as Chief Executive Officer on 18 November 2010 after periods of service with the Diocese as Diocesan Secretary and in general management roles with the Secretariat. Previously he worked as a solicitor with a large commercial firm. He is not a board member. He attends Cherrybrook Anglican Church.

**Secretary**

**Mr John Chapman, B Com, FCPA, AICS, age 63**

Mr Chapman was appointed Secretary to the Board in 2005 after a career in finance and accounting and a period as CFO of a major public company. He is not a Board member. He attends Bobbin Head Anglican Church and is Treasurer of the Church Missionary Society in NSW.

**Continuation in office of Members**

Mr Koo, Mr Pascoe and Mr McLoughlin were re-elected by the Standing Committee in November 2011 for a further term of 3 years.

**Attendance at Members' meetings and Committee Meetings**

Year Ended 31 December 2011	Members meetings		Committee Meetings					
			ALCO		Audit and Risk		Audit	
	A	B	A	B	A	B		
<b>Non Executive members</b>								
B Ballantine-Jones	12 c	12 c						
M Ballantyne	12	7	2	1				
P Berkley			2	2				

Year Ended 31 December 2011	Members meetings		Committee Meetings					
			ALCO		Audit and Risk		Audit	
	A	B	A	B	A	B		
R Forsyth	12	10			1	1	1	1
B Koo	12	9	2	2				
A McLoughlin	12	10	2	2	1	1	1	1
I Miller	12	8						
J Pascoe	12	11			1 c	1 c	1c	1c
L Scandrett retired 25 May 2011	4	3	2 c	2 c				
R Smith	12	11					1	1

A = meetings eligible to attend

B = meetings attended

c = Chairman

■ = not a committee member

### **Committees of the Board**

On 27 April 2011 the Asset and Liability Committee of the Board was terminated and its functions transferred to the Board. The Audit and Risk Committee was restructured on 27 May 2011 and became the Audit Committee. The functions of the Audit Risk Committee pertaining to risk management were transferred to the Board.

The function of the Audit Committee is to assist in ensuring, by overseeing the audit and financial reporting function, that the Board maintains its established policy of adequate, reliable and high quality financial reporting and internal controls.

### **Board Delegation**

The Board has delegated to the Chief Executive Officer, and through the Chief Executive Officer to other senior executives, responsibility for the everyday management of the business. The scope of and limitations to that delegated authority is documented.

### **Identifying significant business risks**

The Board regularly monitors the operational and financial performance of its activities. It monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements.

### **Independent professional advice**

The Board has resolved that members do not have the right to seek independent professional advice at the expense of the Board, other than with prior approval by the Board.

### **Insurance of officers**

During the year insurance premiums totalling \$8,848 (2010: \$8,192) were paid for directors' and officers' liability insurance in respect of the members of the Glebe Administration Board as trustee for the Diocesan Endowment and its controlled entities. The policies do not specify the premium for individual members.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from liability to persons incurred in their position as a member unless the conduct involves a wilful breach of duty or an improper use of inside information to gain advantage.

### **Matters since the end of the year**

Subsequent to reporting date three loans and mortgages were repaid in full. As a result the value of outstanding loans and mortgages has decreased and cash increased by \$24,115,836.

No other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect, the operations of the Board, the results of those operations or the state of affairs of the Board in future years.

### **Environmental regulation**

The operations of the Board are not subject to any particular and significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory thereof.

The Board has not incurred any liability (including rectification costs) under any environmental legislation.

### **Likely developments and expected result of operations**

The members have excluded from this report any information on the likely developments in operations of the Board and the expected results of those operations in future years, as the members have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the Board.

### **Auditor's independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out [below].

Signed in accordance with a resolution of the members of Glebe Administration Board.

John Pascoe  
**Member**

Robert C Forsyth  
**Member**

28 March 2012

### **Auditor's Independence Declaration**

As lead auditor for the audit of Glebe Administration Board as trustee for The Diocesan Endowment for the year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Glebe Administration Board and the entities it controlled during the period.

Peter Buchholz  
Partner  
PricewaterhouseCoopers

Sydney  
28/03/2012

Liability limited by a scheme approved under Professional Standards Legislation.

### **Corporate Governance Statement for the year ended 31 December 2011**

The Australian Stock Exchange Listing Rule 4.10.3 requires that the annual report of a listed company must include a statement of the main corporate governance practices. Whilst the Glebe Administration Board as trustee for The Diocesan Endowment is not listed and not subject to the above rule, nevertheless it is considered best practice for such a statement to be included with the annual financial report.

The Board has adopted corporate governance principles using as a template the revised "Corporate Governance Principles and Recommendations" published by the ASX Corporate Governance Council. .

#### **Members of the Board**

The Board is responsible for the overall corporate governance of the consolidated entity and as such provides the strategic direction, the establishment of goals for management and the monitoring and achievement of these goals. Responsibility for achieving these goals has been delegated to the Chief Executive Officer, the senior management team and the Audit Committee.

#### **Composition of the Board**

Details of the composition of the Board and the Board Committees are included in the Statutory Report.

The Board members are nominated and appointed by the Standing Committee of Synod as members of the Sydney Diocesan Secretariat and as such become members of this Board. One third of the membership retires each year and may be re-elected. The non-executive members receive no remuneration. The Chief Executive Officer attends Board meetings.

### **Ethical standards**

The Board has adopted standards for the staff of the Sydney Diocesan Secretariat to ensure that the highest ethical standards are maintained in their work and in their dealings with each other, the general public and clients.

The Sydney Diocesan Secretariat has issued a policy in relation to managing conflicts of interest.

### **Corporate policies and delegations**

Glebe Administration has issued the following policies and delegations:

- Investment policy statement
- Lending policy
- Managing conflicts of interest
- Approving and managing commercially significant contracts
- Treasury policy
- Privacy policy
- Power of attorney
- Delegated Authority

The Sydney Diocesan Secretariat provides accounting, secretarial and administration services to Glebe Administration Board. The Secretariat has issued policies on the following subjects in order to provide guidance on proper governance and management of the organisation:

- Developing and approving governance documentation
- Commercially significant contracts
- Managing conflicts of interest
- External communications
- Obtaining external legal advice
- Privacy
- Grievances
- Data integrity and security
- Staff use of technology resources
- Delegated authorities

## Five year financial summary – consolidated

\$'000 (unless otherwise indicated)	2007	2008	2009	2010	2011
<b>Consolidated income statement for the year ended 31 December</b>					
Investment income/(loss)	55,682	(149,183)	32,747	15,831	18,053
Borrowing costs	(18,996)	(18,442)	(6,921)	(7,216)	(7,038)
(Surplus)/deficit attributable to minority interests	(6,002)	17,326	(8,145)	(277)	-
Net investment income/(loss)	30,684	(150,299)	17,681	8,338	11,015
Fee and other income	1,634	751	649	45	99
Net operating income/(loss)	32,318	(149,548)	18,330	8,383	11,114
Operating expenses	(9,558)	(10,480)	(6,981)	(5,171)	(3,211)
Total income/(loss) and expense before tax	22,760	(160,028)	11,349	3,212	7,903
Income tax expense	-	-	-	-	-
Total income/(loss) and expense after tax	22,760	(160,028)	11,349	3,212	7,903
Distributions provided for	29,921 a	10,913 b	5,439	5,250	3,640
<b>Consolidated balance sheet as at 31 December</b>					
Investments, loans and mortgages	583,993	240,067	234,773	245,925	190,015
Cash and other assets	50,515	70,266	55,142	54,581	65,398
Total assets	634,508	310,333	289,915	300,506	255,413
Payables	2,988	1,447	1,798	1,217	982
Interest bearing liabilities	295,487	168,486	143,752	144,270	136,365
Other liabilities	22,887	11,605	6,191	5,402	3,640
Share of net assets attributable to minority interest	47,943	23,881	27,333	39,799	-
Total liabilities	369,305	205,419	179,074	190,688	140,987
Net assets	265,203	104,914	110,841	109,818	114,426
<b>Ratios</b>					
Total liabilities to net assets (%)	139.3%	195.8%	161.6%	173.6%	123.2%
Investment income/(loss) on average investment assets (%)	9.5%	(36.2)%	13.8%	6.6%	8.3%
Surplus/(deficit) after income tax on net assets (%)	8.6%	(152.5)%	10.2%	2.9%	6.9%
Operating expense to net operating income/(loss) (%)	29.6%	(7.0)%	38.1%	61.7%	28.9%
Operating expenses less fee income to total assets (%)	1.2%	3.1%	2.2%	1.7%	1.2%
<b>a) 2007 includes a special distribution of \$20,000,000 to Anglican Church Property Trust Mission Property Fund.</b>					
<b>b) Distribution provided</b>	10,913				
Less write-back of provision for distribution	(10,632)				
Net provision per accounts	281				

As a result of the change in the Ordinance governing the distribution to Synod, the provisions for 2008 to 2011 have only been made for payment in the succeeding year. Under the previous Ordinance provision was made for two succeeding years.

## Statement of comprehensive income for the year ended 31 December 2011

	Notes	Consolidated		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>Revenue from continuing operations</b>	4	<b>8,833,897</b>	<b>11,317,452</b>	<b>18,202,264</b>	<b>16,092,393</b>
Share of net profit of St Andrew's House Corporation (SAHC) accounted for using the equity method	14	9,319,239	4,559,319	-	-
Borrowing costs	5(a)	(7,038,134)	(7,216,451)	(7,141,424)	(7,344,274)
(Surplus) attributable to non-controlling interests		-	(277,174)	-	-
Provision for impairment of loans and mortgages	9	(500,000)	-	(500,000)	-
Other expenses	5(b)	(2,711,416)	(5,171,433)	(2,657,592)	(4,827,993)
<b>Surplus from continuing operations before income tax</b>		<b>7,903,586</b>	<b>3,211,713</b>	<b>7,903,248</b>	<b>3,920,126</b>
Income tax expense	6	-	-	-	-
<b>Surplus from continuing operations after income tax</b>		<b>7,903,586</b>	<b>3,211,713</b>	<b>7,903,248</b>	<b>3,920,126</b>
Other comprehensive income		-	-	-	-
Income tax relating to other comprehensive income		-	-	-	-
Other comprehensive income after tax		-	-	-	-
<b>Total comprehensive income</b>		<b>7,903,586</b>	<b>3,211,713</b>	<b>7,903,248</b>	<b>3,920,126</b>

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

## Statements of financial position as at 31 December 2011

	Notes	Consolidated		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	7	63,162,939	52,985,538	62,753,179	52,259,316
Receivables	8	2,234,678	1,595,881	2,234,540	1,051,617
Loans and mortgages	9	25,562,444	18,426,057	25,562,444	18,426,057
Other financial assets at fair value through profit or loss	11	56,359,821	101,732,393	56,359,821	35,631,083
Investments in controlled entities	12	-	-	-	26,752,298
<b>Total current assets</b>		<b>147,319,882</b>	<b>174,739,869</b>	<b>146,909,984</b>	<b>134,120,371</b>
<b>Non-current assets</b>					
Loans and mortgages	10	67,144,357	94,137,317	69,644,357	96,637,317
Investments in controlled entities	13	-	-	513,000	456,000
Investment in St Andrew's House	14	40,948,557	31,629,318	40,948,557	31,629,318
<b>Total non-current assets</b>		<b>108,092,914</b>	<b>125,766,635</b>	<b>111,105,914</b>	<b>128,722,635</b>
<b>Total assets</b>		<b>255,412,796</b>	<b>300,506,504</b>	<b>258,015,898</b>	<b>262,843,006</b>
<b>Current liabilities</b>					
Payables	15	982,543	1,217,517	862,611	899,657
Interest bearing liabilities	16	134,110,391	141,010,857	136,834,147	143,616,334
Provisions	18	3,640,000	5,401,962	3,640,000	5,250,000
Non-controlling interests		-	39,798,769	-	-
<b>Total current liabilities</b>		<b>138,732,934</b>	<b>187,429,105</b>	<b>141,336,758</b>	<b>149,765,991</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	17	2,254,151	3,258,913	2,254,151	3,258,913
<b>Total non-current liabilities</b>		<b>2,254,151</b>	<b>3,258,913</b>	<b>2,254,151</b>	<b>3,258,913</b>
<b>Total liabilities</b>		<b>140,987,085</b>	<b>190,688,018</b>	<b>143,590,909</b>	<b>153,024,904</b>
<b>Net assets</b>		<b>114,425,711</b>	<b>109,818,486</b>	<b>114,424,989</b>	<b>109,818,102</b>
<b>EQUITY</b>					
Capital	19	35,021,799	34,678,160	35,021,799	34,678,160
Reserves	20	2,348,471	1,130,390	-	-
Accumulated surplus	21	77,055,441	74,009,936	79,403,190	75,139,942
<b>Total equity</b>		<b>114,425,711</b>	<b>109,818,486</b>	<b>114,424,989</b>	<b>109,818,102</b>

The above statements of financial position should be read in conjunction with the accompanying notes.

**Statements of changes in equity for the year ended 31 December 2011**

Consolidated	Notes	Capital	Reserves	Accumulated surplus	Total
		\$	\$	\$	\$
<b>Balance 1 January 2010</b>		<b>33,661,933</b>	<b>103,629</b>	<b>77,074,984</b>	<b>110,840,546</b>
Total comprehensive income		-		3,211,713	3,211,713
Share of SAHC's movement in refurbishment reserve	20	-	1,026,761	(1,026,761)	-
Provision for distribution during the year	18	-	-	(5,250,000)	(5,250,000)
Return of funds from Parish Cost Recoveries Fund	19	1,000,000	-	-	1,000,000
Gifts received	19	16,227	-	-	16,227
<b>Balance 31 December 2010</b>		<b>34,678,160</b>	<b>1,130,390</b>	<b>74,009,936</b>	<b>109,818,486</b>
Total comprehensive income		-	-	7,903,586	7,903,586
Share of SAHC's movement in refurbishment reserve	20	-	1,218,081	(1,218,081)	-
Provision for distribution during the year	18	-	-	(3,640,000)	(3,640,000)
Return of funds from Parish Cost Recoveries Fund	19	300,000	-	-	300,000
Gifts received	19	43,639	-	-	43,639
<b>Balance 31 December 2011</b>		<b>35,021,799</b>	<b>2,348,471</b>	<b>77,055,441</b>	<b>114,425,711</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

**Statement of changes in equity for the year ended 31 December 2011**

Parent entity	Notes	Capital	Reserves	Accumulated surplus	Total
		\$	\$	\$	\$
<b>Balance 1 January 2010</b>		<b>33,661,933</b>	-	<b>76,469,816</b>	<b>110,131,749</b>
Total comprehensive income		-	-	3,920,126	3,920,126
Provision for distribution during the year	18	-	-	(5,250,000)	(5,250,000)
Return of funds from Parish Cost Recoveries Fund	19	1,000,000	-	-	1,000,000
Gifts received	19	16,227	-	-	16,227
<b>Balance 31 December 2010</b>		<b>34,678,160</b>	-	<b>75,139,942</b>	<b>109,818,102</b>
Total comprehensive income		-	-	7,903,248	7,903,248
Provision for distribution during the year	18	-	-	(3,640,000)	(3,640,000)
Return of funds from Parish Cost Recoveries Fund	19	300,000	-	-	300,000
Gifts received	19	43,639	-	-	43,639
<b>Balance 31 December 2011</b>		<b>35,021,799</b>	-	<b>79,403,190</b>	<b>114,424,989</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

## Statements of cash flows for the year ended 31 December 2011

	Notes	Consolidated		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Management and service fees		99,261	48,337	99,261	44,608
Interest received		9,912,770	11,112,109	9,905,128	11,077,659
Dividends and distributions		472,339	2,572,821	472,339	1,483,621
Other revenue		292,144	458,584	292,144	379,667
Finance costs		(1,922,053)	(2,147,662)	(2,025,343)	(2,275,485)
Payments to suppliers		(2,802,287)	(5,267,736)	(2,737,525)	(4,821,333)
<b>Net cash inflow from operating activities</b>	23	<b>6,052,174</b>	<b>6,776,453</b>	<b>6,006,004</b>	<b>5,888,737</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of investments		7,090,000	117,300,438	7,090,000	65,048,167
Payments for investments		(4,185,000)	(111,620,727)	(4,185,000)	(62,806,311)
Net decrease/(increase) in loans provided		19,356,572	(97,332)	19,356,572	1,799,709
<b>Net cash inflow from investing activities</b>		<b>22,261,572</b>	<b>5,582,379</b>	<b>22,261,572</b>	<b>4,041,565</b>
<b>Cash flows from financing activities</b>					
Distributions to Synod		(5,250,000)	(5,400,000)	(5,250,000)	(5,400,000)
Return of funds from Parish Cost Recoveries		300,000	1,000,000	300,000	1,000,000
Distributions to minority interests		-	(339,293)	-	-
Net (decrease) in Glebe Income Accounts		(12,976,134)	(4,186,559)	(12,857,855)	(4,150,974)
Gifts received		34,142	16,227	34,142	16,227
Units issued to minority interests		-	23,674,852	-	-
Redemptions paid to minority interests		-	(27,424,177)	-	-
<b>Net cash (outflow) from financing activities</b>		<b>(17,891,992)</b>	<b>(12,658,950)</b>	<b>(17,773,713)</b>	<b>(8,534,747)</b>
<b>Net increase/(decrease) in cash held</b>		<b>10,421,754</b>	<b>(300,118)</b>	<b>10,493,863</b>	<b>1,395,555</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>52,985,538</b>	<b>53,285,656</b>	<b>52,259,316</b>	<b>50,863,761</b>
Effect of deconsolidation of Mercer Socially Responsible Australian Shares Fund		(244,353)	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	7	<b>63,162,939</b>	<b>52,985,538</b>	<b>62,753,179</b>	<b>52,259,316</b>

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

## Notes to the annual financial report for the year ending 31 December 2011

## 1. Purpose

The Glebe Administration Board (the Board) was created under the Glebe Administration Ordinance 1930. The object of the Board is to act as trustee of church trust property vested in it or in respect of which it may be appointed trustee and to do so in a way which both :

- (a) preserves the real value of that property and
- (b) provides a reasonable income there from.

These financial statements record the financial aspect of the Board's activities and responsibilities to own, manage, develop, let, buy and sell real estate and securities as trustee for and on behalf of the Anglican Church of Australia, Diocese of Sydney to receive money on deposit or loan and to borrow money upon the charge of such real estate. Distributions are made to the Synod of the Anglican Church of Australia, Diocese of Sydney in accordance with the Diocesan Endowment Ordinance 1984 and are used for the many purposes of Christian Ministry and for activities which provide services and assistance for those in need in the community. The Synod is entitled to the income of the Board and the income is reinvested by the Board. The Board has no employees and no amounts are paid or allocated to or on behalf of

members of the Board. The Board acts only in the capacity of Trustee for the Anglican Church of Australia, Diocese of Sydney. It does not own any assets nor carry out any activities on its own behalf.

## **2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the Board as an individual entity and the consolidated entity consisting of the Board and its subsidiaries.

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Diocesan Endowment Ordinance 1984, the Accounts, Audits and Annual Reports Ordinance 1995 as amended by the Synod of the Anglican Church of Australia Diocese of Sydney, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

These financial statements cover both the Board as trustee for the Diocesan Endowment as an individual entity and the consolidated entity consisting of Glebe Administration Board and its controlled entities. The financial statements of the Board are prepared by Glebe Administration Board as trustee for the properties. These accounts reflect the assets and liabilities of the Board with no regard in respect of the beneficial ownership of the net assets.

At 31 December 2011 the parent entity and consolidated group had an excess of current assets over current liabilities (2010: excess of current liabilities over current assets). Due to the proportion of the Glebe Income Account deposits which are at call, outflows of deposit funds and maintenance of liquidity have been identified as key risks by the Board. This financial report has been prepared on the basis of the group being a going concern. In arriving at this position the Board has taken into account a number of factors including:

- Historical analysis and experience of redemptions from at call Glebe Income accounts of \$134,110,391 (2010:\$ 141,010,857) shows low levels of net redemptions.
- Cash flow projections prepared for financial budgeting purposes reveal the ability to pay all the group's and parent entity's debts as and when they fall due, on the basis of the group operating as a going concern.
- Availability of \$15,000,000 of bank finance.

The Glebe Income Accounts (GIA) operate under an exemption granted by the Australian Prudential Regulation Authority (APRA) which exempts them from certain requirements under the Banking Act 1959. The exemption is due to expire on 27 June 2013.

### **Compliance with IFRSs**

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The accounting policies adopted are consistent with those of the previous financial year.

### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

### **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2011 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. These changes are mandatory from 1 July 2013. The group does not intend to adopt the new standard before its operative date.

(ii) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

(iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date.

It is estimated that the effect of adopting the above pronouncements, where applicable, will have no material financial impact on the group in future reporting periods.

**Critical accounting estimates**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

There are no material areas of the financial statements where assumptions or estimates are used.

**(b) Principles of consolidation**

***Subsidiaries***

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Glebe Administration Board as trustee for The Diocesan Endowment as at 31 December 2011 and the results of all subsidiaries for the year then ended. Glebe Administration Board as trustee for The Diocesan Endowment and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. Transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the statements of comprehensive income and balance sheets (as a current liability) respectively.

Investments in wholly owned subsidiaries are accounted for at cost in the individual financial statements of the Board. Investments in other subsidiaries are accounted for at market value.

***Changes in ownership interest***

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amounts of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity in the parent entity.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, jointly controlled or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

**(c) Investment in St Andrew's House Trust**

Glebe Administration Board as trustee for The Diocesan Endowment has a 50% beneficial interest in St Andrew's House Trust (SAHT). The principal asset of SAHT is the land and building known as St Andrew's House. The St Andrew's House Site Ordinance of 1976 provides that one half of the land and buildings known as St Andrew's House be held "upon the Trust to apply the income in accordance with Clause 14 of the Glebe Administration Ordinance 1930 (as amended)". SAHT is managed by St Andrew's House Corporation.

Glebe Administration Board's investment is accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the surplus of St Andrew's House Trust is recognised as revenue in the consolidated income statements and its share of movements in reserves is recognised in consolidated reserves.

In the parent entity financial statements the Glebe Administration Board as trustee for The Diocesan Endowment has resolved to value its beneficial interest in SAHT at fair value, measured as 50% of the Trust's accumulated funds and provision for distribution. Revaluation increments/decrements are credited/debited directly to the income statement. Distributions received by the Board are recognised in the income statements as trust income when declared.

**(d) Foreign currency translation**

***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

**(e) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid.

***Dividends and distributions***

Dividends and distributions are brought to account as revenue when equities and units are quoted "ex distribution".

In the parent entity financial statements, distributions from St Andrew's House Trust are recorded as revenue in the period in which they are received. The Board's proportion of the unpaid surplus is included in the value of the beneficial interest owned.

***Franking credits***

Franking credits refundable by the Australian Taxation Office are brought to account as revenue when received.

***Other revenue***

Other revenue is brought to account on an accruals basis, except as otherwise disclosed.

***Interest income***

Interest revenue is recognised on a time proportion basis using the effective interest method.

**(f) Income tax**

Glebe Administration Board, as Trustee for the Diocesan Endowment, is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997 and no provision has been made in respect thereof. Where appropriate, provision has been made for income tax in relation to the controlled entities of the Board.

Tax effect accounting procedures are followed by the controlled entities of Glebe Administration Board whereby the income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted

or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **Tax consolidation legislation**

Glebe Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004. The head entity, Glebe Australia Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Glebe Australia Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Details about the tax funding agreement are disclosed in note 6.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

#### **(g) Cash and cash equivalents**

For cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **(h) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Accounts receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

#### **(i) Investments and other financial assets**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, derivatives, loans and mortgages. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

##### *(i) Financial assets at fair value through profit or loss*

Financial assets which are at fair value through profit or loss are designated at initial recognition. Their performance is evaluated on a fair value basis and managed in accordance with the group's investment strategy.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when

the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**(ii) Loans and mortgages**

Loans and mortgages are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. All known bad debts are written off against the provision in the year in which they are identified.

**(j) Fair value estimation**

Financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and mortgages are carried at amortised cost using the effective interest method. Realised and unrealised gains

and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same and discounted cash flow analysis.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

**(k) Other payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(l) Borrowings and borrowing costs**

Borrowings are initially recognised at fair value. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on deposits and long-term borrowings.

**(m) Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

**(n) Distributions**

Provision is made for the amount of any distribution required, determined or recommended by the members of the Board on or before the end of the year but not distributed at balance date.

The Standing Committee has approved a distribution of \$3,642,000 for 2012. A proposal for calculating the amount of the distribution to be provided in 2012 for distribution in 2013 is currently being reviewed by the Standing Committee.

**(o) Goods and services tax (GST)**

The Board is a member of the Sydney Diocesan Secretariat GST group.

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office (ATO). In these circumstances 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 balance sheet.

**(p) Deposits at amortised cost**

Deposits at amortised cost include deposits and interest bearing deposits. They are measured at amortised cost. When deposits are for a period greater than 12 months they are classified as non-current liabilities.

**3. Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk and maturities analysis for liquidity risk.

During the year responsibility for oversight of financial risk management was with Glebe Administration Board.

The Group and the parent entity hold the following financial instruments:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	63,162,939	52,985,538	62,753,179	52,259,316
Loans and mortgages	92,706,801	112,563,374	95,206,801	115,063,374
Receivables	2,234,678	1,595,881	2,234,540	1,051,617
Equity investments	42,819,426	86,450,833	42,819,426	20,349,523
Property related investments	13,544	31,476	13,544	31,476
Interest related investments	13,526,851	15,250,084	13,526,851	15,250,084
Investments in controlled entities	-	-	513,000	27,208,298
	214,464,239	268,877,186	217,067,341	231,213,688
<b>Financial liabilities</b>				
Payables	982,543	1,217,517	862,611	899,657
Interest bearing liabilities and loans	136,364,542	144,269,770	139,088,298	146,875,247
Provision for income distribution	3,640,000	5,401,962	3,640,000	5,250,000
Share of net assets attributable to minority interests	-	39,798,769	-	-
	140,987,085	190,688,018	143,590,909	153,024,904
<b>Net financial assets</b>	73,477,154	78,189,168	73,476,432	78,188,784

**(a) Market risk**

*(i) Price risk*

The Group and the parent entity are exposed to equity securities price risk. This arises from investments held by the Group for which prices in the future are uncertain. They are classified on the balance sheet as fair value through profit or loss. The Group is not exposed to commodity price risk. All securities investments present a risk of loss of capital.

To manage its price risk arising from investments in equity securities, the Group uses managed unit trusts to diversify its portfolio. Investment and allocation of the portfolio is done in accordance with the limits and ranges set by the Board.

The tables below summarises the impact of increases/decreases of the ASX and overseas indexes on the Group's and parent entity's (deficit)/surplus for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 10% with all other variables held constant and all the Parent's and Group's equity instruments moved according to the historical correlation with the index.

Index	Impact on surplus/(deficit)		Impact on equity	
	2011	2010	2011	2010
	+/- \$	+/- \$	+/- \$	+/- \$
Australian equities - ASX	2,361,549	2,675,230	2,361,549	2,675,230
Foreign equities	1,920,394	2,034,952	1,920,394	2,034,952
	4,281,943	4,710,182	4,281,943	4,710,182
Parent Entity				
Index	Impact on surplus/(deficit)		Impact on equity	
	2011	2010	2011	2010
	+/- \$	+/- \$	+/- \$	+/- \$
Australian equities - ASX	2,361,549	2,675,230	2,361,549	2,675,230
Foreign equities	1,920,394	2,034,952	1,920,394	2,034,952
	4,281,943	4,710,182	4,281,943	4,710,182

Surplus/(deficit) for the year would increase/decrease as a result of losses/gains on equity securities classified as at fair value through profit or loss.

(ii) *Foreign exchange risk*

The group has investments in Australian managed funds which invest in overseas developed markets and overseas emerging markets. The group has no direct exposure to foreign currency denominated assets and liabilities.

The following investments held are indirectly exposed to movements in the value of the Australian dollar:

	Consolidated		Parent entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Mercer Overseas Shares Fund	9,944,864	11,051,362	9,944,864	11,051,362
Mercer Emerging Markets Fund	2,452,307	2,819,854	2,452,307	2,819,854
	12,397,171	13,871,216	12,397,171	13,871,216

The effects of movement in the foreign currency exchange rates cannot be estimated as the underlying investments are in assets denominated in different currencies.

(iii) *Cash flow and fair value interest rate risk*

The Parent's and Group's main interest rate risk arises from its short/long-term borrowing, mortgages and loans receivable. Borrowing, issued at variable rates, expose the Group to cash flow interest rate risk. Borrowings and loans and mortgages receivable, issued at fixed rates expose the Group to fair value interest rate risk. The Group also holds cash and cash equivalent deposits which expose the Group to interest rate risk from impacts on interest income.

As at the reporting date, the Group had the following variable rate borrowings, cash and cash equivalents, interest related investments and mortgages and loans outstanding:

Consolidated Index	2011		2010	
	Weighted average interest rate %	Balance	Weighted average interest rate %	Balance
		\$		\$
Cash and cash equivalents	6.52	63,162,939	5.70	52,985,538
Loans and mortgages	7.09	92,706,801	6.51	112,563,374
Interest related investments	11.65	13,526,851	5.70	15,250,084
Interest bearing liabilities	4.85	(136,364,542)	4.55	(144,269,770)
Net exposure to cash flow interest rate risk		33,032,049		36,529,226

An analysis by maturities is provided in (b) below.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift.

#### *Group interest rate sensitivity*

At 31 December 2011, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, surplus/(deficit) for the year and equity would have been \$330,320 lower/higher (2010 – change of 100 bps: \$365,292 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

#### *Parent entity interest rate sensitivity*

At 31 December 2011, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, surplus/(deficit) for the year and equity would have been \$323,985 lower/higher (2010 – change of 100 bps: \$365,975 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

### **(b) Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with financial institutions, loans and mortgages receivable as well as credit exposures to outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of Standard and Poors A are accepted. For investments in Corporate Paper only issuers with a minimum rating of Standard and Poors A or better is accepted. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. If available and considered required, the credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to specific board approval.

As at 31 December 2011 there are no receivables, mortgages and loans that are impaired or past due but not impaired except a loan of \$466,582 and a loan of \$1,029,106. No provision for impairment of the loan for \$466,582 is required as there is sufficient collateral held to recover the full value of the loan. A provision for impairment of \$500,000 has been made against the loan of \$1,029,106.

Majority of loans to diocesan organisations including Anglican Church Property Trust as trustee for parishes are unsecured with appropriate negative pledge provisions incorporated into the loan documentation. Total consolidated collateral held against mortgages and loans is \$115,550,000 (2010 : \$200,000,000). Collateral held by the parent entity is \$115,550,000 (2010 : \$200,000,000).

	Consolidated		Parent entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Receivables</b>				
Not rated	2,234,678	1,595,881	2,234,540	1,051,617
<b>Cash and cash equivalents</b>				
Not rated - no defaults in the past. Includes Sydney Diocesan Secretariat current account.	972,115	970,992	562,355	489,123
Standard and Poors A rating or better	62,190,824	52,014,546	62,190,824	51,770,193
	63,162,939	52,985,538	62,753,179	52,259,316
<b>Loan and mortgages</b>				
Not rated	92,706,801	112,563,374	95,206,801	115,063,374

Included in other financial assets at fair value through profit or loss is an investment in shares in Flinders Trustee Ltd totaling \$1,783,393 which have been assessed as impaired. These have been fully provided for in previous years based on analysis of the financial position of this entity.

### **(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Group it aims at maintaining flexibility in funding by keeping committed credit lines available. The Group and the parent entity manages liquidity risk by

regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### *Financing arrangements*

The Group and the parent entity had access to undrawn borrowing facilities at the reporting date as shown in note 16.

#### *Maturities of financial liabilities*

The table below analyses the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Further commentary on the management of liquidity is contained in note 2a.

<b>Group</b>	<b>Less</b>	<b>6-12</b>	<b>Between</b>	<b>Between</b>	<b>Over 5</b>	<b>Total</b>	<b>Carrying</b>
<b>31 December 2011</b>	<b>than 6</b>	<b>months</b>	<b>1 and 2</b>	<b>2 and 5</b>	<b>years</b>	<b>contractual</b>	<b>amount</b>
	<b>months</b>		<b>years</b>	<b>years</b>		<b>cash flows</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-derivatives</b>							
Non-interest bearing	982,543	-	-	-	-	982,543	982,543
Provisions	1,500,000	2,140,000	-	-	-	3,640,000	3,640,000
Variable rate	88,667,870	-	-	-	-	88,667,870	88,667,870
Fixed rate	31,933,101	14,432,772	1,304,002	1,271,347	-	48,941,222	47,696,672
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
Share of net assets attributable to minority interests	-	-	-	-	-	-	-
	<b>124,283,514</b>	<b>16,572,772</b>	<b>1,304,002</b>	<b>1,271,347</b>	<b>-</b>	<b>143,431,635</b>	<b>140,987,085</b>
<b>Group</b>	<b>Less</b>	<b>6-12</b>	<b>Between</b>	<b>Between</b>	<b>Over 5</b>	<b>Total</b>	<b>Carrying</b>
<b>31 December 2010</b>	<b>than 6</b>	<b>months</b>	<b>1 and 2</b>	<b>2 and 5</b>	<b>years</b>	<b>contractual</b>	<b>amount</b>
	<b>months</b>		<b>years</b>	<b>years</b>		<b>cash flows</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-derivatives</b>							
Non-interest bearing	1,217,517	-	-	-	-	1,217,517	1,217,517
Provisions	2,651,962	2,750,000	-	-	-	5,401,962	5,401,962
Variable rate	95,899,023	-	-	-	-	95,899,023	95,899,023
Fixed rate	33,184,557	13,249,084	3,043,712	526,242	-	50,003,595	48,370,747
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
Share of net assets attributable to minority interests	39,798,769	-	-	-	-	39,798,769	39,798,769
	<b>173,951,828</b>	<b>15,999,084</b>	<b>3,043,712</b>	<b>526,242</b>	<b>-</b>	<b>193,520,866</b>	<b>190,688,018</b>

Parent entity 31 December 2011	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$	\$	\$
<b>Non-derivatives</b>							
Non-interest bearing	862,611	-	-	-	-	862,611	862,611
Provisions	1,500,000	2,140,000	-	-	-	3,640,000	3,640,000
Variable rate	91,391,626	-	-	-	-	91,391,626	91,391,626
Fixed rate	31,933,101	14,432,772	1,304,002	1,271,347	-	48,941,222	47,696,672
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
	126,887,338	16,572,772	1,304,002	1,271,347	-	146,035,459	143,590,909
<b>Parent entity 31 December 2010</b>							
	\$	\$	\$	\$	\$	\$	\$
<b>Non-derivatives</b>							
Non-interest bearing	899,657	-	-	-	-	899,657	899,657
Provisions	2,500,000	2,750,000	-	-	-	5,250,000	5,250,000
Variable rate	98,504,500	-	-	-	-	98,504,500	98,504,500
Fixed rate	33,184,557	13,249,084	3,043,712	526,242	-	50,003,595	48,370,747
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
	136,288,714	15,999,084	3,043,712	526,242	-	155,857,752	153,024,904

**(d) Fair value estimation**

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes.

The group has adopted the amendment to *AASB 7 Financial Instruments : Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy :

- (i) quoted prices (unadjusted) in active markets for identical assets (level 1) ,
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices ) (level 2) , and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's and the parent entity's assets and liabilities measured and recognised at fair value at 31 December 2011:

<b>Group</b>					
<b>31 December 2011</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
Financial assets at fair value through profit and loss					
Unlisted equities		-	42,819,426	-	42,819,426
Unlisted property		-	-	13,544	13,544
Unlisted interest investment		-	13,526,851	-	13,526,851
		-	56,346,277	13,544	56,359,821
<b>Parent</b>					
<b>31 December 2011</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
Financial assets at fair value through profit and loss					
Unlisted equities		-	42,819,426	-	42,819,426
Unlisted property		-	-	13,544	13,544
Unlisted interest investment		-	13,526,851	-	13,526,851
Investment in controlled entities carried at fair value		-	513,000	-	513,000
Investment in St Andrew's House carried at fair value		-	-	40,948,557	40,948,557
		-	56,859,277	40,962,101	97,821,378
<b>Group</b>					
<b>31 December 2010</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
Financial assets at fair value through profit and loss					
Unlisted equities		-	86,450,833	-	86,450,833
Unlisted property		-	-	31,476	31,476
Unlisted interest investment		-	15,250,084	-	15,250,084
		-	101,700,917	31,476	101,732,393
<b>Parent</b>					
<b>31 December 2010</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>					
Financial assets at fair value through profit and loss					
Unlisted equities		-	20,349,523	-	20,349,523
Unlisted property		-	-	31,476	31,476
Unlisted interest investment		-	15,250,084	-	15,250,084
Investment in controlled entities carried at fair value		-	27,208,298	-	27,208,298
Investment in St Andrew's House carried at fair value		-	-	31,629,318	31,629,318
		-	62,807,905	31,660,794	94,468,699

The fair value of financial instruments traded in active markets (such as listed managed fund securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are investments in unlisted managed funds is determined by reference to published unit redemption prices. These instruments are included in level 2.

In circumstances where valuation technique for financial instruments is based on significant unobservable inputs, such instruments are included in level 3.

The following table presents the changes in level 3 instruments.

<b>Group</b>				<b>Other</b>	<b>Total</b>
				\$	\$
Balance 1 January 2011				31,476	31,476
Net realised and unrealised loss - note 4				(17,932)	(17,932)
Balance 31 December 2011				13,544	13,544
<b>Parent</b>			<b>SAHC</b>	<b>Other</b>	<b>Total</b>
			\$	\$	\$
Balance 1 January 2011			31,629,318	31,476	31,660,794
Revaluation of beneficial interest in SAHC			9,319,239	-	9,319,239
Net realised and unrealised loss - note 4			-	(17,932)	(17,932)
Balance 31 December 2011			40,948,557	13,544	40,962,101
<b>Group</b>				<b>Other</b>	<b>Total</b>
				\$	\$
Balance 1 January 2010				1,304,878	1,304,878
Proceeds from sale				(1,337,951)	(1,337,951)
Net realised and unrealised loss - note 4				64,549	64,549
Balance 31 December 2010				31,476	31,476
<b>Parent</b>			<b>SAHC</b>	<b>Other</b>	<b>Total</b>
			\$	\$	\$
Balance 1 January 2010			27,169,999	1,304,878	28,474,877
Proceeds from sale			-	(1,337,951)	(1,337,951)
Revaluation of beneficial interest in SAHC			4,459,319	-	4,459,319
Net realised and unrealised loss - note 4			-	64,549	64,549
Balance 31 December 2010			31,629,318	31,476	31,660,794

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

## 4. Revenue

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Revenue/(loss) from continuing operations</b>				
Property related investments:				
St. Andrew's House Corporation distribution	-	-	-	100,000
Distributions from other property trusts	44,504	66,811	44,504	66,811
Revaluation of beneficial interest in SAHC	-	-	9,319,239	4,459,319
Net realised and unrealised gains and (losses)	(17,932)	64,549	(17,932)	64,549
Income/(loss) from property related investments	26,572	131,360	9,345,811	4,690,679
Interest related investments:				
Interest and distributions	4,599,722	4,078,698	4,592,080	4,068,783
Net realised and unrealised gains and (losses)	834,222	(58,800)	834,222	(67,744)
Income from interest related investments	5,433,944	4,019,898	5,426,302	4,001,039
Income from loans and mortgages	7,222,964	7,635,165	7,222,964	7,635,165
Equity related investments:				
Dividends and distributions	3,175,822	3,229,130	3,175,822	1,725,109
Net realised and unrealised gains and (losses)	(7,124,666)	(3,743,133)	(7,067,896)	(2,004,207)
Income/(loss) from equity related investments	(3,948,844)	(514,003)	(3,892,074)	(279,098)
<b>Total investment income/(loss)</b>	<b>8,734,636</b>	<b>11,272,420</b>	<b>18,103,003</b>	<b>16,047,785</b>
Other income:				
Rebate of fund administration fees	99,261	45,032	99,261	44,608
<b>Total other income</b>	<b>99,261</b>	<b>45,032</b>	<b>99,261</b>	<b>44,608</b>
<b>Total revenue/(loss) from continuing operations</b>	<b>8,833,897</b>	<b>11,317,452</b>	<b>18,202,264</b>	<b>16,092,393</b>

Dividends and distributions include franking credits of \$316,251 (2010: \$406,887).

## 5. Surplus from continuing operations

Surplus/(deficit) from continuing operations before income tax includes the following specific net gains and expenses:

## (a) Borrowing costs

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Borrowing costs</b>				
Interest on Glebe Income Accounts - Churches, Anglican organisations and other Christian organisations	4,265,180	3,985,762	4,368,470	4,113,585
Interest on other Glebe Income Accounts	2,601,805	2,592,282	2,601,805	2,592,282
Interest on bank loans	171,149	440,076	171,149	440,076
Amortisation of deferred borrowing costs	-	198,331	-	198,331
	7,038,134	7,216,451	7,141,424	7,344,274

**(b) Other expenses**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Management fees from Sydney Diocesan Secretariat	2,175,000	3,855,600	2,175,000	3,659,100
Subsidy to Glebe Asset Management Limited	-	-	-	264,000
Professional fees	246,588	827,369	201,140	458,004
Office operating expenses	214,814	322,415	214,814	322,415
Insurance	75,014	157,561	66,638	115,991
Marketing expenses	-	6,868	-	6,868
Other expenses	-	1,620	-	1,615
	2,711,416	5,171,433	2,657,592	4,827,993

**6. Income tax**

The income tax expense for the year differs from the prima facie tax charge calculated at current rates on operating surplus/(deficit). The differences are reconciled as follows, recognising that not all income is derived in entities that are subject to income tax:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Surplus from continuing operations before income tax	7,903,586	3,211,713	7,903,248	3,920,126
Less surplus from non assessable entities	7,846,478	2,311,100	7,903,248	3,920,126
Surplus from continuing operations before income tax	57,108	900,613	-	-
Income tax (expense) calculated at 30%	(17,132)	(270,184)	-	-
Permanent differences	-	18,273	-	-
Recognition of deductible temporary differences not previously recognised as an asset	19,860	233,210	-	-
Tax losses not brought to account	(2,728)	18,701	-	-
Current tax	-	-	-	-

The directors estimate that the potential future income tax benefit at 31 December 2011 in respect of tax losses not brought to account is \$43,027 (2010: \$40,299).

The benefit for tax losses will only be obtained if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the consolidated entity continues to comply with the conditions for tax deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

**Tax consolidation legislation**

Glebe Australia Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 January 2004. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Glebe Australia Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Glebe Australia Limited for any current tax payable assumed and are compensated by Glebe

Australia Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Glebe Australia Limited under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

#### 7. Current assets - Cash and cash equivalents

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Current</b>				
Cash at bank	762,026	769,851	352,266	43,629
Deposits at call	5,350,613	3,380,386	5,350,613	3,380,386
Term deposits	57,050,300	48,835,301	57,050,300	48,835,301
	63,162,939	52,985,538	62,753,179	52,259,316

#### 8. Current assets – Receivables

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Distributions receivable	127,730	426,049	127,730	87,241
Accrued interest	2,094,957	959,731	2,094,956	959,731
Amounts owing on investments sold	-	200,000	-	-
Other	11,991	10,101	11,854	4,645
	2,234,678	1,595,881	2,234,540	1,051,617

There were no receivables which were past due or impaired.

#### 9. Current assets – Loans and mortgages

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Loans	1,437,342	829,355	1,437,342	829,355
Mortgages	24,625,102	17,596,702	24,625,102	17,596,702
Provision for impairment	(500,000)	-	(500,000)	-
	25,562,444	18,426,057	25,562,444	18,426,057

**10. Non-current assets – Loans and mortgages**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Loans	29,585,783	27,885,677	32,085,783	30,385,677
Mortgages	37,558,574	66,251,640	37,558,574	66,251,640
Provision for impairment	-	-	-	-
	67,144,357	94,137,317	69,644,357	96,637,317
<b>Summary:</b>				
Anglican Diocesan organisations	88,962,385	94,083,253	91,462,385	96,583,253
Other	4,244,416	18,480,121	4,244,416	18,480,121
Provision for impairment	(500,000)	-	(500,000)	-
Total current and non-current loans and mortgages	92,706,801	112,563,374	95,206,801	115,063,374

Repayments on loans and mortgages are generally interest only with the principal payable on maturity with terms between 1 and 21 years. However, in some instances the option of repayments comprising a mixture of principal and interest is available.

The provision for impairment is in respect of a mortgage loan to a non-diocesan entity.

**Credit risk**

Loans are unsecured. Mortgages are secured on properties. The Board has adopted a lending policy which sets out a range of criteria for loan exposure limits, types of borrowers to whom loans will be made and lending criteria. Under the lending policy, loans are not to exceed 80% of the Board's valuation of the security of residential property or 65% for other forms of property. All exposures are to entities in Australia.

In addition to the carrying amount of loans and mortgages included within the balance sheets, the consolidated entity has exposure to credit risk for undrawn facilities of \$5,959,694 (2010: \$9,140,326).

**11. Current assets - Other financial assets at fair value through profit or loss**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Current</b>				
<b>Equity investments</b>				
Unlisted equities (at cost)	1,783,393	1,783,393	1,783,393	1,783,393
Unlisted managed investment schemes (at cost)	48,347,473	80,400,538	48,347,473	19,861,677
Fair value adjustment	(7,311,440)	4,266,902	(7,311,440)	(1,295,547)
Total unlisted equities at fair value	42,819,426	86,450,833	42,819,426	20,349,523
Total equity investments	42,819,426	86,450,833	42,819,426	20,349,523
<b>Property investments</b>				
Other unlisted property investments (at cost)	1,672	1,672	1,672	1,672
Fair value adjustment	11,872	29,804	11,872	29,804
Total unlisted property investments at fair value	13,544	31,476	13,544	31,476
Total property investments	13,544	31,476	13,544	31,476
<b>Interest investments</b>				
Unlisted interest investment (at cost)	13,251,914	15,781,004	13,251,914	15,781,004
Fair value adjustment	274,937	(530,920)	274,937	(530,920)
Total unlisted interest investments	13,526,851	15,250,084	13,526,851	15,250,084
<b>Summary:</b>				
Equity investments	42,819,426	86,450,833	42,819,426	20,349,523
Property investments	13,544	31,476	13,544	31,476
Interest investments	13,526,851	15,250,084	13,526,851	15,250,084
	56,359,821	101,732,393	56,359,821	35,631,083

## 12. Current assets - Investments in controlled entities

	Principal activity	Ownership interest		Carrying amount	
		2011	2010	2011	2010
		%	%	\$	\$
<b>Directly controlled by Glebe Administration Board</b>					
Mercer Socially Responsible Australian Shares Fund	Investment	38.67%	54.33%	-	26,752,298
				-	26,752,298

## 13. Non-current assets - Investments in controlled entities

	Principal activity	Ownership interest		Parent entity carrying amount	
		2011	2010	2011	2010
		%	%	\$	\$
<b>Directly controlled by Glebe Administration Board</b>					
Glebe Australia Limited	Administration	100	100	1,700,000	1,700,000
Provision for impairment of investments				(1,187,000)	(1,244,000)
				513,000	456,000
<b>Directly controlled by Glebe Australia Limited</b>					
Glebe Asset Management Limited	Funds management	100	100	3,013,000	2,975,000
				3,013,000	2,975,000

All controlled entities are incorporated within Australia and the investments represent ordinary shares.

## 14. Non-current assets – Investment in St Andrew's House

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
50% Beneficial interest in St. Andrew's House Corporation (note 2c)	40,948,557	31,629,318	40,948,557	31,629,318
Movements in carrying amounts:				
Balance 1 January	31,629,318	27,169,999	31,629,318	27,169,999
Share of profit for the year	9,319,239	4,559,319	-	-
Distributions received	-	(100,000)	-	-
Revaluation of beneficial interest in SAHC	-	-	9,319,239	4,459,319
Balance 31 December	40,948,557	31,629,318	40,948,557	31,629,318
<b>The carrying amount is comprised of:</b>				
Capital invested	4,714,614	4,714,615	4,714,614	4,714,615
Refurbishment or replacement reserve	2,348,471	1,130,390	2,348,471	1,130,390
Accumulated surplus	33,885,472	25,784,313	33,885,472	25,784,313
	40,948,557	31,629,318	40,948,557	31,629,318

**15. Current liabilities - Payables**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Interest payable	723,229	678,055	723,229	678,055
Accounts payable and accruals	159,982	298,713	139,382	221,602
Other	99,332	240,749	-	-
	982,543	1,217,517	862,611	899,657

**16. Current liabilities - Interest bearing liabilities**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Deposits – Glebe Income Accounts	134,110,391	141,010,857	136,834,147	143,616,334

Liabilities to Glebe Income Account holders represent deposits held by Glebe Administration Board on behalf of individuals and organisations. The assets of Glebe Administration Board can be called upon to meet these obligations if required.

The Glebe Income Accounts (GIA) operate under an exemption granted by the Australian Prudential Regulation Authority (APRA) which exempts them from certain requirements under the Banking Act 1959. The exemption is due to expire on 27 June 2013.

The Glebe Administration Board has an unsecured \$15,000,000 cash advance facility with Westpac Banking Corporation. A Joint and Several Guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and Glebe Australia Limited.

A Joint and Several Guarantee has also been given to Westpac Banking Corporation by Glebe Administration Board and St Andrew's House Corporation for overdraft accommodation up to \$1,200,000 granted to the Sydney Diocesan Secretariat.

The Glebe Administration Board has an overdraft limit of \$1,000,000 on its current account with Sydney Diocesan Secretariat. At balance sheet date the balance of the current account was \$239,797 (2010: \$109,875).

**17. Non-current liabilities - Interest bearing liabilities**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Deposits – Glebe Income Accounts	2,254,151	3,258,913	2,254,151	3,258,913

**18. Current liabilities - Provisions**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Provision for GAB distribution</b>				
Balance 1 January	5,250,000	5,400,000	5,250,000	5,400,000
Provided during the period	3,640,000	5,250,000	3,640,000	5,250,000
	8,890,000	10,650,000	8,890,000	10,650,000
Paid during the period	(5,250,000)	(5,400,000)	(5,250,000)	(5,400,000)
Balance 31 December	3,640,000	5,250,000	3,640,000	5,250,000
<b>Provision for distributions to Minority Interests</b>				
Balance 31 December	-	151,962	-	-
	3,640,000	5,401,962	3,640,000	5,250,000

The Standing Committee has approved a distribution of \$3,642,000 for 2012. A proposal for calculating the amount of the distribution to be provided in 2012 for distribution in 2013 is currently being reviewed by the Standing Committee.

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
The composition of payments during the year were as follows:				
Synod	5,250,000	5,400,000	5,250,000	5,400,000
	5,250,000	5,400,000	5,250,000	5,400,000

**19. Capital****(a) Capital**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Capital	35,021,799	34,678,160	35,021,799	34,678,160

**(b) Movement in capital**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Balance 1 January	34,678,160	33,661,933	34,678,160	33,661,933
Return of capital from Parish Cost Recoveries Fund	300,000	1,000,000	300,000	1,000,000
Gifts received	43,639	16,227	43,639	16,227
Balance 31 December	35,021,799	34,678,160	35,021,799	34,678,160

In accordance with the Synod Funds (Variation of Trusts) Ordinance 2011, the sum of \$300,000 (2010 : \$1,000,000 in accordance with the Parish Cost Recoveries (Return of Capital) Ordinance 2010) was transferred from the Parish Cost Recoveries Fund (PCR Fund) to the Diocesan Endowment. This is the balance of \$1,300,000 seed capital provided from the Diocesan Endowment to the PCR Fund in 2005.

**20. Reserves****(a) Reserves**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Refurbishment or replacement reserve	2,348,471	1,130,390	-	-

**(b) Movement in refurbishment or replacement reserve**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Balance 1 January	1,130,390	103,629	-	-
Share of increase in SAHC's refurbishment or replacement reserve	1,218,081	1,026,761	-	-
Balance 31 December	2,348,471	1,130,390	-	-

**(c) Nature and purpose of reserves****Refurbishment or replacement reserve**

This represents the Board's share of the reserve of St Andrew's House Trust to provide for refurbishment or replacement within St Andrew's House.

**21. Accumulated surplus****(a) Accumulated surplus:**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Accumulated surplus	77,055,441	74,009,936	79,403,190	75,139,942

**(b) Movements in accumulated surplus:**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Balance 1 January	74,009,936	77,074,984	75,139,942	76,469,816
Surplus after income tax	7,903,586	3,211,713	7,903,248	3,920,126
Share of SAHC's movement in refurbishment or replacement reserve	(1,218,081)	(1,026,761)	-	-
Provisions for distribution during the year	(3,640,000)	(5,250,000)	(3,640,000)	(5,250,000)
Balance 31 December	77,055,441	74,009,936	79,403,190	75,139,942

**22. Related party transactions**

Ultimate control vests with Synod through the sanctioning of governing Ordinances. Transactions between Diocesan Funds are carried out on a commercial basis. The nature of related party transactions involving the Glebe Administration Board consolidated entity are disclosed in the financial statements. The following persons held office as a member of the Glebe Administration Board during the year.

Canon B A Ballantine-Jones OAM	Mr A McLoughlin
Mr J Pascoe	Mr I C Miller
Bishop R C Forsyth	Dr L A Scandrett (resigned 25 May 2011)
Mr M Ballantyne	Mr R Smith
Mr B Koo	

Key management personnel also include the following executives below with the greatest authority for the strategic direction and management of the entity.

<i>Name</i>	<i>Position</i>
Mr M A Payne	Chief Executive Officer
Mr M A Blaxland	Chief Financial Officer
Mr R J Wicks	General Manager, Diocesan and Corporate Services
Mr A J Frankling	Head of Investments

Administration services are provided by the Sydney Diocesan Secretariat (SDS). The compensation payable to key management personnel who are employees of SDS is set out below. These amounts are calculated by reference to the proportion of SDS fees charged to the entity to the total SDS fees to all its client funds.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Short-term benefits	254,000	454,000	254,000	406,000
Long-term benefits	7,000	15,000	7,000	13,000
	<b>261,000</b>	<b>469,000</b>	<b>261,000</b>	<b>419,000</b>

### **Transactions with entities in the wholly-owned group**

Glebe Administration Board is the ultimate parent entity of the wholly-owned group comprising the Board and its controlled entities. The following related party transactions occurred during the year:

- (i) At year end unsecured loans and interest on those loans were as follows:

	<b>Loan Balance</b>		<b>Interest Paid</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Glebe Administration Board loan to:				
Glebe Australia Limited	2,500,000	2,500,000	-	-
	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>

The unsecured loan to Glebe Australia Limited from Glebe Administration Board as trustee for the Diocesan Endowment is interest free and repayable upon written notice. It is not expected to be repaid within twelve months.

### **Transactions with St Andrew's House Trust**

Glebe Administration Board holds a beneficial interest of 50% in St Andrew's House Trust. The distributions received this year from St Andrew's House Trust total \$Nil (2010: \$100,000).

At 31 December 2011, an unsecured loan was provided from Glebe Administration Board for \$22,000,000 (2010: \$23,000,000). This represents a facility to assist in the funding of improvements to Town Hall Square and St Andrews House. Interest charged to St Andrew's House Trust in respect of this loan was \$1,515,421 (2010: \$1,485,610). As at 31 December 2011 the loan had a limit of \$22,000,000 (2010: \$23,000,000). Interest is based on 90 day bank bill rate plus 1%.

### **Related party investments**

During the year the Board invested in Mercer Socially Responsible Australian Shares Fund which is managed by Mercer Investment Nominees Limited. The Board's investment in Glebe Equities Trust (managed by Glebe Asset Management Limited) was redeemed during the previous year. Glebe Equities Trust was wound up on 4 June 2010. The following related party investments occurred during the year. The units were all purchased and redeemed at fair market value on the day of application.

	Units purchased		Units redeemed	
	2011	2010	2011	2010
	\$	\$	\$	\$
Transactions with the Glebe Administration Board:				
Mercer Socially Responsible Australian Shares Fund	2,700,575	26,634,795	1,900,000	1,000,000
Glebe Equities Trust	-	1,310,942	-	42,992,544

### Other related party transactions

The following other related party transactions occurred during the year:

- (i) The following related parties were charged a management fee by the Sydney Diocesan Secretariat:

	SDS Management Fee Paid	
	2011	2010
	\$	\$
Glebe Administration Board	2,175,000	3,659,100
Glebe Asset Management Limited	-	196,500

- (ii) The following related parties held money in a current account with the Sydney Diocesan Secretariat on which interest was earned/(paid):

	Current account balance		Interest earned/(paid)	
	2011	2010	2011	2010
	\$	\$	\$	\$
Glebe Administration Board	239,797	109,875	235	4,625
Glebe Asset Management Limited	402,705	434,586	7,373	4,077
Glebe Investment Company Pty Limited	-	-	-	12
Glebe Mortgage Finance Limited	-	-	-	1,534
Glebe Australia Limited	7,055	47,283	279	326

- (iii) Secured loans with other related parties were provided as follows:

	Loan Balance		Interest Paid	
	2011	2010	2011	2010
	\$	\$	\$	\$
Glebe Administration Board loan to:				
St James Hall	3,773,652	3,800,000	290,307	283,572

- (iv) During the year Directors held at call accounts and term deposits with the Glebe Income Accounts. The at call account and term deposits were based on normal commercial terms and conditions.

**23. Reconciliation of surplus after income tax to the net cash flows from operating activities**

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Surplus from continuing operations after income tax	7,903,586	3,211,713	7,903,248	3,920,126
Net realised and unrealised (gain)/loss on investments	(3,010,865)	(625,875)	(3,067,635)	(3,181,819)
Interest capitalised on Glebe Income Accounts	5,070,907	4,703,538	5,070,907	4,703,538
Amortisation of facility establishment fee	-	183,331	-	183,331
Dividends and distributions reinvested	(3,027,487)	(997,482)	(3,027,487)	(119,747)
Surplus attributable to minority interests	-	277,174	-	-
Provision for impairment of loans and mortgages	500,000	-	500,000	-
<b>Changes in assets and liabilities</b>				
(Increase)/decrease in receivables	(1,336,123)	(63,654)	(1,335,983)	191,318
Increase/(decrease) in payables	(47,844)	87,708	(37,046)	191,990
<b>Net cash inflow from operating activities</b>	<b>6,052,174</b>	<b>6,776,453</b>	<b>6,006,004</b>	<b>5,888,737</b>

**24. Contingent liabilities and assets**

The Board has agreed to provide ongoing financial support for the wholly owned entity Glebe Australia Limited.

A joint and several guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and St Andrew's House Corporation for overdraft accommodation up to \$1,200,000 granted to the Sydney Diocesan Secretariat, Anglican Church of Australia (refer note 16). No losses are expected from this guarantee.

**25. Remuneration of auditors**

The audit fee for the year for the Glebe Administration Board is \$139,222 (2010: \$123,059), and Glebe Administration Board consolidated is \$176,822 (2010: \$180,057).

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Pricewaterhouse Coopers Australia</b>				
Audit	159,822	175,460	139,222	123,059
Taxation	36,300	19,260	-	-
	196,122	194,720	139,222	123,059
<b>KPMG Australia</b>				
Audit	17,000	4,597	-	-
Taxation	-	6,300	-	-
	17,000	10,897	-	-
	213,122	205,617	139,222	123,059

The fees paid to KPMG Australia are in respect of the audit of the former controlled entity the Mercer Socially Responsible Australian Shares Fund.

**26. Events occurring after reporting date**

Subsequent to reporting date three loans and mortgages were repaid in full. As a result the value of outstanding loans and mortgages has decreased and cash increased by \$24,115,836.

On 28 March 2012 the Board resolved that the loan of \$2,500,000 to Glebe Australia Limited will not be required to be paid within the succeeding twelve months.

The members of Glebe Administration Board are not aware of any other events occurring after reporting date that impact on the financial statements as at 31 December 2011.

This financial report was authorised for issue on 28 March 2012 by the Board.

## Members' declaration

In the members opinion:

- (a) The financial statements and notes set out on pages 182 to 215 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) There are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

John Pascoe  
Member

Robert C Forsyth  
Member

28 March 2012

## Report to Standing Committee of Synod

### CLAUSE 14

Report to Standing Committee of Synod pursuant to Clause 14 of the Accounts, Audits and Annual Reports Ordinance 1995 for the year ended 31 December 2011.

#### Clause 14d – Liquidity

**a Solvency**

The members of the Board are of the opinion that the Board will be able to meet all of its liabilities as they fall due.

**b Provisions and employee entitlements**

A provision of \$3,640,000 has been made for distributions by the Diocesan Endowment under the Diocesan Endowment (Special Distribution) Ordinance 2009. The provision for impairment is \$500,000. It is not necessary to make any other provisions and as no staff are employed it is not necessary to provide for employee entitlements. In the opinion of the members, the Board has made adequate provision for future obligations.

**c Trade creditors**

All creditors are being paid in accordance with normal terms of payment.

**d Trusts**

All dealings with real and personal property have been consistent with the trusts on which the property is held.

**e Payments to members**

No amounts were paid to any members of the Board during the year.

**f Internal control**

The Board is satisfied that it has maintained a satisfactory system of internal control including some parts being delegated to the Sydney Diocesan Secretariat through their engagement to carry out accounting and administration activities on behalf of the Board.

**g Insurance**

The Board's insurances are arranged through the Sydney Diocesan Secretariat. The Board believes that these insurances are appropriate to the type and level of insurable risk, having regard to the value of assets and current level of awards for damages.

**h Matters subsequent to end of year**

There are no matters other than those disclosed, that have arisen since 31 December 2011 which are likely to have a significant effect on the Board.

**i Adoption of report**

This report has been adopted at a duly constituted and convened meeting of the members of the Board on 28 March 2012.

**Clause 14e – Risk Management****Summary of Key Risks**

The key risk areas that were identified in 2011 were:

- a. Investment Management – Banking Services**, reflecting risks around adequacy of governance procedures, failure of borrowers to comply with key loan terms, outflows of deposit funds, liquidity management, regulatory compliance, control of costs appropriateness of strategy and adequacy of staff training.
- b. Investment management – Diocesan Endowment**, reflecting risks around adequacy of governance procedures, performance of externally managed investments, failure to maintain the real value of the Diocesan Endowment, failure of external service providers, adequacy of risk assessment, control of costs and the risk of inappropriate investments.
- c. Investment Management – St Andrew's House**, reflecting risks around adequacy of governance procedures, maintenance of adequate liquidity, the skill of the building manager, adequacy of maintenance of the building, regulatory compliance, inappropriate tenant mix & lease expiry dates, sustainability of distributions and failure of external service providers.
- d. Investment Management – St James Hall**, reflecting risks around adequacy of governance procedures, maintenance of adequate liquidity, the skill of the building manager, adequacy of maintenance of the building, regulatory compliance, inappropriate tenant mix & lease expiry dates and sustainability of distributions.
- e. Regulatory and contractual obligations**, reflecting risks around non compliance with significant regulatory obligations, lack of awareness of proposed or actual changes in the regulatory environment, entry into legally or commercially adverse contracts and failure to manage significant contractual obligations.
- f. Reputational**, reflecting factors such as investment performance failing to meet stakeholder expectations, being linked to an ethical, legal or management failure by a service provider and adverse media comment.

These key risk areas are reviewed and updated annually.

**Main Policies and Procedures**

The main policies and procedures in place to manage these key risk areas are:

- a. Investment management – Banking Services.** Cash & short term lending policy, Lending policy, Staff training in regulatory obligations, daily monitoring of liquidity, production of regular rolling cash flow forecasts, periodic review of borrowers.
- b. Investment management – Diocesan Endowment.** Investment Policy Statement, periodic reports to the Board, quarterly reporting on performance by external investment managers, service level agreements with key external service providers, periodic reporting on value at risk, periodic stress testing, due diligence on investment funds and ongoing review of funds, ethical investment policy.
- c. Investment Management – St Andrew's House.** Regular reporting to St Andrew's House Corporation, delegated authority and power of attorney, annual budget and review of actual against budget, building management and facilities management outsourced to a professional manager, sinking fund for tower capital expenditure, periodic compliance certifications, St Andrew's House Income ordinance regulating distributions.

- d. **Investment Management – St James Hall.** Business plan and budget, regular reporting to Glebe Administration Board and the parish about building and fund performance, building management and facilities management outsourced to a professional manager, St James Sydney Phillip Street Property Ordinance to regulate distributions.
- e. **Regulatory and contractual obligations.** Compliance certification process for significant obligations, staff training in regulatory obligations, policy on approving and managing commercially significant contracts, delegations and power of attorney.
- f. **Reputational.** Periodic reporting to stakeholders, distribution policy for the Diocesan Endowment, policy on approving and managing commercially significant contracts, policy on external communications.

John Pascoe  
Member

Robert C Forsyth  
Member

28 March 2012

## **Independent auditor's report to the members of Glebe Administration Board as trustee for the Diocesan Endowment**

### **Report on the financial report**

We have audited the accompanying financial report [as set out on pages 182 to 215] of Glebe Administration Board as trustee for the Diocesan Endowment (the Board), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the member's declaration for both Glebe Administration Board as trustee for the Diocesan Endowment (the Board) and the Glebe Administration Board (the consolidated entity). The consolidated entity comprises the Board and the entities it controlled at the year's end or from time to time during the financial year.

#### ***Members' responsibility for the financial report***

The members of the Board are responsible for the preparation of the financial report that gives a fair and true view in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001, and the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the members of the Board also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independence***

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

***Auditor's opinion***

In our opinion –

- (a) the financial report of Glebe Administration Board as trustee for the Diocesan Endowment –
  - (i) presents fairly, in all material respects, gives a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
  - (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001, and the provisions of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney, and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

PricewaterhouseCoopers

PETER BUCHHOLTZ  
Partner

Sydney  
28 March 2012

## Ordinances passed by the Standing Committee

(A report from the Standing Committee.)

Darling Street Land Sale and Variation of Trusts Ordinance No 44, 2011

St Philip's York Street Leasing Ordinance No 45, 2011

St James' Sydney Phillip Street Property Ordinance 1962 Further Amendment Ordinance No 46, 2011

The Archbishop of Sydney's Anglican Aid Ordinance No 47, 2011

The Archbishop of Sydney's Anglican Aid Incorporation and Transition Ordinance No 48, 2011

Christ Church St Laurence Leasing Ordinance 2006 Amendment Ordinance No 49, 2011

Synod Fund (Mission Areas) Variation of Trusts Ordinance No 50, 2011

Broadway Land Sale Ordinance No 1, 2012

Synod (General Synod Assessment) Special Application Ordinance No 2, 2012

Continuing Education for Ministers Ordinance 1989 Amendment Ordinance No 3, 2012

Sylvania Trust Ordinance No 4, 2012

Tara Anglican Girls' School Ordinance 1956 Amendment Ordinance No 5, 2012

Diocesan Endowment Amendment Ordinance No 6, 2012

Tara Anglican Girls' School Ordinance 1956 Further Amendment Ordinance No 7, 2012

Synod Estimates and Parochial Cost Recoveries (Transition) Ordinance No 8, 2012

Windsor Land Sale Ordinance No 9, 2012

Ashfield, Five Dock and Haberfield Variation of Trusts and Mortgaging Ordinance No 10, 2012

1 York Street (Special Distribution) Ordinance No 11, 2012

Endowment of the See Capital Ordinance No 12, 2012

Endowment of the See Expenditure Ordinance No 13, 2012

Clergy Removals Fund Ordinance 2003 Amendment Ordinance No 14, 2012

South Sydney Variation of Trusts Ordinance 1997 Amendment Ordinance No 15, 2012

Ashfield, Five Dock and Haberfield Mortgaging Ordinance Amendment Ordinance No 16, 2012

Bowral Land Sale Ordinance 2010 Amendment Ordinance No 17, 2012

Eastgardens Mortgaging Ordinance No 18, 2012

East Sydney (St Peter's) Sale Proceeds Ordinance 2007 Amendment Ordinance No 19, 2012

Normanhurst Variation of Trusts and Mortgaging Ordinance No 20, 2012

South Sydney Regional Council Variation of Trusts Ordinance No 21, 2012

Sutherland Land Sale Ordinance No 22, 2012

St James' King Street (Chatswood) Mortgaging and Sale Ordinance No 23, 2012

Wahroonga (St Paul's) Mortgaging Ordinance No 24, 2012

Campbelltown Leasing Ordinance 2006 Amendment Ordinance No 25, 2012

St George's Paddington Leasing Ordinance No 26, 2012

Long Term Pooling Fund Ordinance No 27, 2012

Anglican Church Diocese of Sydney Community Building Partnership Grant Fund Ordinance No 28, 2012

Anglican Church Diocese of Sydney Historical Buildings Fund Ordinance No 29, 2012

Anglican Church Diocese of Sydney Heritage Buildings Fund Ordinance No 30, 2012

Church Insurances Ordinance 1981 Amendment Ordinance No 31, 2012

St Andrew's House Ordinance 1975 Amendment Ordinance No 32, 2012

Sydney Church of England Finance and Loans Board and Sydney Anglican Car and Insurance Fund  
Amendment Ordinance No 33, 2012

Sydney Diocesan Secretariat and Glebe Administration Board Miscellaneous Amendments Ordinance  
No 34, 2012

Archbishop of Sydney's Discretionary Trust Ordinance No 35, 2012

Provisional Parishes (Office of Rector) Ordinance No 36, 2012

Miscellaneous Amendments Ordinance No 37, 2012

For and on behalf of the Standing Committee

ROBERT WICKS  
*Diocesan Secretary*

19 September 2012

## Mission Property Committee

(A progress report to the Synod.)

### Executive Summary

At its session in 2012, the Synod will be considering a proposal for a levy on parishes to fund the acquisition by the Mission Property Committee (MPC) of land for church sites in greenfield areas of the Diocese.

The purpose of this report is to provide the Synod with an outline of the strategic priorities and major activities of MPC. In doing so the report covers the following matters –

- The acquisition of land for future church sites – the MPC has identified 13 areas where the Diocese has insufficient land holdings. To date 3 sites have been acquired at Oran Park, Stanhope Gardens and Austral (Leppington). The MPC plans to acquire further strategically located sites within areas of rapid population growth across the Diocese.
- The construction of ministry centres across the Diocese – The MPC strategy is to obtain authority approvals for the staged construction of ministry centres. The initial stage would allow for 300 seats, with approval up to the maximum capacity of each site to allow for future expansion and flexibility depending on ministry needs.
- The MPC has made various approaches to government to facilitate the provision of new ministry centre construction.
- A statement of intention to cooperate has been agreed by various key Anglican organisations operating in greenfield areas of the Diocese.
- The MPC supports the Synod adopting as a strategic challenge the objectives identified in Standing Committees “Towards 2050” report received by Synod last year. While the proposed goal of establishing one new ministry centre per year for 30 years will be a stretch in the first 5 years, the MPC supports such a program, noting that this will be dependent upon funding for the program.
- The funds held by the MPC are currently earmarked for one further strategic land purchase and towards the construction of new ministry centres on those sites three sites already acquired by the MPC. The MPC does not hold adequate funds to meet the strategic opportunities identified in the Towards 2050 report. It is estimated that a further 10 sites (average purchase price \$2.5 million) and the construction of 13 new ministry centres will cost a total of \$90 million (excluding indexation).
- The MPC supports the recommendation of Standing Committee to Synod to raise \$2 million per annum for the MPC to acquire land for church sites in greenfield areas through a levy on parishes.
- The MPC also proposes that a fundraising strategy be reported to the Synod in 2013 that will include direct capital fundraising campaigns for the construction of new ministry centres, a review of the large receipts policy due to be considered by the Standing Committee, and a rental contribution from parishes receiving funding from the MPC.

### Introduction

1. At its session in 2012, the Synod will be considering a proposal for a levy on parishes to fund the acquisition by the Mission Property Committee (MPC) of land for church sites in greenfield areas of the Diocese.
2. The purpose of this report is to provide the Synod with an outline of the strategic priorities and major activities of MPC. In doing so the report covers the following matters –
  - (a) the acquisition of land for future church sites;
  - (b) the construction of ministry centres across the Diocese,
  - (c) the MPC’s response to the “Towards 2050” report received by Synod last year
  - (d) the approaches made to government to facilitate the provision of new ministry centre construction
  - (e) the co-ordination of a statement of intention to cooperate among various key Anglican organisations operating in greenfield areas of the Diocese, and
  - (f) the fundraising activities of the MPC.
3. Each of these matters is considered below.

**Land Acquisition**

4. Based on forecasts by the NSW Government, Sydney's population is expected to increase from the current population of 4.4 million by a further 1.3 million by 2031, with about 70% of this increase occurring in brownfield areas and 30% in greenfield areas. This additional population is expected to require 570,000 more dwellings.
5. The MPC is required, under the Mission Property Ordinance 2006, to prepare a Strategic Report which outlines a strategy for the acquisition of land for church sites and the construction of new ministry centres. The focus is within new greenfield residential land release areas located on the fringe of the existing urban areas within the Diocese where over 285,000 dwellings are to be constructed and where rapid population growth is forecast over the next 25 years.
6. The MPC has identified 13 greenfields development areas throughout the Diocese in which there are inadequate diocesan land holdings and where land should be acquired to construct new ministry centres. The Standing Committee has identified the following areas as prioritised projects in which the MPC is authorised to acquire land –
  - Riverstone (North West Sydney)
  - Llandilo/ADI (Western Sydney)
  - Ingleside (Northern)
  - Oran Park/ Leppington (South West)
  - Box Hill (North West)
  - Catherine Fields (South West)
  - Harrington Park (South West)
  - Edmondson Park / Denham Court (South West)
  - West Dapto (Illawarra)
  - Stanhope Gardens (North West)
  - Marsden Park (North West)
7. The MPC has considered opportunities to purchase land within each of the areas listed above.
8. Since 2009, land has been acquired in Sydney's South West at Oran Park and Austral and in Sydney's North West at Stanhope Gardens.
9. Negotiations for land acquisition often involve a lengthy process spanning a number of years. The MPC is also currently in negotiations to acquire further land for future ministry opportunities in the North West area at Marsden Park, Riverstone and Box Hill. The MPC is also maintaining a watching brief in relation to the other areas listed above, noting that there are currently insufficient funds to consider any further land acquisitions in the short term.
10. The NSW Government does not plan or allocate land for new Anglican churches within greenfield areas.
11. As a consequence, the MPC will continue to approach developers of land release areas for available land to allow the integration of church ministry centres within these new communities. Developers of large scale greenfields land release have proven more co-operative than smaller scale developers. At Oran Park where the MPC acquired land in 2010, the vendor, Greenfields Development Corporation, sold land close to the town centre for a new ministry centre that should attract new residents looking for much needed social infrastructure and opportunities to connect with the newly established community.
12. Where there are multiple land owners within the new greenfields release area, the MPC will select the most suitable site that is available and where possible in a location where the associated residential development is 3 years or more away. An early purchase allows greater choice to be made, and for acquisitions to be made at a substantially cheaper rate per square metre of land area.
13. These factors influenced the selection of the site purchased by the MPC at 500 Bringelly Road, Austral, where a strategic decision was made to purchase land located near the proposed Regional Centre of Leppington in the South West of Sydney. The 2.5 ha site was purchased in 2009 for \$1.75m which equates to \$68 per square metre. The land has subsequently been rezoned, with land values significantly increasing. The site is well placed to accommodate a new ministry centre in conjunction with the nearby rail link (currently under construction) and the residential development which is expected to proceed within the next 10 years.

14. Appropriate due diligence is conducted prior to a land acquisition so that the land is purchased at or below market value, and is suitable for the construction of a new ministry centre. In the event that subsequent unforeseen changes to development plans mean that the land ceases to be suitable for a ministry centre, a suitable exit strategy is planned such that a benefit is obtained from the general increase in land prices. This increases the financial ability of the MPC to relocate to a more suitable site in the future, should this be necessary.

15. Sites are selected based on a number of criteria including –

- (a) Strategic Location – a site that has high visibility to residents in the area, generally on a main road, is easy to find, potentially near a well known landmark with a high community profile (that might act as a permanent advertisement for a ministry centre), and is centrally located within the proposed population catchment area incorporating the travel habits of future residents. A position near where people gather (shopping or community centres, schools) is preferred.
- (b) High accessibility – good vehicular access for visitors catering for the flow of traffic from all directions, accessible from major road network (as opposed to neighbourhood precinct) with a parking area to accommodate 1 car per 2 to 3 persons attending any ministry centre on the site. A corner block is preferred to allow multiple access points whilst at the same time providing additional separation from adjoining land uses. Preference for location near public transport (train station or busway) is preferred, although high car ownership within greenfields areas dictates that vehicular travel is the priority.
- (c) Land size with room for expansion - the MPC aims to purchase land between 1 to 2 hectares (2.5 to 5 acres), with a preference for land at the higher end of this range. This will ensure that the ability of the church to expand will not be impeded and provide reasonable flexibility for ministry strategies which might be adopted in the future. The option of purchasing greater land area than required as a land bank for future sale is generally not favoured given the concern for investing limited funds in surplus vacant land and the inherent risks involved in such a strategy.
- (d) Zoning development controls and infrastructure – the site must allow suitable development controls for a new ministry centre and allow ease of connection of services.
- (e) Physical constraints – proposed freeways, golf links and parklands are considered in determining the likely population catchment. The likely future adjoining land uses are also considered with undesirable uses such as electricity transmission lines to be avoided.

16. While acknowledging that there are many socio-economic factors involved, it is worth noting that affiliation with the Anglican Church during the urban growth of Sydney is traditionally stronger in the outer-suburban areas. The opportunities for ministry in the various greenfields release areas across Sydney have also been identified by various religious groups.

17. The Roman Catholic Church has purchased land in Catherine Fields (adjoining Oran Park in the South West), Austral (close to the MPC site in the South West) and Box Hill (in the North West where the MPC is actively searching for land to acquire).

18. At Marsden Park in the North West (where the MPC is currently looking to purchase land), the Roman Catholic Church has also considered a land purchase, with a number of existing places of public worship (Muslim and Buddhist) already located along Richmond Road.

19. The Uniting Church commenced a church planting strategy at Oran Park in 2011. It is also understood that a number of strategic sites have been purchased in the South West growth Corridor by Islamic groups.

#### **Construction of new ministry centres**

20. It is becoming increasingly difficult and costly to obtain development consent for the construction of a new ministry centre within a greenfields land release area especially once the land is surrounded by residential development. The MPC strategy is therefore to design the buildings and obtain development approval ahead of the construction of local residential homes to enable staged construction in line with growth in the surrounding population and congregation. The design is to give due consideration to the most efficient way to expand over time.

21. Approval is then sought to construct a new ministry centre in a number of stages from the initial stage of a minimum of 300 seats up to the maximum potential development capacity of the site. This staged construction is designed to provide initial savings in construction costs, support the early establishment of a ministry presence which can grow as the population moves into the release area. This

staged approach also avoids excess allocation of resources and building capacity for those areas where long term population and ministry growth is uncertain.

22. The Stage One plans for the proposed new ministry centres at Oran Park and Stanhope Gardens are each costed at approximately \$5 million. As the surrounding area develops, the congregation will be best placed to develop the site further as required.

23. The MPC has obtained development consent from Camden Council to construct a 500 seat auditorium and associated facilities at the MPC Oran Park site. The initial Stage One development comprises 250 seats, 5 children's rooms and car parking for 66 cars. The final stage involves a 500 seat auditorium and 160 car spaces (noting there are an additional 100 car spaces located in the adjoining streets). In order to support the establishment of a new ministry at Oran Park prior to the construction of the new ministry centre, the MPC has also purchased the adjoining site and funded the construction of a 2-storey project home to be used as a new ministry residence.

24. In August 2012 the MPC lodged plans with Blacktown City Council for the construction of a new ministry centre at a site acquired at Stanhope Parkway, Stanhope Gardens. The site adjoins the Stanhope Gardens Shopping Centre and a proposed Anglican Retirement Village (ARV) retirement village, and is located on the fringe of the North West of Sydney growth corridor. The design of the ministry centre allows for the initial construction of a 300 seat auditorium, with the ability to expand over time to a 1,000 seat auditorium with associated facilities and car parking areas.

### **Towards 2050 report to Synod**

25. The MPC supports the Synod adopting, as a strategic challenge, the objective identified in Standing Committee's "Towards 2050" report to Synod last year of establishing a sustained program of land acquisition and construction of ministry centres within the priority greenfield areas of the Diocese as identified above.

26. The lead time required for the MPC to acquire land, obtain development consent and raise funds is approximately 5 years based on the experience of the 3 ministry centres that have been constructed by the MPC over the last decade being Rouse Hill, Kellyville and Hoxton Park.

27. While the planning and construction for multiple projects is able to be conducted in parallel, it is the time that is required to complete a capital fundraising campaign for each project that is most critical. Each campaign is estimated to last approximately two years (incorporating a six month planning phase, a 12 months active phase, and a six month follow up phase) that will determine the project delivery period.

28. Both the Oran Park and Stanhope Gardens areas were initially identified as priority areas more than two decades ago, and so are the highest priority projects to be completed in the short term as ministry demands are already pressing. Beyond this a dynamic project priority listing will be developed that can readily include three of the other listed priority areas referred to earlier.

29. In response to the unmet demand for new ministry centres in greenfield areas, the MPC currently believes that it is feasible to fundraise support dollars to deliver a new ministry centre project with an expanded vision to deliver a ministry centre, every two years. This proposal would result in the MPC committing to deliver a total of five new ministry centres over a ten year period.

30. In contrast, the Towards 2050 report proposes a goal of establishing one new ministry centre per year for the next 30 years for the purposes of meeting the strategic challenge faced by the Diocese in terms of population growth in greenfield areas.

31. While the goal proposed in the Towards 2050 report will be a stretch in first 5 years as the number of projects in the pipeline is expanded, the MPC supports such a strategic goal over the longer term, noting that this will be dependant upon funding for the program. A summary of the MPC's fundraising strategy is presented below, noting that the MPC supports the recommendation in the Towards 2050 report that a final fundraising strategy should be provided to the Synod for adoption in 2013.

32. The Towards 2050 report also affirms that the above mentioned strategic challenge must be complemented by a church planting strategy across the Diocese.

33. The MPC believes that the demand of rapid population growth and significant costs involved in the provision of property and infrastructure means that the model of ministry undertaken from ministry centres on land acquired for this purpose will only be one of a number of ministry strategies that should be pursued across the Diocese.

34. The MPC's contribution to any broader ministry strategy is therefore to establish a presence across the growth areas by pursuing a combination of strategically located sites and other options for co-location of buildings that can be used for ministry on land owned by others. The purpose is not to pre-empt future ministry strategies, but provide a base from which they can grow.

35. For example, it is envisaged that the Regional Bishops' strategy for church plants that use schools and community halls, will mean that such church plants will be well established before consideration is given to their occupation of a 300 seat (stage one) new ministry centre.

36. While the MPC is not directly involved in such ministry strategies, it is important that there is regular communication between the various stakeholders to ensure that the property strategy being proposed by the MPC complements (rather than hinders), such ministry strategies.

37. Upon acquisition of appropriate land, the scale and timing of construction of each MPC new ministry centre building is regularly reviewed having regard to the ministry strategy of the Regional Bishop and the growth of the surrounding population.

38. The most recent building designs at Oran Park and Stanhope Gardens involved consultation with the proposed church planting ministry teams including amendments to the plans throughout the design phase to incorporate feedback received. The final designs were approved by the relevant Regional Architectural Panel and the church planters.

39. The MPC therefore supports the recommendation in the Towards 2050 report that the Board of Evangelism and New Churches provide to the Synod in 2013 a report outlining its strategy for church planting in both greenfield and brownfield areas of the Diocese. However the MPC believes that it would assist the Synod if such a report clarified the respective roles of Evangelism and New Churches and the Regional Bishops in relation to the proposed church planting teams and progression to parish status.

#### **Approaches to Government in relation to new ministry centre construction**

40. The MPC and Anglican Church Property Trust (ACPT) approached the NSW Government and, with the support of other Christian churches for the MPC submission, in May 2012 obtained an exemption from the Special Infrastructure Contributions Levy for all places of public worship within NSW. This has resulted in savings of approximately \$230,000 per greenfields ministry centre development.

41. The MPC and ACPT have also approached the NSW Government regarding the existing and future town planning legislation in order to ensure that the development potential of the MPC and parish sites is protected and where possible enhanced. In particular, the Standard Template Local Environmental Plans being rolled out by the NSW Government for Councils throughout the State has meant that both existing and new churches are being zoned out of local communities.

42. The NSW Government has undertaken a review of its controls and is to provide a planning practice note in the second half of 2012 for places of public worship. It is hoped this will provide consistent guidance for local councils in allowing development of ministry centres.

43. The MPC and the ACPT have also made a submission to the Australian Tax Office regarding a draft tax ruling that will have the effect of removing the existing tax deductibility for new ministry centres which have not commenced to build by that date and for all future capital fundraising. Under the existing applicable tax ruling, tax deductibility means significant savings to donors which have the potential to attract more generous gifts. As a result, the ACPT has approved establishment of a Christian Education Building Fund (CEBP) for the purposes of the proposed Oran park capital fundraising campaign. There are also in excess of 50 parishes have separate school building funds endorsed as deductible gift recipients. The CEBP and many of the separate parish funds are likely to be adversely impacted by the draft ruling.

44. The submission highlights a number of technical flaws in the draft ruling and specifically objects to the removal of the 50% usage requirement and the potential adverse implications that this will have on future ACPT building projects. The Archbishop has directly intervened to approach the Federal government regarding this matter.

45. The draft ruling is scheduled to be issued on 24 October 2012.

#### **Statement of intention to cooperate among Anglican Organisations**

46. Where appropriate, opportunities for co-location of a ministry centre within a Diocesan school or aged care facility (ARV or Anglicare) are considered.

47. The relationship between the three Anglican organisations represented within the square kilometre of the Oran Park Anglican precinct is seen as a critical element in the establishment of ministry at Oran Park, and key to the soon to be launched fundraising campaign. The organisations are Oran Park Anglican College (a Sydney Anglican Schools Corporation (SASC) school), Chesalon Living at Oran Park (Anglicare) and the Anglican Church at Oran Park, known as NewLife Church at Oran Park.

48. In order to formalise the already existing goodwill and communication between the three bodies, the MPC initiated a Statement of Intent of Cooperation (Statement of Intent) signed by the following senior representatives of each organisation –

Mr Geoff Kyngdon, Chairman MPC,  
Mr Rob Freeman, CEO, Anglican Retirement Villages,  
Mr Grant Millard, CEO, Anglicare,  
Dr Laurie Scandrett, CEO Sydney Anglican Schools Corporation

49. While the initial focus of the Statement of Intent was on the three organisations represented at Oran Park, subsequently ARV, MTC and Youthworks have been given the opportunity to participate. While MTC and Youthworks have declined to participate at this stage (in part due to the short time allowed to them for consideration of the document), ARV has joined the signatories.

50. The Statement of Intent is designed to provide the Oran Park fundraising team with information to assess the strategic benefits of these Diocesan organisations working cooperatively. The MPC anticipates that it will provide the focus for increased strategic planning and action between the four organisations which will leverage the resources of all.

51. The various representatives at Oran Park have taken the opportunity to integrate ministries including regular visits by the Rev Stuart Starr to school assemblies of Oran Park Anglican College (SASC) and visits by the residents of Chesalon Living (Anglicare) to the College.

### **Fundraising Strategy**

52. An important function of the MPC is to initiate fundraising activities to raise capital and support the ongoing financial viability of the work of the MPC.

53. The MPC Strategic Report identifies the strategic opportunity to acquire 10 further properties (average purchase price \$2.5 million) and construct 13 new ministry centres (average cost \$5 million) to meet the growing population of the Diocese over the next 25 years.

54. To meet this opportunity it is estimated that a total of \$90 million (excluding indexation) is required to be raised. This strategic opportunity will be missed if the MPC is not properly resourced to do its work. Failure to provide a number of income streams for greenfields projects will lead to unsustainable practices which dissipates the MPC's capital.

55. The MPC's strategy is to fund its strategic priorities from the following 4 sources –

- (a) Allocation of parish funds for land acquisitions
  - (i) In July, 2012, the Standing Committee resolved to support a levy on parishes to raise \$2 million per annum for the MPC to acquire land for church sites in greenfield areas as a Long Term Mission Commitment. The MPC supports this recommendation of Standing Committee to Synod.
  - (ii) Given the significant lead times involved, the MPC is currently constrained in committing to land acquisitions and construction projects given the uncertainty of future funding sources. The proposed levy on parishes will provide a regular income stream on a monthly basis making it possible for the MPC to plan a number of years ahead for land acquisitions, and then commence the relevant authority approvals and building documentation processes so that a pipeline of building projects is developed to meet the Towards 2050 strategic challenge.
- (b) Direct capital fundraising campaign for construction of ministry centres
  - (i) As reported to the Synod in 2011, the Archbishop has provided leadership and active support for the launch of the Oran Park capital fundraising appeal, with a target of raising \$5 million. It is proposed to encourage fundraising through local parish partnerships between established parishes and the church plant, as a diocesan wide project. It is proposed that a total of 5 new projects be included over the next 10 year period.
  - (ii) In order to allow the MPC to focus on the acquisition of land and construction of new ministry centres, following extensive research, a Capital Fundraising Consultant, Ms Alicia Watson of "What's On" consulting was appointed. The feasibility study found that while it will be a challenge, fundraising must be seriously considered and pursued vigorously and creatively. A fund raising officer, Ms Penny Barletta, (who has previously worked in parish management and the Secretariat) has been appointed to assist in the administration of the Campaign. Ms Barletta has entered over 1,000

donors details from the former Vision funds into a ACPT fundraising database to assist in the campaign communications.

- (iii) With the support of the Archbishop and the Mission Board, a fundraising committee has been established to plan the capital campaign which is envisaged to be officially launched in 2013.
  - (iv) As part of the campaign, it is proposed that a “voluntary partnership” contribution be sought from all parishes including the support of an ongoing relationship (through financial, prayer and other practical support) from established churches to the proposed new church plants.
  - (v) There is considerable precedent for the proposed campaign. In excess of 800 individual donors contributed to the former Vision for Growth (1984-1990) and Vision 2001 (1991-2001) appeals which led to over \$7 million being raised to establish 46 new development projects.
  - (vi) Numerous established parishes provided prayer, emotional and financial support to the new congregations. In relation to the financial support, this involved parishes giving part or all of the proceeds from the sale of surplus parish property that was sold. A recent example is Neutral Bay parish directing \$2.4 million (50%) of the proceeds from the sale of St Chad’s Cremorne to MPC Greenfields projects.
  - (vii) Due to a general reluctance on the part of developers to construct new housing within greenfields release areas given the long term turn around times for the construction of infrastructure, there now tends to be uncertainty in relation to the timing of new dwelling construction. This means that the MPC must adopt a more cautious approach towards the timing of the construction of new ministry centres on land that has been acquired to serve the surrounding housing releases.
  - (viii) It is therefore considered to be strategically sensible for the MPC to initially commit to a long term fundraising campaign vision (“decade of development”) that encourages pledges over a longer term period. Such a campaign would involve staged appeals, being progressively rolled out following the successful completion of the preceding project appeal. Such a longer term vision is seen as critical to support the ongoing funding requirements of the Diocese.
  - (ix) A large scale capital campaign is estimated to be in the vicinity of \$25 million (five sites to be constructed over ten years).
  - (x) A bequest program will also form part of the appeal and is to be promoted more generally.
  - (xi) The Mission Board is considering the broader issue of a specific fundraising committee for the Diocese. The MPC also supports the initiative of the Mission Board for the establishment of a broadly based fundraising body separate to the MPC.
- (c) Large Receipts
- (i) In accordance with the determination of Standing Committee from time to time under the Large Receipts Policy (LRP), a share of proceeds from the sale of existing (non-strategic/surplus church trust property) is required to be made towards broader diocesan purposes, including MPC greenfields projects.
  - (ii) The MPC believes that the existing LRP is not consistently applied and that the process under the LRP needs to be defined more closely. Accordingly, the MPC has requested that the Standing Committee give due consideration to a review of the adequacy of the present LRP against the background of a notional redefinition of church trust property into two specific categories – “church trust diocesan property” (being church trust property that has been owned by the ACPT for at least 40 years) and “church trust parish property” (being church trust property that has been owned by ACPT for less than 40 years). Although the existing LRP is dated 2005, the MPC considers that it needs to be updated to reflect the proper stewardship of diocesan assets that have been held as church trust property for many decades, if not hundreds of years.
  - (iii) As part of its review of the LRP, the Standing Committee will consider a more detailed discussion paper that has been prepared by the MPC about this matter.
- (d) Rental contribution to MPC from parishes receiving funding from MPC
- (i) The Mission Board has endorsed an MPC policy whereby a rental contribution is to be paid by parishes which benefit from the MPC’s current and future Greenfield

developments. This allows for the recycling of funds to other greenfield projects in accordance with the following 2 principles for future MPC projects –

1. Long term lease by the parish of the MPC ministry centre for a minimum period 15 years and until the parish substantially commences fundraising for the construction of a “Stage 2” building (this allows the parish to support the Stage 2 building project). The rent paid under such a lease would be set at 10% of parish receipts to commence immediately upon occupation of the building (noting that the objective is for a relatively small portion of the MPC’s capital outlay to be repaid).
  2. Lease of the ministry residence to the parish at 50% of market rental valuation, increasing to 100% of market fee after five years, until the original capital investment of the MPC is repaid in full.
- (ii) The justifications for the long term lease arrangements proposed above are as follows –
1. There is significant precedent for parishes contributing to their ministry facilities, although the amount of contribution has been inconsistently applied. It is proposed that the final rental fee would be determined on a case by case basis taking into account the different circumstances, for example, where there is no existing congregation, versus a sizeable established congregation.
  2. One of the findings of the Oran Park fundraising feasibility study was that the potential financial support from across the Diocese toward the Oran Park project will be enhanced if there is a plan for the new congregation, in time, to also make a contribution, via the payment of the proposed rental fee. Such a fee will in turn be “recycled” by the MPC towards other greenfield projects.
  3. There are also the following inter-generational and cross-jurisdiction equity issues that arise – A new ministry centre is expected to remain in place for a significant period of time, through multiple generations, and provide the base facilities from which the parish will benefit over the longer term. The proposed funding of the construction of a new ministry centre development is sustainable “when it meets the needs of the present without compromising the ability of future generations to meet their own needs”. The MPC sees use of a long term lease as the most appropriate way to promote intergenerational equity between the current adult income earning generation and the future church members comprising the children, youth and new adult members that will benefit from use of the ministry centre.
  4. Gifting may create “laziness” or a lack of parish commitment/ownership in comparison to adjoining church plants that are required to financially contribute to the ownership or rental of facilities (such as a school halls etc). The MPC learnt this lesson in the distribution of the Brownfields grants, whereby there was a stark contrast in the commitment of parishes to deliver projects on time and on budget where no parish contribution had been made compared to those parishes that significantly contributed to the project.
  5. The lease fee is below that which the parish would otherwise pay in a school hall.
  6. Expressing the rent as a percentage allows affordable increases in the rental fee to be set as a proportion of parish net receipts over the longer term and ensures that the lease agreement calculation is kept simple.
  7. Church members will be aware from the outset of the vision to contribute to the broader Diocese by the rental fee being recycled to the next Diocesan greenfields project. The leadership of the church can plan budgets accordingly.
  8. The parish of Glenmore Park provides a helpful example of the growth cycle of a parish which has received grant funding. At its inception in 1986, grants from the original New Sites Advisory Committee, Vision 2001 and the parish of Penrith allowed a “Stage 1” 150 seat church complex to be constructed in 1996. The ministry has since grown and the \$2.3 million “Stage 2” 500 seat ministry centre (partly funded by Brownfields grant of \$0.9m) was completed in December 2011. Over the period 2000 to 2010, the net operating receipts increased by more than 500% from \$85,743 to \$532,608. In addition the parish raised an additional \$347,229 for its building fund and committed to a term debt facility of \$1.14 million.

9. The MPC considers that such an example demonstrates that while the majority of seed funding was required to come from the wider Diocese, there is a place for an ongoing payment to be made by the parish back towards the pool of MPC funds to continue supporting the Diocesan Mission in other greenfields areas. The objective is for the local parish, over time, to make a relatively small contribution to other greenfields church plants, in support of the wider Diocesan Mission.
- (e) Other funding options that were considered but not supported by the MPC were –
- (i) Borrowing – the greater flexibility offered by a long term lease is favoured over a parish loan. It was also the MPC's preference not to financially over burden a newly established and growing congregation with a long term debt.
  - (ii) Development of assets – in order to mitigate the development risk associated with such a strategy, the MPC has determined that it will not pursue a strategy which involves the acquisition of a parcel of land larger than that required for a ministry centre (with a view to subsequent redevelopment and sale to make a profit).

**Recommendation**

56. The MPC recommends that the Synod receive this report.

For and on behalf of the Mission Property Committee.

GEOFF KYNGDON

*Chair, Mission Property Committee*

21 August 2012

## Reforms to the Charities and Not-for-profits Sector

(A report from the Standing Committee.)

Contents	Item
Background	1
Overview of the Australian Charities and Not-for-profits Commission	7
Key changes to the ACNC legislation following consultation	36
Remaining concerns with the ACNC	38
Other NFP reforms	48
Impact of reforms on parishes	65
Recommendations	68
Annexure	

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### Background

1. Over the past few years there has been increasing momentum to reform the charities and not-for-profits (NFP) sector. Some of the major Government and Parliamentary inquiries which have contributed to this momentum are –

- Inquiry into the Definition of Charities and Related Organisations (2001)
- Inquiry into the disclosure regime for Charities and NFP organisations (Senate Standing Committee on Economics) (2008)
- Australia's Future Tax System (the Henry tax review) (2008)
- Study into the contribution of the NFP sector (Productivity Commission) (2009)
- Inquiry into the Tax Laws Amendment (Public Benefit Test) Bill 2010 (Senate Standing Committee on Economics) (2010)

2. In May 2011, the Federal Government announced its intention to pursue a number of wide-ranging reforms to the sector. The more significant of these include –

- (a) establishing a new national regulator for the sector, the Australian Charities and Not-For-Profit Commission (ACNC),
- (b) changing the “In Australia” test to tighten the requirements for charities obtaining and retaining tax exempt and deductible gift recipient status,
- (c) introducing a tax on the unrelated business income of charities (UBIT),
- (d) replacing the existing common law meaning of charity with a statutory definition of charity, and
- (e) introducing a national charitable fund raising framework.

3. Each of these reforms are significant in their own right. Taken together, they represent the most radical shake-up of the sector since Federation.

4. The Standing Committee has made 12 separate submissions in response to these reforms on behalf of the Diocese during the period December 2011 to September 2012. These are listed in the Annexure with copies available on the Secretariat's website [www.sds.asn.au](http://www.sds.asn.au). In addition to written submissions, the Diocese has been represented at multiple meetings with the Government, Treasury and others from NFP sector, and has worked with the General Synod office and representatives from the other major denominations in formulating responses to the reforms. In July 2012, the Diocesan Secretary gave evidence before the House of Representatives Standing Committee on Economics in relation to the establishment of the ACNC.

5. At the time of writing, none of these reforms had become law. Legislation to establish the ACNC and to change the “In Australia” test was introduced into Parliament on 23 August 2012. Although the Government intends that both these reforms will commence on 1 October 2012, the Federal Opposition has announced it will oppose both. Accordingly their commencement on 1 October may depend on the support of the Federal Greens.

6. The purpose of this report is to outline the key elements of these reforms as they currently stand, with a particular focus on the ACNC and the likely impact of the ACNC on parishes.

## Overview of the Australian Charities and Not-for-profits Commission

### *Objects of the legislation*

7. The bill for the *Australian Charities and Not-for-profits Commission Bill 2012* was introduced into the Commonwealth Parliament on 23 August 2012. Although this legislation establishes the ACNC, the objects of the legislation are more broadly –

- to maintain, protect and enhance public trust and confidence in the Australian NFP sector,
- to support and sustain a robust, vibrant, independent and innovative Australian NFP sector, and
- to promote the reduction of unnecessary regulatory obligations on the Australian NFP sector.

### *Registration of charities*

8. The central means by which the legislation seeks to achieve its objects is by providing for the registration of charities with the ACNC. An entity is entitled to be registered with the ACNC if the entity –

- is a charity,
- is not-for-profit,
- complies with prescribed governance and external conduct standards,
- has an ABN,
- is not determined under Australian law to be an entity which engages in or supports terrorist or criminal activities.

9. Unless an entity is registered with the ACNC, it will not be entitled to various tax concessions currently extended to charities, including income tax exemption.

10. A registered charity will also be able to register as one or more subtypes of charity. The subtypes broadly correspond to the four types of charity under the common law and some statutory extensions to the common law meaning. They are –

- (a) Entity with a purpose that is the relief of poverty, sickness or the needs of the aged.
- (b) Entity with a purpose that is the advancement of education.
- (c) Entity with a purpose that is the advancement of religion.
- (d) Entity with another purpose that is beneficial to the community.
- (e) Institution whose principal activity is to promote the prevention or the control of diseases in human beings.
- (f) Public benevolent institution.
- (g) Entity with a charitable purpose described in section 4 of the *Extension of Charitable Purpose Act 2004* (provision of child care services).

11. It is possible for an entity to register as more than one subtype of charity.

12. There are two reasons why registration as a subtype of charity will be significant for the purposes of the Diocese. Firstly, a charity which is registered as a “public benevolent institution” will be entitled to be endorsed by the Australian Tax Office (ATO) as a deductible gift recipient (DGR). Secondly, registration as a charity for the advancement of religion will be a precondition for being a “basic religious charity” (BRC). The significance of being a BRC is outlined below.

13. Entities which are currently endorsed by the ATO as Tax Concession Charities will be automatically registered with the ACNC as charities from the commencement of the legislation. However entities will not be automatically registered as a subtype of charity unless they are a health promotion charity or a public benevolent institution.

### *Basic religious charities*

14. A registered charity which is a BRC will not be required to comply with financial reporting and governance obligations under the ACNC legislation. This is a significant concession made by the Government in recognition of the particular characteristics of religious charities.

15. An entity which is registered as a charity for the advancement of religion and which is not entitled to be registered as any other subtype of charity is eligible to be a BRC. However a charity cannot be a BRC if it –

- (a) is a body corporate registered under the *Corporations Act 2001* or any Associations incorporation legislation of a State or Territory,
- (b) is part of a reporting group approved by the ACNC,

- (c) is endorsed as a DGR (unless the endorsement is for the operation of a DGR fund as part of the broader operations of the charity and the fund has annual revenue of less than \$250,000), and
- (d) receives any grant from the Commonwealth or a State or Territory (unless the total amount of grants is less than \$100,000 per annum in the current year and in both of the two previous financial years).

16. Given the importance of identifying at an early stage those charities which are BRCs, special transitional arrangements have been included in the legislation which enable existing charities for the advancement of religion to register as this subtype by notifying the ACNC of this fact within 12 month of the commencement of the legislation (rather than undergoing a full process of registering as this subtype).

#### *Reporting and notification obligations*

17. Each registered charity, including BRCs, will be required to submit an annual information statement to the ACNC which will include basic information about the charity. For most charities, the first annual information statement will be for the financial year 2012-2013 and due by 31 December 2013. The first annual information statement will not include any financial information about a charity, although subsequent annual information statements will include such information unless the entity is a BRC.

18. Registered charities with annual revenue greater than \$250,000 will also be required to submit financial statements to the ACNC. For most charities, the first financial statement will be for the financial year 2013-2014 and due by 31 December 2014. Financial statements will need to be reviewed by a qualified accountant unless the entity has annual revenue greater than \$1 million in which case the financial statements will need to be audited. There are some qualifications to these financial reporting obligations. The most important of these are –

- (a) BRCs will be exempt from the obligation to submit financial statements to the ACNC, and
- (b) If a charity is already required to submit financial statements to any Commonwealth agency, the ACNC will be able to treat these statements as satisfying the charity's reporting obligations to the ACNC during a 3 year transition period until 2014-2015.

19. In addition, it is understood that the Government has recently agreed to amendments which would require the ACNC to treat reports prepared for the Australian Curriculum, Assessment and Reporting Authority (ACARA) during the initial 3 year transition period as satisfying the charity's financial reporting obligations to the ACNC. If confirmed, these amendments should assist diocesan schools.

20. It will be possible to apply to the ACNC for a different reporting period. This will assist entities which currently have a reporting year ending 31 December, including parishes and most diocesan organisations. In this case, the first annual information statement would be for the 2013 calendar year and due by 30 June 2014. The first financial statement would be for the calendar year 2014 and due by 30 June 2015.

21. From the commencement of the legislation, registered charities will also be required to notify certain changes to the ACNC, including changes to their name, address, the persons who act as their "directors", their governing rules and whether there has been a significant contravention of the legislation which could lead to deregistration as a charity. Usually notification must occur within 28 days, except for small charities where notification will usually be permitted within 60 days.

#### *Governance and external conduct standards*

22. The legislation provides that registered charities will be required to comply with certain governance and external conduct standards as a condition for on-going registration with the ACNC.

23. The governance standards are intended to give the public trust and confidence that registered charities are managing their affairs openly, accountably and transparently, are using their resources effectively and efficiently, are minimising the risk of mismanagement and misappropriation and are pursuing their purposes.

24. Similarly, the external conduct standards are intended to give the public trust and confidence that funds sent outside Australia by registered charities are being used for a legitimate purpose and that registered charities are not engaging in or contributing to terrorist or criminal activities.

25. The governance and external conduct standards have not yet been determined. However the Government expects them to be in place by 1 July 2013 following further consultation with the sector about what standards would be appropriate.

26. At this stage the governance and external conduct standards will be made by regulation under the legislation rather than as part of the legislation itself.

27. Importantly, BRCs will not be required to comply with any governance standards but will be required to comply with any external conduct standards.

*Public information portal*

28. From 1 July 2013, it is intended that relevant information about all registered charities will be made available on a public information portal accessible from the ACNC's website.

29. In addition to basic information about a charity, the portal will include the annual information statements and financial statements submitted by the charity to the ACNC. The portal will also show any warnings, directions and other enforcement actions issued or taken by the ACNC in respect to a charity.

30. A charity can apply to the ACNC to have certain information excluded from the public information portal for various reasons including if the information is commercially sensitive.

*Responsible entities*

31. The responsible entities for a registered charity are in general those persons who act as its "directors". The responsible entities for a parish will be the members of the parish council. For diocesan organisations, the responsible entities will be the members of the governing council or board.

32. As the name suggests, responsible entities are responsible for ensuring that obligations under the legislation are met.

*Enforcement powers of ACNC and penalties for non-compliance*

33. It is intended that the ACNC adopt a "graduated" approach in regulating the sector. This means it will usually seek to work co-operatively with charities to ensure they meet their obligations before exercising any formal powers under the legislation.

34. If the formal exercise of powers is necessary, the ACNC has the option of issuing warnings and directions, seeking enforceable undertakings, obtaining injunctions and, except in the case of BRCs, suspending or removing responsible entities. De-registration of a charity is intended to be used as a last resort.

35. Non-compliance with an obligation under the legislation may attract an administrative penalty. The only criminal offence under the legislation is failing to comply with a direction of the ACNC.

**Key changes to the ACNC legislation following consultation**

36. The form of ACNC legislation introduced into Parliament on 23 August 2012 was substantially revised from previous drafts circulated for consultation over recent months. As a consequence of the consultation process, the Government has agreed to a significant number of changes to the legislation to deal with concerns with the legislation raised on behalf of the Diocese and others. The most significant changes were –

- Including as a specific object of the legislation "promoting the reduction of unnecessary regulatory obligations for the sector".
- Deferring the implementation of the financial reporting and governance obligations under the legislation until 1 July 2013.
- Permitting the ACNC to accept financial reports already provided by registered charities to Commonwealth agencies in satisfaction of their reporting obligations under the legislation during a 3 year transitional period until the 2014-2015 financial year.
- Extending to 6 months the timeframe within which annual information statements and financial reports must be provided to the ACNC following the end of the relevant accounting period.
- Providing for "Basic Religious Charities" which are exempt from financial reporting and governance obligations under the legislation.
- Allowing BRCs to receive up to \$100,000 in Government grants per financial year without losing their exempt status as a BRC (and disregarding Government grants received by BRCs before 1 July 2013 for this purpose).
- Extending from 28 to 60 days the period in which small charities need to notify the ACNC of errors in their financial reports or annual information statements.
- Allowing closely related registered charities to report and provide annual information statements to the ACNC on a group basis.

- Limiting the persons who are the “directors” (ie. responsible entities) of registered charities by excluding “shadow director” provisions similar to those which currently appear in the *Corporations Act 2001*.
- Enabling existing charities which do not wish to be registered with the ACNC to opt out from registration within 6 months of the commencement of the Act.

37. Following its introduction into the Parliament, the ACNC legislation was referred to two further Parliamentary committees for review. Following this committee process, it is understood that the Government has agreed to move a number of further amendments to the legislation which would –

- Permit BRCs to operate a DGR fund as part of its structure without losing its exempt status as a BRC provided the annual revenue of the fund is less than \$250,000.
- Require the ACNC to accept reports prepared for the Australian Curriculum, Assessment and Reporting Authority (ACARA) in satisfaction of a charity’s financial reporting obligations during a 3 year transitional period until the 2014-2015 financial year.
- Provide that the Minister must be satisfied that those affected by new or changed governance and external conduct standards have been appropriately consulted.
- Permit an entity which has power to amend the governing rules of another entity, to make notifications and applications to the ACNC as an agent on behalf of the other entity insofar as the notifications and applications relate to the governing rules.
- Require the financial thresholds used to establish financial reporting and other obligations for small, medium and large charities to be reviewed as part of a general review of the legislation in 5 years.

### **Remaining concerns with the ACNC**

#### *Appropriate scope of a NFP regulator*

38. While the Standing Committee has consistently expressed support for the establishment of a national regulator for the NFP sector, it considers that the ACNC legislation introduced into Parliament remains, in places, more far-reaching than is necessary. In other places, the legislation risks not delivering on genuinely needed reforms. Others in the sector share these concerns.

39. In its initial submission to Treasury in February 2011 in response to the *Scoping Study for a National Not-for-profit Regulator*, the Standing Committee provided the following caution –

“The Government must commit to a clearly identified program of harmonisation and simplification of the regulatory environment in which the sector operates and ensure that this is effectively implemented by Commonwealth agencies which interact with the sector. Corresponding commitments to reform also need to be obtained from State governments. Unless a high level of commitment to a clearly defined program of broader reform is achieved, we consider that the Government would be ill-advised to proceed down the path of establishing a NFP regulator. To do so would involve costs to both the Government and the sector not justified by any marginal benefits that might be achieved in an environment devoid of broader reform.”

40. The Standing Committee also made the following comments in respect of the scope of a NFP regulator –

“Many of the activities typically undertaken by the sector, such as health-care, aged-care, welfare, education and fundraising, are already subject to a high degree of Government regulation which, in many cases, applies to government and for-profit entities undertaking the same activities. This is because such activities give rise to a level of risk to the community which already justifies a high level of regulation by relevant Government departments and agencies. Given the expertise which has been developed to manage risks associated with these activities, it is unlikely that Government departments and agencies with existing regulatory responsibilities will relinquish this role in favour of a NFP regulator. Indeed it is probably inadvisable that they do so.”

41. The Standing Committee concluded by suggesting that the gaps which remain for a NFP regulator to provide meaningful oversight for the sector would not be significant.

#### *Public trust and confidence*

42. The first draft of the ACNC legislation released for comment in December 2011 proposed a much more extensive regulatory framework than the Standing Committee envisaged was necessary. Many of the functions and powers of the new regulator were justified, it seemed, by the proposed object of the draft Bill, namely “to promote public trust and confidence in not-for-profit entities that provide a public

benefit". Many in the sector, including the Standing Committee strongly objected to an object in these terms, principally on the basis that public trust and confidence in the Australian NFP sector was not a matter of particular concern, significant breaches of public trust and confidence had not been demonstrated and, therefore, public trust and confidence should not be used as a primary driver for formulating the functions and powers of the ACNC.

43. The subsequent recasting of the public trust and confidence object "to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector" (in the second Exposure Draft) and the inclusion of a further object in the Act "to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector" (in the form of legislation introduced into Parliament) were both helpful changes. However the Standing Committee believes that the initial and, to some extent, continuing focus on public trust and confidence has led to legislation which, in places, remains over-engineered.

44. While there remain various issues of concern in respect of the legislation, for example the extensive enforcement powers of the ACNC, its independence from the ATO and the capacity of small charities such as parishes to comply with their reporting and notification obligations (even though reduced), there remains two fundamental concerns with the legislation.

#### *Reduction of red-tape*

45. The first fundamental concern is whether the legislation will in reality reduce compliance costs and red tape for the charities and not-for-profits sector. Of particular concern is whether a "report once use often" framework, which is particularly important for those charities which interact regularly with Government for funding will be effectively implemented. At present there is no certainty that the States and even all Commonwealth Government agencies will agree to a streamlined reporting framework through the ACNC. If this fails to be achieved, a fundamental rationale for establishing the ACNC will be missing.

#### *Generic governance standards for the sector*

46. Secondly, the Government still appears to be persisting with the development of generic governance standards for the sector. The deferral of the governance obligations until 1 July 2013 and the inclusion of the BRC category (providing an exemption from governance standards) were both welcome developments. However the intention to implement generic governance standards across the sector generally from 1 July 2013 through regulations made under the legislation (as opposed to in the principal legislation itself) risks the imposition of additional and, arguably, unwarranted costs on the sector.

#### *Further action*

47. The Standing Committee will continue to monitor matters of on-going concern and take whatever opportunities it can to encourage the Government to deal with them in a manner which adds genuine value to the sector and the broader community.

### **Other NFP reforms**

#### *Changes to the "In Australia" test*

48. In July 2011, the Treasury issued an exposure draft of legislation to give effect to changes to the "in Australia" requirements for entities to obtain and retain income tax exempt and gift deductible status. In short, the exposure draft proposed a significant tightening of the rules for these purposes.

49. The core requirement of the proposed 'In Australia' test is that an entity which is exempt from income tax must operate principally in Australia and pursue its purposes in Australia. This is wider than the present test which is focussed on where an entity expends its resources.

50. In its submission made in August 2011, the Standing Committee expressed support for the policy considerations which underlay the proposal but expressed concern that the proposed means for achieving these policy outcomes (ie. through tax law) are not appropriate and will result in bona fide Australian organisations losing their income tax exempt and DGR status. In particular, deep concern was expressed about the possibility of Australian resident overseas mission organisations such as Church Missionary Society (CMS) losing their income tax exempt status. Presently there is a specific regulation that exempts from the 'In Australia' test, overseas mission organisations, such as CMS, that are members of Missions Interlink.

51. In response to these submissions the Government took the usual step of acknowledging that there were many unworkable elements in the initial form of exposure draft.

52. The further exposure draft has addressed most of the concerns which have been raised, including the concern in relation to mission organisations such as CMS by preserving the exemption for members of Missions Interlink via a transitional provision.

*Unrelated business income tax*

53. In May 2011, the Treasury issued a Consultation Paper entitled *Better targeting of Not-For-Profit tax concessions*. The Consultation Paper proposed the removal of tax concession status in respect of income generated from unrelated business activities of charities and other NFP entities which is retained in the business and not directed towards their “altruistic purposes”. The proposed changes also extend to the removal of FBT and GST concessions and DGR support from such unrelated business activities.

54. In July 2011, the Standing Committee made a submission in response to the Consultation Paper. The principal concern expressed in the submission was that, as proposed, the costs to Government and the sector in imposing, complying with, and regulating this reform will outweigh the benefits of the reform. It was submitted that any review of the tax concessions provided to charities must be conducted in the context of the broader reform process and, in particular, after the ACNC has been established and given an opportunity to source appropriate data to correctly characterise and quantify the extent of the potential abuses that the reform seeks to address.

55. It is understood that similar submissions were made by a significant number of other charities and NFP organisations.

56. To date there has been little indication as to the approach the Government intends to take in this matter in response to the concerns expressed by the sector. In particular, an Exposure Draft of legislation has not yet been released for public comment.

*Statutory definition of charity*

57. In October 2011, the Treasury issued a Consultation Paper entitled *A Definition of Charity*. The purpose of the Consultation Paper was to seek public comment about replacing the current 400 year old common law meaning of charity with a statutory definition of charity. The reason given for pursuing a statutory definition of charity was to provide certainty and consistency on the meaning of charity in an area of law which can often be confusing and unclear. Initial expectations were that any statutory definition of charity would be finalised by the end of 2012 and would come into effect on 1 July 2013. However this timeframe now appears unlikely.

58. In its submission made in December 2011, the Standing Committee noted the genuine anxiety within the sector over any proposal to replace the common law meaning of charity with a statutory definition. In particular the submission strongly supported the retention of the “public benefit presumption” which currently applies to charities for the relief of poverty, the advancement of education and the advancement of religion. It was suggested that any removal of the public benefit presumption would give rise to a significant and unjustifiable administrative burden on the sector and would also sit at odds with Australia’s international human rights obligations concerning religious freedom.

59. Although an Exposure Draft for a statutory definition of charity has not yet been released for public comment, it is understood that the Government does not intend changing the public benefit presumption under any statutory definition of charity.

*Charitable fundraising reform*

60. In February 2012, Treasury released a Discussion Paper on reform of charitable fundraising regulation.

61. The primary matter raised in the Discussion Paper is the introduction of a uniform set of rules for charitable fundraising across Australia. The reform is being sought particularly by those charities which engage in public fundraising across multiple jurisdictions.

62. While the existing rules for charitable fundraising currently vary from State to State, in NSW, for example, there is a complete exemption from fundraising provisions of the Act for religious bodies or religious organisations which have been proclaimed under the Marriage Act 1961. In the event that uniform fundraising rules are introduced, it is possible that the current exemption enjoyed by religious bodies and organisations in NSW will not be retained.

63. One issue that will need to be considered is the extent to which public fundraising in the form of offertories in churches will be regulated under the new rules. The Discussion Paper indicates that it may be unnecessary to regulate offertories from members of a church. However the implication that offertories from non-members should be regulated raises obvious and considerable practical difficulties in view of the public nature of our services.

64. An Exposure Draft for a national charitable fundraising framework has not yet been released for public comment.

### Impact of reforms on parishes

65. Until the reforms outlined above become law, it is difficult to assess the extent of their impact on diocesan bodies, including parishes.

66. However the transitional and on-going obligations that will need to be addressed by parishes under the ACNC legislation are likely to include –

- notifying the ACNC of parishes as religious charities within 12 months of the legislation commencing with a view to all parishes being treated as exempt BRCs,
- lodging an application for an alternative accounting period for parishes ending 31 December,
- ensuring that each parish is structured and undertakes its activities in a way which means it is and remains an exempt BRC, including reviewing the ABNs used by the parish to undertake its activities and ensuring the parish operates within the limits set for Government grants and DGR fund revenue,
- ensuring that parishes meet ongoing compliance obligations, including the preparation and lodgement of annual information statements and the notification to the ACNC of various matters, including changes in the membership of parish councils.

67. The Standing Committee is considering a proposal to enable the Secretariat to provide parishes with support to meet these obligations.

### Recommendations

68. The Standing Committee recommends that the Synod receive this report and has requested that the following motion be moved at the Synod –

“Synod, noting the report about the reforms to the charities and not-for-profits sector, encourages –

- (a) all parishes and other diocesan bodies to ensure they understand and comply with their obligations under the Australian Charities and Not-for-profits Commission legislation, and
- (b) the Standing Committee to continue making representations to the Government about achieving reforms which add genuine value to both the sector and the broader community.”

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

17 September 2012

**Submissions made by the Standing Committee between December 2011 and September 2012 concerning reforms to the charities and not-for-profits sector**

- Submission to Treasury regarding *A Definition of Charity* – Consultation Paper (December 2011)
- Submission to Treasury regarding *The Exposure Draft for the Australian Charities and Not-for-profits Commission Bill 2012* (January 2012)
- Submission to Treasury regarding *Review of Not-for-profit Governance Arrangements* – Consultation Paper December 2011 (January 2012)
- Submission to the Australian Charities and Not-for-profits Commission Taskforce regarding the *Australian Charities and Not-for-profits Commission: Implementation Design – Discussion Paper* (February 2012)
- Submission to the Treasury regarding *Charitable Fundraising Reform – Discussion Paper and Draft Regulatory Tax Statement* (April 2012)
- Submission to the Treasury regarding the Exposure Draft for the *Tax Laws Amendment (2012 Measures No. 4) Bill 2012: Tax Exempt Body “In Australia” Requirements* (May 2012)
- Submission to the House of Representatives Standing Committee on Economics – Inquiry into the *Exposure Draft Australian Charities and Not-for-profits Commission Bill* (July 2012)
- Supplementary submission to the House of Representatives Standing Committee on Economics – Inquiry into the *Exposure Draft Australian Charities and Not-for-profits Commission Bill* (August 2012)
- Submission to the Senate Community Affairs Legislation Committee regarding the *Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012* (August 2012)
- Submission to the Parliamentary Joint Committee on Corporations and Financial Services regarding the *Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012* (August 2012)
- Submission to the Senate Community Affairs Legislation Committee concerning the *Australian Charities and Not-for-profits Commission Bill 2012* and the *Australian Charities and Not-for-profits Commission(Consequential and Transitional) Bill 2012* (August 2012)
- Submission to the Parliamentary Joint Committee on Corporations and Financial Services regarding the *Australian Charities and Not-for-profits Commission Bill 2012* and the *Australian Charities and Not-for-profits Commission(Consequential and Transitional) Bill 2012* (August 2012)

## Safe Ministry Board and Professional Standards Unit Annual Report 2011-2012

(A report from the Safe Ministry Board and Professional Standards Unit)

### Introduction

1. This report is provided under the *Safe Ministry Ordinance 2001 (cl 17)* and the *Discipline Ordinance 2006 (cl 104)* for the period 1 July 2011 to 30 June 2012 (reporting period).
2. The Diocese of Sydney has taken a multi-faceted approach to the issue of safe ministry and child protection. Broadly speaking the policy objectives are –
  - (a) to exercise careful selection and screening of all clergy and church workers;
  - (b) to provide clear requirements and expectations of behaviour through a Code of Conduct called *Faithfulness in Service*;
  - (c) to provide regular and comprehensive training and support of all clergy and church workers;
  - (d) to make a timely and caring response to all who are affected by abuse; and
  - (e) to enact just procedures to deal with respondents and persons of risk.

### Safe Ministry Board

3. The Safe Ministry Board (SMB) was established under the *Safe Ministry Ordinance 2001*. The SMB is tasked with ensuring that safe ministry, child protection and child abuse issues are properly dealt with throughout the Diocese. This includes development and review of practices and policies in these areas. The functions of the Board are defined in clauses 5 and 6 of the Ordinance.
4. The members of the Safe Ministry Board (SMB) over the reporting period were: the Rev Dr Keith Condie (Chair), Mrs Sarah Clancy, Ms Stephanie Cole, the Rev Patrick Collins (resigned November 2011), the Rev Steven Layson, the Rev Chris Moroney, Deaconess Pattie Mutton, the Rev Janine Steele, Dr Ruth Shatford AM, Mrs Kylie Williams, the Rev David Mears, the Rev Brian Heath, Dr Tim Channon.
5. The SMB has met 10 times in the reporting period.
6. SMB Chairman the Rev Dr Keith Condie is currently overseas and the Rev Christopher Moroney is Acting Chairman in his absence.

### Professional Standards Unit

7. There have been significant changes to the PSU team over the reporting period. Glenn Murray, the former Director Professional Standards, finished in the role in August 2011. Miriam Stevenson, who served for over 18 months within PSU as the Pastoral Case Manager for Anglicare Care Leavers cases finished in the role in June 2012. Jenni Woodhouse, who has been the Unit's Chaplain to victims of abuse for over 9 years also finished in the role in June 2012.
8. Annelie Singh continues to serve as Personal Assistant and the Unit's Administrator. Lachlan Bryant, the new Director, commenced in the role in January 2012.
9. The PSU Chaplain's role will be advertised and for the purposes of recruitment has been re-named "Case Manager, Pastoral Care & Support." The Pastoral Case Manager for the Anglicare Care Leavers position has been relocated to Anglicare's Parramatta offices. The position is also being advertised. At the time of writing both positions remain vacant.
10. In practice much of the work of the PSU derives from the Safe Ministry Board, which has the overall responsibility to encourage all parishes and other units of the Diocese to be child protection aware, compliant and responsive.
11. The Director has overall responsibility for the PSU and is responsible for the day-to-day administration of the complaints and discipline procedure for clergy and church workers (*Discipline Ordinance 2006*) and the National Register (*National Register Canon 2007 Adopting Ordinance 2008*).
12. The Chaplain follows up and provides a caring response to complainants and victims of alleged abuse by a member of clergy or church worker. The Chaplain also provides pastoral support and coordinates the provision of counselling for them as required. The Chaplain works closely with the PSU Contact Persons.
13. The PSU undertakes screening of all clergy appointments on behalf of the Archbishop. The screening includes a working with children check through the NSW Commission for Children and Young People and a National Register check. The PSU provides ongoing support and advice to office holders, parishes and organisations in this regard.

14. Anglicare's Pastoral Case Manager for Care Leavers provides a pastoral and caring response to former residents of the Church of England Homes who have complained of abuse or mistreatment during their time at the Homes. The last of the Homes closed in the 1980s. Since the position was first created in 2009, over 25 matters have now been resolved in some way.

#### **Website**

15. The safe ministry website [www.psu.anglican.asn.au](http://www.psu.anglican.asn.au) provides access to all current policies and documents related to safe ministry, child protection and professional standards. The website provides links to other important online resources such as the NSW Commission for Children and Young Persons Working with Children Check, the NSW Department of Family and Community Services webpage, counseling services, contact information for other dioceses and other denominations.

#### **Archbishop's Meetings with Victims**

16. Throughout the reporting period the Archbishop has continued to make himself available to listen to complainants and relate to them pastorally. This usually includes the making of an appropriate apology on behalf of the Church.

17. These meetings are of immense value in almost all cases and victims are appreciative of the effort taken by the Archbishop and the PSU Chaplain to arrange them.

#### **Screening of Lay Workers**

18. Parishes are required to obtain prohibited employment declarations for all child-related workers (including unpaid volunteers) and to undertake working with children screening checks for those in paid positions. It is recommended that parishes also seek full disclosure of any relevant history and to fully complete reference checks with prior supervisors or employers.

19. Prohibited persons under the NSW state legislation (those convicted of serious sexual offences) cannot be appointed or elected as wardens, parish councilors or parish nominators.

#### **Screening of Ministry/Ordination Candidates, Clergy and Paid Lay Ministers**

20. All candidates for ordination by the Archbishop continue to be required to complete a comprehensive screening and disclosure questionnaire. This is administered by Ministry Training and Development (MT&D).

21. Ordination/ministry candidates also continue to undergo extensive assessment and screening by way of reference-checking, general psychological testing, interviews, chaplaincy supervision reports and college reports. A PSU record check and National Register check are also undertaken. The *Discipline Ordinance 2006* provides a mechanism for pre-ordination disclosure and consideration of prior sexual misconduct or abuse.

#### **Training of Volunteer Lay Children's and Youth Workers – Safe Ministry Essentials**

22. The Diocese is a member of the National Council of Churches' Safe Church Training Agreement. There are currently 38 independent churches and other dioceses who are members of the Safe Church Training Agreement across Australia.

23. This *Safe Ministry Essentials* course remains the mandated safe ministry training for the Diocese. Recently, some gaps have been identified in the content and coverage of the course and this is currently being reviewed.

24. Youthworks continues to update the *Safe Ministry Essentials* course materials and facilitates the delivery of the training across the Diocese. The SMB and PSU are thankful to Youthworks for their efforts in this.

#### **Training of Ministry/Ordination Candidates and Clergy**

25. Safe Ministry Modules have been developed and are being taught through Moore College, Ministry Training and Development, and Youthworks College as part of their courses and programs.

26. Completion of all outstanding modules is expected over the next few months. Commencing in 2013 it is expected that all Safe Ministry Modules will begin to be used in safe ministry training for clergy and church workers.

27. Our triennial *Safe Ministry* training for clergy known widely as "Faithfulness in Service Seminars" were presented during September 2011. The subjects covered were the Diocesan Grievance Policy presented by the Rev Chris Moroney, 'Legal Implications of Being Sued' presented by William Wade (Lawyer) (with the Rev Dominic Steele) and 'Healthy Sexuality' presented by Dr Patricia Weerakoon (with the Rev Kamal Weerakoon).

28. Seven seminars were held at different locations with attendance as shown in the following table:

05/09/2011	Christ Church, St Ives	159
07/09/2011	All Saints', Figtree	159
08/09/2011	Moore Theological College	71
09/09/2011	Christ Church, Mortdale	123
13/09/2011	St Stephen's, Kellyville	179
14/09/2011	St Anne's, Ryde	93
15/09/2011	Village Church, Annandale	95
Total		879

29. A video recording of the seminars on DVD has been requested by 70 persons who did not attend the seminars.

### Safe Ministry Representatives

30. The role of Safe Ministry Representatives ("SMR") in parishes continues to be pivotal in ensuring parishes comply with safe ministry requirements. The PSU issues a Safe Ministry folder to each SMR and each Minister in charge. The PSU provides support and assistance to SMRs by telephone and email. There continues to be a significant level of direct enquiry from parishes and support given to them.

31. Since it became mandatory for each parish to nominate a SMR in 2008, a total of 189 parishes (out of 267) have nominated a SMR to the Registry.

32. It is disconcerting that 78 parishes have not nominated a SMR since 2008.

33. Further, it is noted that some parishes continue to nominate a person who is on staff at the parish for this role. This would not seem appropriate as it may hinder a parishioner speaking to the SMR about concerns regarding a staff member. As many of the complaints made to the PSU are about ministers sexualising a pastoral relationship (see figures at paragraph 62 below) the SMR should be a person not on staff and ideally should not be related to staff.

### Safe Ministry Guidelines and Other Advice

34. The PSU continues to provide telephone and face-to-face assistance to clergy and church workers in parishes on child protection issues and safe ministry issues. Such calls or emails are received on a daily basis and average about four inquiries per week.

### Care of Victims and Complainants

35. It is the role of the PSU Chaplain to care for complainants and victims of abuse by clergy and church workers. The complaints process can be long and difficult for victims and the Chaplain provides pastoral care and support to them throughout. This important role supplements counselling and other emergency assistance which are provided to victims from PSU funds. A caring response is the first important step along the road of healing for victims and survivors of abuse.

### Pastoral Care and Assistance Scheme

36. The Diocesan Pastoral Care and Assistance Scheme has been established to provide financial assistance to victims to meet their needs which arise from clergy or church worker abuse or misconduct. The Scheme is an alternative to litigation which can be a protracted and harrowing process for victims. The Scheme includes a mechanism for external assessment if necessary. This covers the uninsured aspect of claims.

37. Currently there are two identical schemes, one for matters that fall within the Diocesan responsibility and one for Care Leavers matters that are Anglicare's responsibility.

38. Between 1 July 2011 and 30 June 2012 there have been five payments under the Diocesan scheme, and nine payments were funded under the Anglicare scheme.

### Abuse and Sexual Misconduct Complaints Protocol

39. Since 1996 the Diocese has used an established protocol for receiving complaints and allegations of child abuse or sexual misconduct by clergy or church workers. Four independent Contact Persons, all trained counsellors, may be contacted through an abuse report line (**1800 774 945** or [reportabuse@sydney.anglican.asn.au](mailto:reportabuse@sydney.anglican.asn.au)). The Contact Persons provide information and support to callers as they consider their options. The Contact Persons can then assist in the documenting and reporting of allegations or complaints of abuse or misconduct.

40. Any complainant identifying possible criminal behaviour is encouraged to make a report to NSW Police. The Contact Person or another appropriate person from the PSU is able to assist the person in reporting the matter to Police.

41. The Contact Persons meet four times a year with the Director and Chaplain for training and coordination of their roles.

### **Discipline Ordinance**

42. The process for complaints regarding misconduct or child abuse by clergy or church workers is governed by the *Discipline Ordinance 2006*. The specific offences covered in the Ordinance are: child abuse, sexual abuse, unchastity, drunkenness, neglect of ministerial duty, non-payment of just debts, disgraceful conduct, conviction of a serious criminal offence and failure to report suspected child abuse.

43. Where a complaint is received by the PSU that includes an allegation of criminal behaviour a report is made to NSW Police if the complainant is not able to make that report.

44. Complaints are reduced to writing and put to the respondent (the person who is the subject of the complaint). If the respondent denies the complaint or does not admit to the substance of the complaint, the matter is investigated under the direction of the Director of the PSU. The complaint, investigation report and responses are then presented to the Professional Standards Committee for review. Where necessary, the complaint may be referred to a Tribunal and recommendations made to the Archbishop for action. For laypersons, the strongest sanction available is a prohibition order that prevents a respondent from engaging in ministry or being appointed to any role in the church. A member of the clergy may be deposed from Holy Orders. There are also conciliation provisions and lesser sanctions and other actions available in appropriate circumstances. The Archbishop considers the final recommendations and takes action as may be required. The Archbishop is entitled to enquire as to progress of matters and the Director is obliged to keep him informed.

### **Complaints**

45. The Director received 7 new complaints under the Discipline Ordinance during the reporting period.

46. The Professional Standards Committee met four times and considered 10 matters in the reporting period.

47. One Tribunal matter was finalised in the reporting period and there were no new matters referred to it.

### **Panel of Support Persons for Respondents**

48. The concept behind this Panel is the concern for respondents to be pastorally cared for and looked after while they are going through the Discipline Ordinance process. The Panel is specifically for cases where a complaint is received concerning clergy or licensed/paid lay respondents.

49. A Panel of persons suitable for this task from each region who can be called upon to support a respondent for the duration of the matter is being set up. The SMB has recently approved detailed plans for the establishment, maintenance and operation of a Panel of such persons. It is expected that the Panel will be set up and fully operational by the end of the year.

50. The Director of the PSU, in consultation with the Episcopal Team is preparing a document setting out the principles for support of lay and unpaid respondents, as the Panel would not ordinarily be utilised in those cases.

### **Panel of Lawyers for Respondents**

51. After a respondent has been served with a complaint under the *Discipline Ordinance 2006*, they may choose to seek legal advice concerning the matter. Legal costs can be reimbursed up to a pre-approved amount. A Panel is being set up to recognise legal practitioners who are able to assist respondents in these matters. Legal Practitioners will be required to agree to a set of practice standards in order to be part of the Panel.

52. The SMB is currently waiting for final plans for this Panel to be submitted for its review and approval. The plans are expected to be finalised within the next quarter. This would allow for the Panel to be set up and fully operational by the end of the year.

### **The Professional Standards Committee**

53. There are seven members of the Committee. Under the provisions of the *Discipline Ordinance 2006*, the Committee's function is to consider complaints matters and make recommendations to the Archbishop concerning these matters.

54. This Committee meets as required and is currently meeting every second month.

### **Parish Recovery Teams**

55. Parish Recovery Teams (PRTs) are generally available to assist parishes where allegations of abuse or misconduct by clergy or church workers have arisen. A PRT works in a parish to deal with the

complex pastoral issues that arise once these matters come to light. PRTs aid those members of the parish who are affected and work towards the healing of the parish as a whole.

56. Initially, starting in 2007 a group of nine volunteers for our PRTs was trained by Pastor Tim Dyer of John Mark Ministries. In 2010 a new team of nine volunteers began their training in conjunction with seven of the existing volunteers and this was completed in May 2012.

57. In the reporting period, 3 PRTs have been deployed on new matters.

#### **Cooperation with NSW Government Agencies and Other Churches**

58. The NSW Police Child Protection and Joint Investigation Squad Advisory Council meets together quarterly and the Director of the PSU continues to be a member of the Council.

59. The Diocese continues to work together with other denominations in areas of safe ministry. One example of this collaborative approach is the National Council of Churches *Safe Churches* Sydney group. This group ordinarily meets quarterly to focus on developing initiatives for churches in the area of child protection.

60. The National Network of Directors of Professional Standards from Anglican Dioceses across Australia meets together each quarter. The Director of the PSU continues to be an active member of the Network. The Network meetings are crucial for continuing cooperation and communication between Professional Standards Directors across the nation. The value of the Network is the depth of experience in matters of professional standards and child protection it has as a whole. This also means the Network is well positioned to make an important contribution to improvements in these areas.

#### **The PSU Chaplain from 1 February 2003 to 29 June 2012**

61. Jenni Woodhouse finished as PSU Chaplain on 29 June 2012 after over 9 years of service in a very challenging role.

62. During that time –

- The PSU has been in contact with 226 out of our 267 parishes. Some of the outcomes of those contacts have been advice over the phone, many have involved ongoing advice with issues in the parish, and 64 parishes have been dealing with significant issues with a high level of PSU involvement.
- Jenni supported about 270 victims and secondary victims of child abuse and sexual misconduct in the Anglican Diocese of Sydney, Grafton, Armidale and Bathurst. Approximately 125 of these people are, or have claimed to be, direct victims.
- The PSU has dealt with 38 complaints against 24 ministers accused of sexual misconduct in cases involving adult victims. Of these complaints 35 were from women and 3 were from men.
- The PSU has dealt with complaints against 6 ministers accused of child sexual assault. Of these complaints 3 concerned male victims and 3 concerned female victims.
- The PSU has dealt with complaints against 37 lay leaders accused of child sexual assault. Of these complaints 24 concerned male victims and 13 concerned female victims. In the cases concerning male victims 37 men made complaints and in 2 cases the parents of the child came forward. In the cases concerning female victims 16 women made complaints.
- Jenni has supported people, both the complainant and others affected, through 10 Tribunals (including one in Grafton, one in Brisbane and one in Bathurst) and through 4 criminal court cases.
- The Archbishop has met with 25 direct victims of abuse and 31 secondary victims and apologised to them all. Some of these people he has also met with for a second time.
- Since the Pastoral Care & Assistance Scheme commenced in 2005 Jenni has assisted 60 people through the Scheme.
- The Parish Recovery Teams have been involved in 11 parishes since beginning their training in 2007.

63. The figures above do not include complaints from former residents of the Church of England Homes.

64. Jenni has made a tremendous contribution by supporting victims of abuse and promoting safe ministry in the Diocese of Sydney and beyond.

**Finance**

65. The only source of PSU funding for 2011-2012 is from Parish Cost Recovery payments. In the years prior to 2012, funding has been received from 2 sources: Synod allocations and PCR payments.

66. Funding provided to the PSU for 2011-2012 was reduced by almost \$100,000 from the previous year. It is also noted that in December 2011, \$200,000 was withdrawn from PSU funds by ordinance and returned to Synod funds. As a result the PSU now has very limited funds and no reserves.

67. With this reduced funding, the PSU budget for 2012 anticipates a slight deficit.

68. In the coming years it is crucial for the PSU to be adequately funded and resourced in order for the Unit to do its work properly and effectively.

69. The SMB receives accounting reports on a monthly basis. PSU accounts are reported in the Synod Funds reports provided to members of Synod.

**Conclusion**

70. It has been a time of significant internal changes for the PSU across the reporting period. With the support of the SMB, and by God's grace, the PSU continues its important work in the Diocese. Acknowledgement is due for the contribution of Jenni Woodhouse as PSU Chaplain since early 2003 and for the many volunteers serving on our Safe Ministry Board, Parish Recovery Teams, Professional Standards Committee and Tribunals.

For and on behalf of the Safe Ministry Board and Professional Standards Unit.

THE REV CHRIS MORONEY  
*Acting Chair*  
*Safe Ministry Board*  
6 July 2012

LACHLAN BRYANT  
*Director*  
*Professional Standards Unit*  
6 July 2012

## Review of the School Chapels and Chaplains Ordinance 1975

(A report from a committee appointed by the Standing Committee.)

### Introduction

1. At its meeting on 28 September 2009 the Standing Committee deferred consideration of a motion to declare Nowra Anglican College to be extra-parochial until a review of the School Chapels and Chaplains Ordinance 1975 had been undertaken.
2. At its meeting on 9 November 2009 the Standing Committee appointed a committee to review the Ordinance and report back with its recommendations. The Committee comprised Mr Tony Willis, Dr Bryan Cowling, Mrs Nicky Fortescue, Dr Laurie Scandrett, Mr Milton Cujes, the Rev Garry Lee-Lindsay and Mr Geoff Kyngdon. Mrs Fortescue has subsequently resigned as a member of the Committee.
3. By resolution 43/09, the Synod, in the context of consideration of the extra-parochial status of Nowra Anglican College, requested the Standing Committee to expedite its review of the Ordinance with a view to strengthening relationships between Anglican schools and parishes and to make the decision about the extra-parochial status of Nowra Anglican College in the light of that review.
4. At its meeting on 15 February 2010 the Standing Committee declared Nowra Anglican College to be extra-parochial, taking some urgency out of the need to expedite the review of the Ordinance.
5. This report is divided into two parts. Part A which deals with the question of declaring Anglican Schools to be extra-parochial, and Part B which deals with the appointment, responsibilities, qualifications and dismissal of Chaplains and other related matters.
6. This report does not consider the provisions of the Ordinance concerning chapels.

### Use of terminology

7. For the purposes of this report, unless the context suggests otherwise, the term –
  - “Diocesan Anglican School” or “Diocesan School” means schools constituted by or under ordinance of the Synod or schools in relation to which the Synod has power to make ordinances, and
  - “Ordinance” means the School Chapels and Chaplains Ordinance 1975.

## PART A – EXTRA-PAROCIALISM

### The Parish System

8. The parish is the core unit of ministry in our Diocese. Under the parish system the Diocese is divided into geographical areas and a Senior Minister is appointed to have responsibility for Anglican ministry within each parish. This responsibility is not limited to households and includes all organisations and businesses that happen to be located in the area of the parish, be they schools, hospitals, nursing homes, universities and so forth.
9. This system has arguably served the Anglican Church well for hundreds of years. The division of the geographical area of the Diocese into parishes has ensured a Senior Minister and a church (or churches) are responsible for all areas of the Diocese.
10. The passage of time has not altered the need for parishes. However parish boundaries are arguably less meaningful than they used to be given advances in communications and transportation. Our age is now highly mobile. Few, if any, inner-urban parishes attract just those living within their identified boundaries. Suburban and rural areas are a little different, but even here people are willing to drive to a church of their choice if it is within a reasonable distance from their home.
11. The Committee does not consider that this is an argument against the parish system per se but it is necessary to reflect on whether a concept of ministry partnership<sup>1</sup> is needed to appropriately cater for ministry in large centres of the community such as, in this case, Diocesan Anglican Schools.

### The status of Anglican Schools within the Parish System

12. When parishes established schools, mainly in the 19th century, the schools naturally related to the parish of origin. Parishes such as Narellan, St Mary's and Campbelltown established schools. In most cases the schools operated on parish lands close to the church buildings. Most of these schools were declining in number and, by mutual agreement, eventually closed when the Government decided to provide a comprehensive education system for all children. The Committee is not aware of any parish

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<sup>1</sup> See paragraphs 23-26

based school that has survived into the modern era.<sup>2</sup> Many of the Diocesan Anglican Schools that exist today were established by private benefactors, members of clergy or by the Diocese itself.

13. Diocesan Anglican schools are also not “parish” schools in practice since they draw students from a much wider area than the parish boundaries. For some inner-urban schools there may be very few students living within the parish boundaries. There is a corresponding geographical spread in the parent community with whom the school has contact.

14. Diocesan Anglican schools are also far larger and more complex operations than they were when operating as parish schools. Senior Ministers and local churches will have differing capacities and gifts to minister to schools and most of them are not trained for ministry that may be specific to schools. Senior Ministers are not principally appointed to a parish because of their suitability for school’s ministry; in fact a nomination board may not even have considered the matter when putting forward the name of a prospective Senior Minister to the Archbishop. The demands of modern school chaplaincy are also such that very few, if any, Senior Ministers would have the capacity to fulfil the role adequately on an ongoing basis without detracting from their other parish ministry responsibilities.

#### **Declaring a School to be Extra-Parochial**

15. Clause 7 of the Ordinance empowers the Archbishop-in-Council to declare a Diocesan Anglican school or any part of a school to be extra-parochial. Such a declaration has the effect that the school ceases to be within the “cure of souls” of the Senior Minister of the parish within which the school campus is physically located.

16. The Archbishop-in-Council may also declare that a school ceases to be extra-parochial under the Ordinance.

17. The Ordinance does not set out any factors to be taken into account when determining if a school should be declared extra-parochial. At a broad level two likely factors to be considered are –

- the school’s capacity to provide Christian ministry and pastoral support for the particular school community (for example, whether it has or will have one or more Chaplains or their equivalent), and
- the local parish’s capacity to provide Christian ministry and pastoral support for the particular school community (for example, whether the Senior Minister will have the time and resources to provide chaplaincy to the school without compromising his other duties to the parish).

18. If a school is capable of resourcing its own ministry and a parish is incapable of providing adequate ministry resourcing to a school, a failure to declare that school extra-parochial may hinder the growth and development of ministry within the school. However to declare a school extra-parochial when it lacks those resources and it has a parish able and willing to provide them may have the same effect and could also lead to the school drifting away from a sound theological basis and active gospel ministry.

19. Debates on whether a particular school ought to be declared extra-parochial have tended to be typified by a concern for protecting the ongoing “Christian character” of the school and how best to ensure that the school has a focused and strong gospel ministry to students and the school community in general.

#### **Extra-parochialism in the context of Mission Areas**

20. The Diocesan Mission: Strategic Directions 2010-2012 report, comments as follows concerning Mission Areas –

To further the Mission in the parishes, to be more responsive to local conditions and to build on the strategies of Connect09 to re-focus on the wider community, the Archbishop intends to create about 20 mission areas and appoint a mission leader in each. The mission leaders will remain the senior minister of their parish, but their new role will include helping local churches to further “Pray, Connect Expect”, researching the demographics and identifying opportunities, bringing church leaders together for strategic planning, training and mentoring, and fostering partnerships (between parishes, and between diocesan organisations).

21. Fostering partnerships between our parishes and diocesan organisations involves understanding how the resources of the Diocese, particularly those within the Mission Area, can best be marshalled and

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<sup>2</sup> In the case of Campbelltown, a new school was established in the late 20th century and now operates as two schools under the names of St Peter’s Primary School and Broughton Anglican College, but with one governing body. While the school has the hallmarks of a parish school, it is in fact accountable to the Synod.

applied to grow the ministries of both parishes and organisations in the context of the broader Diocesan Mission.

22. Given Anglican schools are already working across parish boundaries there is a need for the schools to have a working ministry relationship with more than the parish in which they happen to be located. Mission Areas more generally reflect the drawing area for an Anglican school and therefore reflect the geographical extent of a school's "influence" in the community.

### **Partnership in ministry**

23. The Committee considers that Anglican schools, the relevant Mission Area and the churches within it should have a shared commitment to partnership in ministry and the Diocesan Mission regardless of whether or not the school is extra-parochial.

24. A declaration that a school be extra-parochial means that the local Senior Minister is not responsible to oversee the conduct of ministry within the school; it most certainly does not mean that there is an end to partnership in ministry between the school and the parish. Unfortunately it would seem that sometimes schools and parishes perceive an extra-parochial declaration to have the latter effect.

25. The Committee considers that while a relational matter such as ministry partnership cannot be discretely legislated, it would nonetheless be helpful if the Ordinance expressed a desire that such partnerships occur. This may provide the basis for conversations and accountability between Anglican Schools, Mission Areas and churches.

26. Partnership would include cross-promotion of the school and church activities, a commitment to pray for each other and a commitment to apply and share resources to further gospel ministry within the school and the broader community together where this is consistent with their respective missions. It may also include cooperatively planting a church or congregation which targets the student and parent community, whether on the school grounds or elsewhere.

### **The Committee's recommendation concerning extra-parochialism**

27. The Committee is of the view that all Diocesan Anglican Schools should be extra-parochial<sup>3</sup>, in the sense that they not be within the cure of souls of the Senior Minister of the parish in which the school is located.<sup>4</sup> It is considered that the parochial – extra-parochial distinction does not assist in building ministry partnership between Anglican schools and parishes. In fact the process may well hinder partnership as it has the potential to strain the relationship between the Senior Minister and the school.

28. It is nonetheless necessary to ensure that all Diocesan Anglican Schools have a person (or persons) fulfilling the role of Chaplain<sup>5</sup> at all times.

29. The Committee recommends that the default position, where there is no designated Chaplain, be that the Archbishop have the power to appoint (in consultation with the Head of School and School Council) another member of clergy holding office in a parish within the relevant Mission Area to be the School Chaplain with the consent of that member of clergy and the parish council of the parish. This member of clergy could be a Senior Minister or an Assistant Minister.

30. It is intended that the above arrangement be temporary until the School has the resources to appoint a full-time or part-time Chaplain. The appointment of a Chaplain by a School should not occur until the Archbishop has given prior approval for the appointment to be made. If the Archbishop has given approval and the appointment is made he is to issue a licence or authority to the Chaplain with that licence or authority being revocable in similar circumstances to those presently set out in clause 10(2) of the Ordinance.

31. In the event that a person appointed by a Diocesan Anglican School ceased to be the Chaplain for any reason (and no replacement is appointed in accordance with the procedure set out immediately above) the Head of School, in consultation with the Archbishop, should appoint a member of clergy holding office in a parish within the Mission Area to become the Chaplain until such time as a replacement Chaplain is appointed with the approval of the Archbishop.

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<sup>3</sup> If the recommendations of the Committee are accepted it may be necessary to make transitional provision for schools which are currently extra-parochial but do not have a Chaplain who has been licensed or authorised by the Archbishop.

<sup>4</sup> If the Standing Committee is mindful of not declaring all schools to be extra-parochial, the Committee recommends that criteria for extra-parochial status be established so that it is clear when a school is and is not eligible to be declared extra-parochial.

<sup>5</sup> The definition and role of Chaplain will require greater input when formulating an Ordinance and should allow for a range of models of chaplaincy.

**PART B: APPOINTMENT, QUALIFICATIONS AND RESPONSIBILITIES OF CHAPLAINS****The Appointment of Chaplains**

32. The Ordinance [8(1)] defines the term “Chaplain” as a “Clerk in Holy Orders”. Arguably, presently an Anglican School could employ a member of clergy or a lay person to perform the functions of a Chaplain in the School, although the person may not necessarily be given the title Chaplain. In such circumstance it would not be necessary for a School to obtain approval from the Archbishop under clause 8(1) for such an appointment.

33. The Committee considers that Diocesan Anglican Schools should only appoint a person to fulfil the role of a Chaplain with the approval of the Archbishop.

34. The Committee recommends that the term “Chaplain” be defined in the Ordinance so as to capture any person who may be engaged to fulfil any function that could reasonably be regarded to constitute chaplaincy in a school, in other words a person who will perform all or any of the functions in clause 15. The definition would need to include the leadership role of the Chaplain to distinguish the role from an Assistant Chaplain. It would be necessary to nuance the definition so as not to include teachers engaged to teach Christian studies as part of the curriculum.

35. The definition should also include a Senior Minister or other member of clergy within the Mission Area who is fulfilling the role of Chaplain. Presently the provisions in Part II of the Ordinance only have limited application to Senior Ministers who are Chaplains.

36. The Committee recommends that the term “Assistant Chaplain” also be defined in the Ordinance to capture any person who is under the authority or supervision of the Chaplain or who otherwise assists the Chaplain in his or her duties.

37. The Committee is aware of some examples of Anglican Schools employing lay people including youth ministers as Chaplains. The Committee is open to Chaplains being lay persons provided they are appropriately theologically trained and meet all other applicable criteria, although this is ultimately a matter for the Archbishop.

38. Presently subclause 8(1) of the Ordinance stipulates that it is the school council that is to appoint a Chaplain or Assistant Chaplain. The Committee recommends that this be amended to provide for the Head of School to appoint the Chaplain with the approval of the school council (and also the Archbishop). The amendment should provide for the Head of School to appoint the Assistant Chaplain in consultation with the Chaplain.

**Qualifications for Chaplains**

39. The Committee recommends that high standards be set for a person to be eligible for licensing or authorisation as a Chaplain, whether lay or ordained, similar to the standards that are to be met if a person wishes to become the Senior Minister or Deacon of a parish.

40. The Archbishop may wish to develop prerequisites for a person to be licensed or authorised as a Chaplain in consultation with the Anglican Education Commission and Ministry Training and Development. Suitable qualifications should also be determined for the Assistant Chaplain position.

**The authority of the Head of School and the role of the School Council***Directions*

41. Clause 12 of the Ordinance provides that a Chaplain or Assistant Chaplain is under the direction of the School Council and the Head of School. In relation to the matters in clause 15 (the Chaplains rights and duties) the Chaplain will have the right to refer any direction to the Archbishop for determination. Clause 15 covers matters such as the celebration of Divine Service and religious teaching or pastoral ministry within the school.

42. Presently a Senior Minister who is fulfilling the role of Chaplain in an Anglican School that is not extra-parochial does not have any right to appeal to the Archbishop under the terms of the Ordinance. The Ordinance merely provides that the Senior Minister shall exercise the rights and duties of the Chaplain provided in paragraphs (a), (c), (d) and (e) of clause 15 of the Ordinance. The Committee’s proposed definition of Chaplain would give such entitlement to a Senior Minister.

43. The Committee considers that notwithstanding the right of appeal to the Archbishop, the Head will be, and should be, in a position to heavily influence the extent and growth of ministry in the school. Any appeal by a Chaplain is likely to be done reluctantly and as a last resort. The long term solution to disputes about the work of the Chaplain is to ensure that the Heads of Anglican schools are Christians who are firmly committed to seeing ministry grow and flourish within the school community. If ministry within a school is to flourish the Head needs to take responsibility for ministry within the school and not

simply delegate that responsibility to the Chaplain. Nonetheless it is important for reasons of accountability to maintain a mechanism for Chaplains to appeal to the Archbishop if they are concerned that the Head of School is curtailing ministry within the school.

44. In all other respects, the Committee supports maintaining clauses 12 and 15 in more or less their present form although some of the language used needs updating, particularly to allow for the appointed Chaplain to be a lay person. With regard to Clause 15 the Committee also recognises the range in roles of existing Chaplains across the range of school environments. To enable greater flexibility line 1 of Clause 15 should replace “shall be -” with “may include -”.

#### *Suspension and Dismissal*

45. Clause 11 provides that the Head of School has the right to suspend a Chaplain or Assistant Chaplain from duties but must notify the Archbishop and the School Council of this decision.

46. Clause 10(1) provides that a School Council may dismiss a Chaplain or Assistant Chaplain after having provided an opportunity to show cause but must notify the Archbishop of such dismissal.

47. Clause 10(2) provides that the Archbishop may, in certain circumstances, revoke the licence of a Chaplain or Assistant Chaplain. The implications of a licence revocation are not clear since clause 8(3) provides that upon the licence having been issued the Chaplain becomes a member of staff of the school. Notwithstanding the Knowles Case (in which it was found that a certain prison Chaplain in the Diocese of Bathurst was not an employee) it is likely that, all else being equal, a Chaplain or Assistant Chaplain would be an employee of the relevant School Council. A distinguishing fact in Knowles is that the clergyman was not on the staff of the prison, he was merely licensed by the Archbishop to have responsibility for Anglican ministry within the prison.

48. The Committee recommends that clause 11 concerning suspension remain in its present form although that suspension and dismissal be dealt with under the same section and heading in the Ordinance.

49. The Committee recommends that clause 10(1) remain in its present form except that it be amended to provide for the Head of School to dismiss the Chaplain with the approval of the School Council and the Archbishop or Assistant Chaplain with the approval of the School Council.

#### *Adequate Religious Teaching*

50. Clause 13(1) provides that the Head of School is to satisfy the School Council and the Archbishop that “an adequate amount of time is given to religious teaching in the school curriculum”. The Committee considers that “religious teaching” is too vague and could include teaching about world religions and not just Christian education. The Committee recommends replacing the phrase “religious teaching” with “Christian education”<sup>6</sup>.

51. Clause 13(2) provides for the Archbishop to approve a person other than the Chaplain or Assistant Chaplain to undertake religious teaching in the school. So far as the Committee is aware the Archbishop does not in practice receive such requests. The Committee considers that it is sufficient for the Chaplain to approve of another person giving religious instruction in the school in consultation with the Head of School, this would include visiting speakers and so forth.

#### **Recommendations**

52. In summary, the Committee recommends that the Ordinance –

- (a) include an aspirational statement that Anglican Schools, Mission Areas and churches actively pursue partnership in ministry for the good of the Diocesan Mission,
- (b) allow for all Diocesan Anglican Schools to be extra-parochial, when they have the capacity to operate as a “ministry centre” on their own,
- (c) include definitions of “Chaplain” and “Assistant Chaplain” that refer to a person who is performing or who is to perform any or all of the functions of the Chaplain set out in the Ordinance,
- (d) provide that if a Chaplain has not been appointed by the School with the approval of the Archbishop that such member of clergy holding office in the Mission Area within which the school is located is to be the Chaplain, approved by the Archbishop and subject to the consent of the member of clergy and their parish council,
- (e) provide that in the event of a vacancy in the position of Chaplain such member of clergy holding office in the Mission Area be the Chaplain until a replacement is appointed,

<sup>6</sup> Although the term “Christian education” may include a separate curriculum, it also encompasses a more integrated application of Christian worldview across the wider curriculum.

- (f) provide for appointment of the Chaplain by the Head of School with the approval of the School Council (and the Archbishop),
- (g) provide for appointment of Assistant Chaplains by the Head of School in consultation with the Chaplain, and
- (h) provide for the dismissal of the Chaplain by the Head of School with the approval of the School Council (and the Archbishop)
- (i) provide for the dismissal of Assistant Chaplains by the Head of School with the approval of the School Council.

For and on behalf of the committee

MR TONY WILLIS  
*Chairman*

26 June 2012

## Special Religious Education in Government Primary Schools – the Challenge Over the Next Ten Years

(A report from the Standing Committee.)

### Background

1. The Anglican Church, along with other Christian denominations and other recognised religious bodies, has delivered Special Religious Education (SRE) (also called Scripture) on a weekly basis in government schools since 1880. In 2010 the Labor Government approved the trialing in ten schools of an ethics course for students in Years 5 and 6. On the basis of an independent evaluation of the trial, the Government granted approval to Primary Ethics Ltd (a subsidiary of the St James Ethics Centre) to extend the teaching of Special Education in Ethics (SEE) to Years 5 and 6 students in other schools in 2011 if their parents had withdrawn them from an SRE class.
2. In response to an attempt in December 2011 by the Christian Democrats to have the Education Amendment (Ethics) Act 2010 repealed, the O'Farrell Government established a Parliamentary Inquiry. Its terms of reference were to inquire into and report on –
  - (a) the stated objectives, curriculum, implementation, effectiveness and other related matters pertaining to the current operation of 'special education in ethics' being conducted in State schools, and
  - (b) whether the Education Amendment (Ethics) Act 2010 should be repealed.
3. Over 400 written submissions were received from individuals and organisations. Some of those who made submissions were called to give evidence at the three days of public hearings. The Anglican Diocese of Sydney, represented by the Anglican Education Commission (AEC) was commended for its constructive and visionary submission with the Executive Director of the AEC, Dr Bryan Cowling, being subjected to questioning for over an hour on the second day of the hearings.
4. The Committee released its 120 page report on 30 May 2012 ([www.parliament.nsw.gov.au/gpsc2](http://www.parliament.nsw.gov.au/gpsc2)). Most of its fourteen recommendations were consistent with the Diocesan submission. The AEC, acting on behalf of the Diocese, endorsed the recommendations of the Committee and subsequently wrote to the Premier to indicate its strong support for the recommendations and to urge the Government to implement them as expeditiously as possible.
5. The purpose of this report is twofold, namely –
  - (a) to outline the challenges faced by the Diocese over the next 10 years in ensuring the continued delivery of high quality SRE in government schools, and
  - (b) to provide an indication of the additional resources required for this purpose.

### The challenges over the next ten years

6. The teaching of SRE by voluntary teachers will need to be of a high quality and engage all the students in their classes. Though it may be for only half an hour per week in primary schools, it generally is delivered in prime-learning time. As parental and political pressure on schools to deliver quality education outcomes increases, every minute of the school timetable will be contested. SRE and SEE run the risk of being relocated to the afternoon or after-school if they cannot demonstrate that they are contributing to quality learning.
7. Quality education requires quality teaching. Voluntary SRE teachers will need to engage in continual training and development if they are to match their SEE counterparts and the full-time class teachers who have a very formative influence on the students for the other 29.5 hours per week. Our Diocese is acknowledged as a reputable provider of initial training of voluntary teachers but it will need to invest much more over the next five to ten years to sustain and enhance the skills and knowledge of these teachers. SRE providers who do not take initial and on-going training seriously will compromise the credibility of all providers and put the future of SRE at risk.
8. Quality education also requires the continued development of quality curriculum, quality resources and over time the competent and wise use of digital technology. At this stage our Diocese is well placed to supply churches with an up to date curriculum and resources (especially for primary schools) so long as all authorised Anglican teachers use them. The Inquiry has reinforced the importance of all providers (SRE and SEE) making their curriculum and resources accessible to parents via the internet. The Anglican curriculum for primary schools can be accessed at [www.whysre.com.au](http://www.whysre.com.au) and the SEE curriculum can be accessed at [www.primaryethics](http://www.primaryethics).

9. The quality of what happens in the classroom is regarded so highly by Primary Ethics Ltd that they have trained and appointed a voluntary 'school co-ordinator' for each school in which SEE is taught. They have also recruited and trained volunteer mentors to supervise, observe and nurture up to ten volunteer SEE teachers each and to help them assess the effectiveness of their teaching. They see this as critical to the success of their work. There may be a lesson for SRE providers in this.

10. Primary Ethics Ltd also places a high value on the creation of 'community' within each SEE class as well as 'community' among the parents of the children in those classes. They place a lot of importance on establishing and maintaining a good working relationship with school principals, class teachers and the parents in each school. Anglican churches which deliver SRE need to sustain positive relationships with the same people. This will become increasingly important if SRE teachers wish to access a school's technology for the delivery of their lessons.

11. For primary school principals, at the end of the day, it is the number of students who do not attend either SRE or SEE which poses the greatest challenge. In the schools which have collected data on why children do not attend SRE lessons, the most frequent reasons given are student disinterest and the inability of approved SRE providers to supply voluntary teachers. The opportunity for students to attend SRE lessons in primary school will disappear, not because there is an ethics alternative, but because the SRE providers are unable to supply, on a weekly basis, sufficient competent, enthusiastic and committed voluntary teachers.

12. In 2014, if the Parliamentary Committee's recommendations are adopted, the Department of Education and Communities will be commissioning a comprehensive review of the quality and value of SRE and SEE within government primary schools. This will be the first such review since 1980. It will give all providers an opportunity to demonstrate to the community how committed they are to the flourishing of public education and the continuance of this ministry in government schools. All providers are on notice that by the beginning of 2014 their delivery of SRE and SEE will need to be exemplary.

### **Resourcing the challenges**

13. The majority of the challenges outlined above confront the parishes and the people they appoint, train and support to teach SRE. They are not the result of the Parliamentary Inquiry as such. However, as the focus is now on quality learning rather than ideology, the criteria on which SRE and SEE will maintain their place on the school timetable puts a significant price on the continuance of this ministry.

14. Parishes face the challenge of finding sufficient voluntary teachers and equipping them and their students with the right resources. They face the challenge of building and maintaining strong positive relationships with principals and parents at the local level. This requires patience and time. They also face challenges in complying with new child protection legislation.

15. Over the years, Anglican Youthworks has been responsible for the development and revision of the primary school curriculum for use by authorised Anglican teachers; the recent development and maintenance of the SRE website; the development and delivery of teacher training; and, through its SRE Advisers, the broad encouragement of churches and SRE teachers. Although the Synod provides Youthworks with funding to partly pay for several advisers to train people for children's and youth ministry (including SRE), such funding is insufficient to meet the training challenges outlined in this report. Synod provides Youthworks with no funding for curriculum development

16. Having been advised of the challenges facing the Diocese following Dr Cowling's participation in the Inquiry Committee's public hearings, the Standing Committee requested the CEO of Anglican Youthworks, the Rev Zac Veron, to consider these matters urgently, including whether current diocesan funding is adequate to ensure –

- (a) the development of a quality SRE curriculum and other resources and the competent use of digital technology, and
- (b) the delivery of quality SRE education through the training and development of volunteer teachers, and
- (c) other models of presentation including seminar style to assist in overcoming declining numbers of volunteers.

17. Mr Veron advised the Standing Committee that since the 'Connect' curriculum has just completed a four year revision, Youthworks would not be in a financial position to develop additional resources for another decade and would not be able to provide the requisite digital and training resources without a substantial investment of funding from the Synod or the parishes. Mr Veron estimated that in order to implement an urgent accelerated rollout of digital technology strategy to address the challenges outlined above, Youthworks would require \$315,000 per annum for the next three years.

18. It is worth noting that Primary Ethics Ltd and the Roman Catholics are investing much more than this already in equipping their voluntary teachers for the immediate future.

19. The timing of the Inquiry and, in particular, the focus which has emerged from the Inquiry on quality learning as the criteria for ensuring the continuance of SRE in government schools means it has not been possible for the Standing Committee to consider how to address the need for sufficient funds for this ministry in the 2013 Synod budget. Unless the Synod in 2012 agrees to provide the requisite funding, for example by including this as a cost in its variable parochial cost recoveries charge for 2013, the Standing Committee should be asked to address this issue in its 2014-15 budget.

**Recommendations**

20. It is recommended that the Synod receive this report and consider a motion moved “by request of the Standing Committee” to enable the Synod to –

- (a) affirm its commitment to the sustaining of high quality SRE within all government primary schools within the Diocese, and
- (b) request the Standing Committee to address the need for sufficient funds for this ministry in its 2014-15 budget.

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

## 2/05 Stipends, Allowances and Benefits for 2013

(A report on behalf of the Standing Committee.)

### Introduction

1. By resolution 2/05, the Synod requested that the Standing Committee report its findings about stipends and allowances to the Synod each year.
2. The circular to ministers and wardens entitled "Guidelines for the Remuneration of Parish Ministry Staff for 2012" (the "Guidelines") was published in September last year and provides details of the stipends, allowances and benefits for ministers, assistant ministers and lay ministers in the current calendar year. The format and content of the "Guidelines for Remuneration of Parish Ministry Staff for 2013" were published on the SDS website in August this year.

### Minimum Stipends

3. Stipends are generally reviewed annually and, until the review in 2009, were based on a resolution of the Standing Committee in September 2006 that they should continue to be set at 80% of the latest available Average Weekly Earnings published by the Australian Bureau of Statistics. However in light of the global financial crisis, in August 2009 the Standing Committee approved the minimum stipends for parish ministry staff in 2010 remaining the same as 2009.
4. In February 2010 the Standing Committee again endorsed 80% of AWE as the benchmark for minimum stipends. However, in August 2010 the Standing Committee decided rather than apply this policy to determine minimum stipends for 2011 (since this would require an increase of 9.85%) it would instead approve an increase of 5% for 2011. Standing Committee also agreed to a further 5% increase for 2012 and up to a 5% increase for 2013 until the minimum stipend again reaches the benchmark of 80% of AWE.
5. The increase required for the minimum stipend for 2013 to reach 80% of AWE was 4.6%, so the figures for 2013 are therefore –

	% of Minister's Minimum Stipend	2013 Minimum Stipend \$ pa
Minister	100	58,452
Assistant Ministers & Lay Ministers –		
1 <sup>st</sup> and 2 <sup>nd</sup> year	85	49,684
3 <sup>rd</sup> and 4 <sup>th</sup> year	90	52,607
5 <sup>th</sup> and subsequent years	95	55,530
Youth and Children's Ministers (Diploma) –		
1 <sup>st</sup> to 3 <sup>rd</sup> year	65	37,994
4 <sup>th</sup> to 6 <sup>th</sup> year	75	43,839
7 <sup>th</sup> and subsequent years (Advanced Diploma only)	85	49,684
Youth and Children's Ministers (Advanced Diploma or Theological degree) –		
1 <sup>st</sup> and 2 <sup>nd</sup> year	85	49,684
3 <sup>rd</sup> and 4 <sup>th</sup> year	90	52,607
5 <sup>th</sup> and subsequent years	95	55,530

### Remuneration Packaging

6. Under these arrangements ministry staff may sacrifice up to 30% of their stipend to be paid into a minister's expense account ("MEA"). Ministry staff may sacrifice an additional amount of stipend (over and above the 30%) to increase superannuation savings. Certain expenditure can be reimbursed to the minister from the MEA. Benefits received in this way are exempt from fringe benefits tax and income tax.

### Superannuation Contributions

7. Contributions on account of superannuation for ministers and assistant ministers are part of the parish ministry costs and will be funded through the Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012 which is due to be considered by the Synod in October 2012. Superannuation for lay ministers is paid separately. As for 2012, the amount of the superannuation contribution is generally set at 17% of the applicable minimum stipend, accordingly the annual contributions proposed for 2013 are –

	2013
Minister	9,937
Assistant Ministers & Lay Ministers – 1 <sup>st</sup> to 6 <sup>th</sup> year	8,943
7 <sup>th</sup> and subsequent years	9,937
Youth and Children's Ministers (Diploma) – 1 <sup>st</sup> to 6 <sup>th</sup> year	7,453
7 <sup>th</sup> and subsequent years (Advanced Diploma only)	8,446
Youth and Children's Ministers (Advanced Diploma or Theological degree) – 1 <sup>st</sup> to 6 <sup>th</sup> year	8,943
7 <sup>th</sup> and subsequent years	9,937

### Travelling Allowances/Benefits

8. The diocesan scale for the travelling allowance to be paid to ministers, assistant ministers, lay ministers and youth and children's ministers for 2013 is calculated in accordance with the following scale –

- (a) a fixed component of \$8,047 (2012 – \$8,047) per annum to cover depreciation, registration, insurance etc, plus
- (b) a reimbursement at the rate of \$246 (2012 – \$246) for every 1,000 kilometres travelled by the person concerned on behalf of the church or organisation which he or she serves.

9. Travel benefits may be provided through an MEA in lieu of a travel allowance in accordance with the guidelines published in the Stipends Circular.

### Remuneration for Occasional Services

10. Each of the recommended rates for clergy who take occasional services has been increased by \$5 and the rates for 2013 are therefore –

	2013 \$
For 1 service	85
For 2 or more services in a half day	110
For a whole day	165

11. The following guidelines also apply in relation to remuneration for occasional services –

- (a) If the total return journey of the person taking the occasional service is 75 kilometres or less, a travelling allowance of 78 cents per kilometre should be paid (2012 – 78 cents). If further kilometres are travelled, the travel allowance should be negotiated.
- (b) Meals should be provided where necessary.
- (c) As pension benefits may be reduced according to other income received, the recommended rates are open to negotiation.
- (d) Where a minister is invited to take, or assist in, services in a church outside their parochial unit, any payment for services should be made to the parochial unit to which the minister is licensed, rather than to the minister.

### Acting Ministers, Locum Tenens and part time pastoral workers

12. Acting Ministers, Locum Tenens and part time pastoral workers should be remunerated with reference to the relevant full time stipend and benefits on a pro-rata basis (based on a 6 day working week). The worker should also be paid a travelling allowance at the rate of 80 cents per kilometre to cover any travel costs incurred while performing their duties (2012 – 78 cents).

13. Provision for ministry related expenses, superannuation, sick, annual and long service leave (on a pro-rata basis) should be provided where appropriate and agreed upon by the worker and parish council.

14. Part time pastoral workers must generally be included under the parish's workers compensation insurance policy.

### Male and Female Student Ministers

15. The recommended assistance for student ministers working one full day per week for 2013 is –

	% of Minister's Minimum Stipend	2013 \$ pa
Studying for a degree	12.5	7,307
Studying for a diploma	10.0	5,845

If a student minister works more than one full day then the rate payable is a pro-rata amount of the full day rate.

16. The following guidelines also apply in relation to the remuneration of student ministers –
- (a) Transport costs (whether private vehicle or public) should be paid by the parochial unit. Where extensive travel is involved consideration should be given to paying for the travel time.
  - (b) Where a student minister serves for a half day in addition to a full day, account should be taken of the additional time and cost in travelling and care taken to ensure that the student minister is not disadvantaged by the additional expense.
  - (c) Under the Fair Work Act 2009, the national minimum wage for adults for the period of 1 July 2012 to 30 June 2013 is \$15.96 per hour. This means that the recommended stipend allows for no more than 8.8 hours work per week if studying for a degree, and 7 hours if studying for a diploma. The minimum wage will be reviewed next on 1 July 2013.
  - (d) Arrangements should be made to ensure student ministers are provided with appropriate hospitality. For example, appropriate breaks should be provided especially in a long working day.
  - (e) Preparation time adds to the total time incurred in service for the parochial unit and should be allowed for when the amount of payment is considered.
  - (f) Superannuation contributions are payable if the remuneration exceeds \$450 per month.
  - (g) Workers compensation insurance cover must be arranged by the parish.
  - (h) By arrangement with the student minister the parish may agree to pay college fees (tuition, boarding, etc) on behalf of the student minister in lieu of part of the normal remuneration. If such fees are paid they should be considered an exempt fringe benefit provided -
    - (i) the student is a ministry candidate, and/or holds the Archbishop's licence, or is an independent candidate undertaking the same course of study as required for a ministry candidate, and
    - (ii) the benefit is only applied to paying fees and the provision of accommodation/board.

For and on behalf of the Standing Committee

MARTIN THEARLE

*Manager, Diocesan and Policy Services*

21 August 2012

## Sydney Diocesan Secretariat

### Annual Report to the Synod for 2011

*This Annual Report should be read in conjunction with the Audited Financial Statements for 2011 for Sydney Diocesan Secretariat.*

Item	Contents
1	Introduction
13	Constitution and Charter
15	Access
16	Membership and Meetings
18	Staffing
20	Committees of SDS
21	Financial Results for 2011
24	Organisational Structure
25	Achievements in 2011

#### Introduction

##### *Key Achievements for 2011*

- Provision of services to central diocesan organisations in accordance with service levels agreements.
- Facilitating key outcomes for organisations served, including –
  - ♦ the leasing of levels 3, 4 and 5 of St Andrew's House,
  - ♦ reviewing the investment policies for the Diocesan Endowment and Long term Pooling Fund,
  - ♦ completion of major ministry centres at Berowra, Glenmore Park and Dapto,
- Substantially reducing operating costs.

1. Sydney Diocesan Secretariat ("SDS") provides administrative, secretarial and accountancy services to the central diocesan organisations of the Diocese of Sydney. In recent years has undertaken a process of significant reform to improve the service it provides.

2. That process of reform has involved –

- the enhancement of the governance processes of SDS,
- the negotiation of service level standards with the organisations served by SDS,
- the restructuring of the operations of SDS,
- the undertaking of a rigorous review of the costs of SDS,
- moving to a model whereby the costs of providing services to an organisation are recovered from that organisation.

##### *Enhancement of governance processes*

3. SDS has reviewed its governance practices, and settled a governance statement which outlines its governance framework, policies and procedures. A copy of the governance statement can be found at <http://www.sds.asn.au/Site/104316.asp?ph=cb>.

4. The governance statement states that SDS's approach to governance is based on a set of values and behaviours which underpin everyday activities, ensures transparency and fair dealing, and seeks to protect the interests of the Synod and the Standing Committee. It indicates SDS's commitment to the highest standards of governance which it believes are fundamental to the sustainability of the organisation. In preparing its governance statement, SDS was guided by the Corporate Governance Principles and Recommendations published in August 2007 by the Australian Stock Exchange Corporate Governance Council.

5. The governance statement addresses 7 principles –

- 1 – Ensuring clear roles and responsibilities for the board, its committees and management
- 2 – Structuring the Board appropriately
- 3 – Promoting ethical and responsible conduct
- 4 – Ensuring integrity in financial reporting
- 5 – Effective communications with the Archbishop, Synod and Standing Committee
- 6 – Identifying and managing risk
- 7 – Remunerating fairly and responsibly

#### *Service Level Standards*

6. SDS has negotiated service level standards with each of the following organisations it currently serves –

- Synod and Standing Committee
- Glebe Administration Board
- St Andrew's House Corporation ("SAHC")
- Anglican Church Property Trust Diocese of Sydney ("ACPT")
- Endowment of the See Committee
- Mission Property Committee
- Sydney Church of England Finance and Loans Board

7. The standards specify not only the services to be provided, but also the service levels required. The performance against the specific standards is reviewed every 6 months by SDS in consultation with the relevant organisation. In this way, SDS maintains a high level accountability to the organisations it serves about its work. During 2011, SDS met the expectations of the organisations it serves.

#### *Restructuring of Operations*

8. SDS has restructured its operations to enable services to be provided more efficiently. For example, where desirable and in consultation with the relevant organisation, SDS has facilitated the outsourcing to external service of the provision of some functions which were previously undertaken by staff of SDS. SDS manages those external service providers on behalf of the relevant organisation. Since 2010, the following major functions have been outsourced –

<b>Function</b>	<b>For</b>
Investment Management	GAB ACPT
Investment Accounting	GAB ACPT
Property Management	SAHC
Facilities Management	SAHC
Car Park Management	SAHC

#### *Reviewing of Costs*

9. SDS has rigorously reviewed its costs and, where appropriate to do so, reduced those costs. The reduction in costs has reduced the total fees charged to the organisations served by SDS. The extent of the reduction in the operating costs of SDS since 2009 is reflected in the following table –

<b>Year</b>	<b>Total Costs</b>
2009	\$10.4 million
2010	\$9.3 million
2011	\$8.0 million
2012	\$6.7 million

10. The most significant impact on SDS's cost levels has been the significant reduction in staff members. Information about the reduction in staff members is set out later in this report. However, SDS has been conscious to avoid over burdening staff, and so has overseen the development of comprehensive people, learning and culture policies to support them in their work.

#### *Cost Recovery*

11. A key to financial sustainability for SDS, and transparency in cost recovery has led SDS to move to a full cost recovery model whereby each organisation served by SDS pays the costs of providing that service. All organisations, other than the Synod/Standing Committee and the Endowment of the See, now fully pay to SDS the costs of the services provided to them. Discussions continue on an ongoing

basis with the Synod/Standing Committee and the Endowment of the See Committee about how the costs of providing services to those organisations can be fully recovered.

*Summary*

12. There has been substantial change managed by SDS since December 2009 to reshape the organisation to ensure that it is a well governed and more effective and efficient service provider to the Diocese.

**Constitution and Charter**

13. SDS is constituted by the *Sydney Diocesan Secretariat Ordinance 1973* (the “1973 Ordinance”) and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

14. The functions of SDS are set out in clause 6 of the 1973 Ordinance. As mentioned earlier in this report, its principal function is to carry out, perform and provide administrative, secretarial and accountancy services for the Anglican Church of Australia in the Diocese of Sydney. The principal organisations served by SDS are referred to in paragraph 7 of this report.

**Access**

15. The principal office of SDS is Level 2, St Andrew's House, Sydney Square (PO Box Q190, QVB Post Office, NSW 1230). Telephone (02) 9265 1555. The hours of access are between 8.30 am and 5.30 pm.

**Membership and Meetings**

16. The members of SDS are appointed by the Standing Committee. The 1973 Ordinance provides that the number of members of SDS is to be not less than 8 and not more than 10. Members of SDS are *ex officio* members of Glebe Administration Board.

17. The members of SDS during 2011 and their meeting attendance records follow –

	No of Meetings Eligible to Attend	No of Meetings Attended
Canon Bruce Ballantine-Jones OAM	6	6
Mr Mark Ballantyne	6	3
Bishop Robert Forsyth	6	5
Mr Ben Koo	6	6
Mr Andrew McLoughlin	6	5
Mr Ian Miller	6	5
Mr John Pascoe	6	5
Dr Laurie Scandrett	3	2
Mr Ross Smith	6	5

**Staffing**

18. Over the last few years, there have been significant reductions in staff numbers in SDS. The following table shows SDS staff numbers were 37.9 full time equivalents in December 2011, and compares this to staff numbers in December 2010 and December 2009.

<i>Full Time Equivalent</i>	December 2011 Actual	December 2010 Actual	December 2009 Actual
Chief Executive Office	4.7	5.2	6.2
Parish Property Services	5.0	5.0	5.0
Commercial Property/Parish Support Services	4.0	10.4	18.4
Diocesan & Corporate Services	6.4	6.8	6.8
Finance	6.0	7.0	13.0
Technology	5.0	7.0	8.0
Investment	6.8	7.0	7.0
<b>Total</b>	<b>37.9</b>	<b>48.4</b>	<b>59.4</b>

19. The senior staff of SDS as at the date of this report are –

Chief Executive Officer	Mark Payne
Chief Financial Officer	Michael Blaxland
Head of Commercial Property and Parish Support Services	Michael Newman
General Manager, Diocesan & Corporate Services and Diocesan Secretary	Robert Wicks
Head of Investments	Andrew Frankling
Head of Parish Property Services	Greg Ellem

#### Committees of SDS

20. During 2011, SDS reviewed its committee structure. Following that review, SDS has an audit committee whose function is to monitor, report and make recommendations to SDS about the financial reporting processes of SDS, the internal control systems of SDS, and the independent audit process of SDS. The functions formerly exercised by other committees of SDS are now exercised by the Board.

#### Financial Results for 2011

21. For the year ending 31 December 2011, SDS recorded a deficit of \$270,000. This was primarily because of the payments made to former staff members whose positions were made redundant as a result of an organisational restructure undertaken during 2011. While the organisation restructure was undertaken as a consequence of decisions made by organisations served by SDS to outsource certain functions previously undertaken by SDS, the costs of the redundancies were borne by SDS. As a consequence of this deficit, the capital of SDS reduced from \$2.310 million as at 31 December 2010 to \$2.040 million as at 31 December 2011.

22. The 2011 results of SDS can be summarised as follows (further information is in the audited annual financial report) and those results can be compared to the results for 2010 and 2009 –

\$000s	Actual 2011	Actual 2010	Actual 2009
Total Income	7,751	9,536	11,916
Staff Expenses	5,413	6,053	6,640
Other Expenses	2,608	3,324	3,772
Net Surplus	(270)	159	1,504

23. The balance sheet of SDS as at 31 December 2011 can be summarised as follows –

\$000s	31 December 2011	31 December 2010	31 December 2009
<b>Assets</b>			
<i>Current Assets</i>			
Cash	4,889	4,414	4,304
Receivables	500	213	-
Investments	192	-	238
<i>Non-Current Assets</i>			
Investments	-	500	500
Fixed Assets	1,071	908	1,370
<b>Total Assets</b>	<b>6,652</b>	<b>6,035</b>	<b>6,412</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Payables	628	580	485
Interest Bearing Liabilities	2,887	1,906	2,585
Provisions	942	971	846
<i>Non-Current Liabilities</i>			
Provisions and other Liabilities	154	267	346
<b>Total Liabilities</b>	<b>4,611</b>	<b>3,725</b>	<b>4,262</b>
<b>Equity</b>			
Capital	2,062	2,062	2,062
Accumulated Surpluses	(21)	248	88
<b>Total Equity</b>	<b>2,041</b>	<b>2,310</b>	<b>2,150</b>

## Organisational Structure

24. There are 7 operating divisions of SDS. Those divisions, and the nature of the work undertaken by those divisions, is as follows –

### *Chief Executive*

- Oversight of the management of SDS and the performance by SDS of its obligations under the service level agreements with the organisations served by SDS.
- People, Learning & Culture (human resources).
- Office Services.

### *Diocesan & Corporate Services*

- Managing the provision of services to the Synod, the Standing Committee and their subcommittees.
- Providing legal support to parishes as part of the parish risk management program.
- Providing corporate secretarial services to SDS, Glebe Administration Board and St Andrew's House Corporation.
- Overseeing the risk management programs of SDS and Glebe Administration Board.

### *Commercial Property & Parish Support Services*

- Managing the provision of services to St Andrew's House Corporation (in respect of St Andrew's House).
- Managing the provision of services to the Endowment of the See.
- Administering the parish cost recoveries system (central payment of superannuation and other benefits for clergy, and insurance, and the recovery of the costs thereof from parishes by way of the parish cost recoveries charge).
- Providing advice to clergy and parish officers about ministry staff remuneration and parish administration.
- Managing the parish risk management program.

### *Finance*

- Maintaining financial records for SDS and all organisations served by SDS.
- Payroll administration.

### *Investments*

- Managing the investment portfolios of the Diocesan Endowment and the Long Term Pooling Fund.
- Administering the provision of services to the Sydney Church of England Finance & Loans Board.
- Managing the deposits and lending services provided by the Diocesan Endowment (deposits in the Glebe Income Accounts, loans and treasury functions).

### *Parish Property Services*

- Managing the provision of services to Anglican Church Property Trust Diocese of Sydney and its Long Term Pooling Fund and Insurance fund, and the Mission Property Fund.
- Providing advice and assistance to parishes in connection with parish property and parish insurances.

### *Technology*

- Managing the technology needs of SDS and the organisations to which SDS provides technology services.

## Achievements in 2011

25. The following paragraphs summarise the key achievements of SDS during 2011 on behalf of the organisations it serves –

### *Synod and Standing Committee*

- Successfully managing the meeting of Synod in October 2011, and the meetings of the Standing Committee and its subcommittees throughout the year.
- Preparing extensive submissions and engagement in meetings in response to the Federal Government's not for profit reform agenda.
- Implementing the Diocesan grievance policy procedure.
- Preparing and/or facilitating the passing of more than 50 ordinances.

*Parishes*

- Managing the parish risk management program, including responding to about 300 requests for legal support from parishes, preparing and releasing updated materials to parishes, and facilitating a number of training days across the Diocese.
- Releasing the updated Employment Relations guidelines for parishes.
- Responding to more than 180 call to the Parish treasurer's hotline.
- Administering the SDS website (more than 24,000 visits in 2011).

*Glebe Administration Board*

- Managing the investments of the Diocesan Endowment, including the annual review of the investment policy statement.
- Reviewing GAB's anti-money laundering/counterterrorism financing policies and practices.
- Reviewing key policies associated with the lending and deposit taking activities of GAB.

*St Andrew's House Corporation*

- Preparing and reviewing long term financial projections for the St Andrew's House fund.
- Undertaking of the capital works upgrade works in the building, upon the expiration of the lease of the major commercial tenant.
- Managing the outsourcing of the facilities management of St Andrew's House, and the management of the car park.
- Leasing of Levels 3, 4 and 5 of the St Andrew's House tower.

*Anglican Church Property Trust Diocese of Sydney*

- Facilitating transactions in relation to parish properties and overseeing the investment of funds held for the purposes of parishes.
- Managing the investments of the Long Term Pooling Fund.
- Managing the parish insurance program including negotiating the renewal of policies, the provision of information about policies, and the processing of claims.
- Finalising proposed amendment to the 1917 Act for promotion to the New South Wales Parliament.
- Facilitating the change in trustee of the St James' Hall fund.

*Mission Property Committee*

- Overseeing the completion of major ministry centre construction projects at Berowra, and Dapto and the undertaking of the Broadway project.

*Sydney Church of England Finance & Loans Board*

- Managing the administration of the loans made by the Board, including facilitating the approval of 19 loans to the value of \$5.2 million.

MARK PAYNE  
*Chief Executive Officer*

29 June 2012

## Sydney Diocesan Secretariat Annual Financial Report for 2011

### Report by the Chief Executive Officer

For the year ended 31 December 2011

#### Background

Sydney Diocesan Secretariat ("SDS") was incorporated as a body corporate under the *Anglican Church of Australia (Bodies Corporate) Act 1938* by the *Sydney Diocesan Secretariat Ordinance 1973*, and notice published in the *Government Gazette* on 17 May 1974.

The principal purpose of SDS is to carry out, perform and provide administrative, secretarial and accountancy services for the Anglican Church of Australia in the Diocese of Sydney.

The principal organisations served by SDS are –

- the Synod, the Standing Committee and their subcommittees, and parishes
- Glebe Administration Board
- Anglican Church Property Trust Diocese of Sydney
- St Andrew's House Corporation
- Endowment of the See Committee
- Mission Property Committee
- Sydney Church of England Finance & Loans Board

Services are provided by SDS pursuant to service level agreements, and it recovers its costs by way of fees charged to the organisations served.

#### Strategic Initiatives

During 2011, the service level agreements with the organisations served by SDS were reviewed and periodic reports provided about SDS's compliance with the requisite service level standards.

One of the organisations served by SDS, St Andrew's House Corporation, determined during 2011 to outsource the building management of St Andrew's House and the management of the St Andrew's House car park. These services were previously provided by SDS. A consequence of the reduction in the level of service required by St Andrew's House Corporation was a need to review (and reduce) the overall costs of SDS. Subsequently, a staff reorganisation was implemented resulting in several positions being made redundant.

#### Financial Results

In 2011, SDS recorded a loss of \$269,711 (compared to a surplus in 2010 of \$159,451).

The results for 2011 were impacted by additional expenses incurred by reason of the redundancies arising from the organisational restructure undertaken during 2011.

MARK PAYNE  
*Chief Executive Officer*

20 February 2012

### Statutory Report of the members of the Sydney Diocesan Secretariat

#### For the year ended 31 December 2011

In accordance with a resolution of the Board, the members of the Sydney Diocesan Secretariat (the Secretariat) submit herewith the financial report as at 31 December 2011:

#### Scope

The Secretariat is constituted by the Sydney Diocesan Secretariat Ordinance 1973 and is a body incorporated under the Anglican Church of Australia (Bodies Corporate) Act 1938, domiciled in Australia. Its principal place of business is:

Sydney Diocesan Secretariat  
Level 2, St Andrew's House  
Sydney Square NSW 2000

### **Principal activities**

The object of the Secretariat is to carry out, perform and provide administrative, secretarial and accounting services for the Anglican Church in the Diocese of Sydney. It also implements the policy decisions of the Synod and Standing Committee.

There were no significant changes in the nature of the Board's activities during the year.

### **Results for the year**

The total change in equity is a deficit of \$269,711 (2010: \$159,451 surplus).

### **Distributions**

Dividends are not paid by the Secretariat.

Review of operations and significant changes in the state of affairs

A review of the operations of the Board and commentary on any significant changes in the state of affairs of the Board is contained in the report by the Chief Executive Officer (CEO).

### **Members**

The Standing Committee of the Diocese of Sydney appoints members, for terms of three years. The Standing Committee has the power to remove any member before the expiration of their term. The non-executive members receive no remuneration. The Chief Executive Officer attends Board meetings.

The following members were in office at 31 December 2011.

#### **Canon Bruce Ballantine-Jones OAM (Chairman), age 69**

Canon Ballantine-Jones was first appointed to the Board in September 1993 and was elected Chairman on 16 December 2009. He is an Honorary Associate Minister at Caringbah Anglican Church and is a Diocesan Representative on General Synod.

#### **Mr Mark Ballantyne BE, MBA, FIAA, age 43**

Mr Ballantyne is a qualified Actuary and Director level executive with over 20 years experience in all facets of financial services. He attends East Lindfield Anglican Church. Appointed to the Board on 7 December 2009.

#### **Bishop Robert Forsyth, BA, BD, ThL, DipA, MTh, age 62**

Bishop of South Sydney, Chairman of Anglican Media Council, Archbishop's Liturgical Panel and EU Graduates Fund. Member of the Standing Committee of the Diocese of Sydney and Standing Committee of General Synod, Member of Doctrine Commission Diocese of Sydney and a Corporate Trustee of the Anglican Church of Australia. First appointed to the Board in May 2000.

#### **Mr Ben Koo, BCom, BEc, age 35**

Mr Koo is a Bank Analyst with Goldman Sachs Australia with previous experience in Corporate Restructuring and Corporate Finance and the past decade as a research analyst. He attends St Faith's Anglican Church Narrabeen. Previously he was a warden at the Anglican Church at Annandale. Appointed to the Board 7 on December 2009.

#### **Mr Andrew McLoughlin, BBus, CPA, MTax, age 49**

Mr McLoughlin is Deputy Inspector-General of Taxation, with over 20 years in banking, financial services and taxation. He has held executive level positions. He attends East Lindfield Anglican Church. Appointed to the Board on 7 December 2009.

#### **Mr Ian Miller BA, LL.M, ThL, GAICD, age 59**

Mr Miller is a partner in Hunt and Hunt Lawyers with 34 years legal experience. He is a member of Hammond Care, Director of Church Missionary Society Trust Ltd, Australian College of Theology Ltd, Pentel Australia Pty Ltd, Consultant Editor of CCH Australia and a member of Ethics Committee of Royal Rehabilitation Centre of Sydney. He is also Chairman of Barker College Council, member of the Board of Enquiry, Sydney Diocesan Representative on General Synod and Provincial Synod and serves on the Parish Relationships Ordinance panel. He attends Beroft Anglican Church. First appointed to the Board in August 1999.

#### **Mr John Pascoe, FCA, BEc, age 51**

Mr Pascoe is a partner of Pascoe Whittle Chartered Accountants, which has extensive experience in the not-for-profit sector. He is a member of Standing Committee, and its Finance Committee (Deputy Chairman), the Sydney Church of England Finance and Loans Board (Chairman) and the Mission Board

Strategy Committee. He and his family are partners in the ministry at St Andrew's Cathedral. Appointed to the Board on 7 December 2009.

**Mr Ross Smith, MAppFin, BEc, age 45**

Mr Smith is a Chartered Accountant and Director, Corporate Recovery, McGrathNicol with over 25 years experience in Accounting, Finance, Corporate Restructuring and Advisory. He and his family attend Carringbah Anglican Church. Appointed to the Board on 6 December 2010.

**Resignations**

Mr Laurie Scandrett resigned from the Board on 25 May 2011 having served on the Board since November 1990.

No other members resigned or retired from the Board during the year.

**Chief Executive Officer**

**Mark Payne, BEc, LLB, LLM, FFSIA, AAIM, age 48**

Mr Payne was appointed as Chief Executive Officer on 18 November 2010 after periods of service with the Diocese as Diocesan Secretary and in general management roles with the Secretariat. Previously he worked as a solicitor with a large commercial firm. He is not a board member. He attends Cherrybrook Anglican Church.

**Secretary**

**Mr John Chapman, B Com, FCPA, AICS, age 63**

Mr Chapman was appointed Secretary to the Board in 2005 after a career in finance and accounting and a period as CFO of a major public company. He is not a Board member. He attends Bobbin Head Anglican Church and is Treasurer of the Church Missionary Society in NSW.

Details of attendance at Members' meetings and Committee meetings are detailed below:

Year Ended 31 December 2011	Board Meetings		Committee Meetings					
			Services and Resources		Audit and Risk		Audit	
	A	B	A	B	A	B	A	B
<b>Non Executive members</b>								
B Ballantine-Jones	6 c	6	1 c	1				
M Ballantyne	6	3						
R Forsyth	6	5	1	1	1	1	1	1
B Koo	6	6	1	1				
A McLoughlin	6	5			1	1	1	1
I Miller	6	5	1	-				
J Pascoe	6	5			1 c	1	1 c	1
L Scandrett	3	2						
R Smith	6	5					1	1

- A = meetings eligible to attend
- B = meetings attended
- c = Chairman
- = not a committee member

**Continuation in office of Members**

Mr Koo, Mr Pascoe and Mr McLoughlin were re-elected by the Standing Committee in November 2011 for a further term of 3 years.

**Secretariat Delegation**

The Board has delegated to the CEO, and through the CEO to other senior executives, responsibility for the day to day management of the activities of the Secretariat. The scope of that delegated authority, and its limits, is documented.

**Board Committees**

The Board has an Audit Committee, the functions of which are, to monitor, report and make recommendations to the Secretariat regarding the financial reporting processes of the Secretariat, to ensure the balance, transparency and integrity of published financial information, and its internal control systems, and its independent audit process. The Audit and Risk Committee was reconstituted as the Audit Committee from May 2011.

The Services and Resources Committee was dissolved from May 2011.

**Identifying significant business risks**

The Secretariat regularly monitors the operational and financial performance of its activities. It monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management arrangements.

**Independent professional advice**

The Secretariat has resolved that members do not have the right to seek independent professional advice at the expense of the Board, other than with prior approval by the Secretariat.

**Insurance of officers**

During the year insurance premiums totalling \$7,563 (2010: \$6,506) were paid for directors' and officers' liability insurance in respect of the members of the Board. The policies do not specify the premium for individual members.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from liability to persons incurred in their position as a member unless the conduct involves a wilful breach of duty or an improper use of inside information to gain advantage.

**Matters subsequent to the end of the year**

No matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect, the operations of the Secretariat, the results of those operations or the state of affairs of the Secretariat in future years.

**Environmental regulation**

The operations of the Secretariat are not subject to any particular and significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory thereof.

The Secretariat has not incurred any liability (including rectification costs) under any environmental legislation.

**Likely developments and expected result of operations**

The members have excluded from this report any information on the likely developments in operations of the Secretariat and the expected results of those operations in future years, as the members have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the Secretariat.

Signed in accordance with a resolution of the members of Sydney Diocesan Secretariat.

John Pascoe  
**Member**

Robert C Forsyth  
**Member**

28 March 2012

## Statement of comprehensive income for the year ended 31 December 2011

	Notes	2011 \$	2010 \$
<b>Revenue from continuing operations</b>			
Management and service fees		5,703,581	7,474,805
Property management fees		1,563,838	1,371,600
Interest		198,139	168,858
Grants and donations		24,996	25,000
Refund of payroll tax from Office of State Revenue	16	-	113,427
Other income		257,708	382,951
Write back of Doubtful Debt Provision		2,820	-
Net gain on sale of plant and equipment	8	-	100
<b>Total revenue from continuing operations</b>		<b>7,751,082</b>	<b>9,536,741</b>
<b>Expenses from continuing operations</b>			
Interest and finance charges		96,237	91,763
Staff and related expenses		5,412,730	6,052,575
Professional fees		183,856	252,441
Rent and occupancy expenses		1,093,925	1,001,090
Office operating expenses		867,458	1,251,308
Depreciation		252,166	486,010
Audit fees	22	43,586	35,269
Bad debts		46	5,793
Net loss on disposal of plant and equipment	8	1,175	-
Impairment charge of plant and equipment	8	9,213	104,223
Insurance expenses		38,556	35,241
Other expenses		21,845	61,577
<b>Total expenses from continuing operations</b>		<b>8,020,793</b>	<b>9,377,290</b>
<b>Surplus/(deficit) for the year</b>		<b>(269,711)</b>	<b>159,451</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(269,711)</b>	<b>159,451</b>

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

## Statement of financial position as at 31 December 2011

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,889,331	4,413,518
Receivables and other assets	5	191,587	213,275
Held-to-maturity investments	6	500,000	-
<b>Total current assets</b>		<b>5,580,918</b>	<b>4,626,793</b>
<b>Non-current assets</b>			
Held-to-maturity investments	6	-	500,000
Plant and equipment	8	1,070,717	908,083
<b>Total non-current assets</b>		<b>1,070,717</b>	<b>1,408,083</b>
<b>Total assets</b>		<b>6,651,635</b>	<b>6,034,876</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	627,672	579,778
Interest bearing liabilities	10	2,886,747	1,906,650
Provisions	11	942,271	971,243
<b>Total current liabilities</b>		<b>4,456,690</b>	<b>3,457,671</b>
<b>Non-current liabilities</b>			
Provisions and other liabilities	12	154,235	266,784
<b>Total non-current liabilities</b>		<b>154,235</b>	<b>266,784</b>
<b>Total liabilities</b>		<b>4,610,925</b>	<b>3,724,455</b>
<b>Net assets</b>		<b>2,040,710</b>	<b>2,310,421</b>
<b>EQUITY</b>			
Capital	13	2,062,105	2,062,105
Accumulated surplus/(deficit)	14	(21,395)	248,316
<b>Total equity</b>		<b>2,040,710</b>	<b>2,310,421</b>

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

## Statement of changes in equity for the year ended 31 December 2011

	Notes	Capital	Accumulated Surplus(deficit)	Total
		\$	\$	\$
<b>Balance at 1 January 2010</b>		<b>2,062,105</b>	<b>88,865</b>	<b>2,150,970</b>
Surplus for the year		-	159,451	159,451
Comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>159,451</b>	<b>159,451</b>
<b>Balance at 31 December 2010</b>		<b>2,062,105</b>	<b>248,316</b>	<b>2,310,421</b>
Deficit for the year		-	(269,711)	(269,711)
Comprehensive income for the year		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(269,711)</b>	<b>(269,711)</b>
<b>Balance at 31 December 2011</b>	13, 14	<b>2,062,105</b>	<b>(21,395)</b>	<b>2,040,710</b>

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

**Statement of cash flows for the Year ended 31 December 2011**

		2011	2010
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Management and service fees received		5,722,747	7,488,965
Property management fees received		1,563,838	1,371,600
Interest received		186,736	168,826
Grants and donations received		24,996	25,000
Refund of payroll tax from Office of State Revenue	16	-	113,427
Other income received		294,210	430,704
Borrowing costs paid		(96,237)	(91,763)
Payments to suppliers and employees		(7,775,386)	(8,590,947)
<b>Net cash inflow from operating activities</b>	20	<b>(79,096)</b>	<b>915,812</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(426,210)	(127,940)
Proceeds from sale of plant and equipment	8	1,022	100
<b>Net cash (outflow) from investing activities</b>		<b>(425,188)</b>	<b>(127,840)</b>
<b>Cash flows from financing activities</b>			
Net current accounts held with related parties inflow/(outflow)	10	784,546	(678,024)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>784,546</b>	<b>(678,024)</b>
Net increase in cash held		280,262	109,948
Cash at the beginning of the year		4,413,518	4,303,570
<b>Cash at end of year</b>	4	<b>4,693,780</b>	<b>4,413,518</b>

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

**Notes to the annual financial statements for the year ended 31 December 2011**

**1. Purpose**

The Sydney Diocesan Secretariat (the Secretariat) was established and incorporated under the provisions of the Sydney Diocesan Secretariat Ordinance of 1973. The Secretariat operates wholly in Australia and, being the central administrative body of the Diocese, is the nominal employer of staff and responsible for providing secretarial and office support for the Archbishop, Registrar and other Diocesan funds.

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, and the Accounts, Audits and Annual Statements Ordinance 1995.

**Compliance with IFRSs**

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

The accounting policies adopted are consistent with those of the previous financial year.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, and certain classes of plant and equipment.

***New accounting standards and interpretations***

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2011 reporting periods. The Secretariat's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. These changes are mandatory from 1 July 2013.

- (ii) AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

The Secretariat has no current intention to adopt these standards and interpretations early.

It is estimated that the effect of adopting the above pronouncements, when applicable, will have no material financial impact on the Secretariat in future reporting periods

***Critical accounting estimates***

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Secretariat's accounting policies.

There are no material areas of the financial statements where assumptions or estimates are used.

**(b) Principles of consolidation**

Associates are all entities over which the Secretariat has significant influence but not control or joint control.

The Secretariat is a member of SCEGGS Darlinghurst Ltd and SCEGGS Redlands Ltd. These companies are limited by guarantee. The Secretariat has significant influence through membership of the respective boards of these schools and at the respective general meetings of members by having the power to require a matter be determined by ballot whereby the Secretariat is granted additional votes equal to one-half of all votes cast, and thereby able to exercise control over special resolution votes.

While the Secretariat has potential for significant influence in the policies of SCEGGS Darlinghurst Ltd and SCEGGS Redlands Ltd, it does not have control as the Secretariat has no expectation of obtaining a benefit from its association with these companies as all income and property must be applied towards the promotion of the objects of the companies, even in winding up of the companies. Therefore the Secretariat is not required to consolidate their financial statements. No related party disclosures are required as there is no transfer of resources, services or obligations between the Secretariat and the schools.

**(c) Revenue recognition**

Revenue and other income are measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue and other income are recognised for the major business activities as follows:

***Management and service fees***

The Secretariat performs accounting, administration and secretarial services for a number of groups across the Diocese, most notably the Diocesan Endowment (and its controlled and managed entities), Synod (including Standing Committee), and the Anglican Church Property Trust (including the Endowment of the See). Management and service fees are based upon recouping the overall costs of each client through careful attention to the allocation of staff activity to the Secretariat's clients. The fees are recognised in the accounting period in which the services are rendered.

**Property management fees**

During the year the Secretariat performed accounting, administration and building management services for St Andrews House and St James Hall. Property management fees are based upon recouping the overall costs of each client through careful attention to the allocation of staff activity. The fees are recognised in the accounting period in which the services are rendered.

**Grants and donations**

Grants and donations are recognised to the extent they have been deposited in the bank, which is the point at which the entity gains control of the grant or donation.

**Disposal of plant and equipment**

Income from the disposal of plant and equipment is measured at fair value of the consideration received or receivable less the carrying value of the fixed asset or group of assets sold. Gain or loss arising from the sale is recognised at net amount in the statement of comprehensive income.

**Interest income**

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the entity reduces the carrying amount to its recoverable amount.

**(d) Financial instrument transaction costs**

Costs are included in the carrying amounts, except for financial assets or liabilities that are measured at fair value through profit or loss.

**(e) Impairment of assets**

Assets are reviewed 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

**(f) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(g) Receivables and other assets**

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of comprehensive income.

**(h) Investments and other financial assets**

The entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at end of each reporting period.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through the profit or loss are designated at initial recognition. Their performance is evaluated on a fair value basis and managed in accordance with the entity's investment strategy. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value.

**Available-for-sale financial assets**

Available-for-sale financial assets, comprising principally marketable securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end

of each reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Secretariat's management has the positive intention and ability to hold to maturity. If the Secretariat were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

#### **(i) Plant and equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Furniture and effects	10 years
- Equipment and machinery	5 years
- Office equipment	5 years
- Computer hardware	3 years
- Motor vehicles	5.5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **(j) Acquisitions of assets**

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

#### **(k) Payables**

These amounts represent liabilities for goods and services provided prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **(l) Current account held for diocesan funds**

These interest-bearing liabilities are carried at their principal amounts. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

#### **(m) Provisions**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

#### **(n) Employee benefits**

##### *(i) Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries including non-monetary benefits and annual leave expected to be settled within 12 months of the end of each reporting period are recognised either in payables or current provisions in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

No liability has been recognised for sick leave, as there is no provision made for sick leave and it is not considered that any sick leave taken will incur additional costs.

*(ii) Long service leave*

The liability for long service leave is recognised in the provision for long service leave entitlements and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of each reporting period on national government bonds with terms to maturity that matches, as closely as possible, the estimated future cash outflows.

*(iii) Employee incentives and bonus plans*

A liability for employee benefits in the form of incentives is recognised in provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial statements; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for employee incentives are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**(o) Capital**

Represents the original capital contributed to the Sydney Diocesan Secretariat fund.

**(p) Income tax**

The entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

**(q) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Sydney Diocesan Secretariat as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Lease income from operating leases where Sydney Diocesan Secretariat is a lessor is recognised in income on a straight-line basis over the lease term.

**(r) Goods and Service Tax (GST)**

The entity is a member of the Sydney Diocesan Secretariat GST group.

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, 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 net basis. The GST components of cash flows arising from operating, investing or financing activities, which are recoverable from, or payable to the ATO, are presented as operating cash flow.

**3. Financial risk management**

The Secretariat's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the fund.

Prime responsibility for financial risk management is with the Board.

	2011	2010
	\$	\$
<b>Financial assets</b>		
Cash at bank - Westpac Banking Corporation	-	605,446
Glebe Income Accounts	4,887,731	3,806,472
Receivables and other assets	191,587	213,275
Held-to-maturity investments	500,000	500,000
	<b>5,579,318</b>	<b>5,125,193</b>
<b>Financial liabilities</b>		
Payables	627,672	579,778
Westpac Banking Corporation overdraft	195,551	-
Interest bearing liabilities held for related parties	2,691,196	1,906,650
	<b>3,514,419</b>	<b>2,486,428</b>

**(a) Market risk***(i) Foreign exchange risk*

The fund does not operate internationally and is not exposed to foreign exchange risk.

*(ii) Cash flow and fair value interest rate risk*

The Secretariat's interest rate risk arises from its current accounts. The Secretariat, as the holder of the Westpac bank account, acts as banker for its client funds. Each client fund, as a separate current account holder with the Secretariat, earns interest income on the balance held daily. Overdraft fees are charged to a client fund if its current account balance with the Secretariat is in an overdraft position at predetermined rates, which are set internally. The lending of funds may expose the Secretariat to cash flow interest rate risk, as determined by the cash needs of each individual internal fund. The Secretariat also holds cash and cash equivalent deposits which expose the Secretariat to interest rate risk from impacts on interest income. These risks are mitigated by maintenance of a margin between the interest rate received by the Secretariat on its cash holdings with Glebe Income Accounts and the interest rate paid on current accounts. Both rates change as necessary to reflect market conditions.

*Interest rate sensitivity*

At 31 December 2011, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, surplus for the year would have been \$25,010 lower/higher (2010 – change of 100 bps: \$30,052 lower/higher), mainly as a result of higher/lower interest expense on cash and cash equivalents.

	Carrying amount	Interest rate risk			
		-1.00%		1.00%	
		Surplus	Equity	Surplus	Equity
31 December 2011	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	4,887,731	(48,877)	(48,877)	48,877	48,877
Held-to-maturity investments	500,000	(5,000)	(5,000)	5,000	5,000
Interest bearing liabilities	2,886,747	28,867	28,867	(28,867)	(28,867)
<b>Total increase/(decrease)</b>		(25,010)	(25,010)	25,010	25,010

	Carrying amount	Interest rate risk			
		-1.00%		1.00%	
		Surplus	Equity	Surplus	Equity
31 December 2010	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and cash equivalents	4,411,918	(44,119)	(44,119)	44,119	44,119
Held-to-maturity investments	500,000	(5,000)	(5,000)	5,000	5,000
Interest bearing liabilities	1,906,650	19,067	19,067	(19,067)	(19,067)
<b>Total increase/(decrease)</b>		(30,052)	(30,052)	30,052	30,052

**(b) Credit risk**

Credit risk arises from cash and cash equivalents, deposits with financial institutions, as well as credit exposures to outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum local short term rating of A-2 are accepted. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. If available and considered required, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates. The Secretariat maintains deposits with the Glebe Income Accounts. The Glebe Income Accounts deposits are held by the Glebe Administration Board (GAB), the trustee for the Diocesan Endowment. GAB employs a range of prudential policies and practices, which include an Investment Policy and a Treasury Policy Statement along with a \$15,000,000 standby facility with Westpac Banking Corporation, to ensure customer deposits are available to them within the terms of those deposits.

As at 31 December 2011 accounts receivable of the Secretariat with a book value of \$5,583 (2010: \$18,143) were past due. An impairment provision of \$4,412 (2010: \$7,232) is recognised. The creation and release of the provision for impaired receivables is shown on the statement of comprehensive income categorised as "Bad debts". The individually overdue receivables mainly relate to Anglican Youthworks for provision of IT services. There is no history of default.

		2011	2010
	Credit rating	\$	\$
<b>Cash and cash equivalents</b>			
Cash at bank - Westpac Banking Corporation	*A-1+	-	605,446
Glebe Income Accounts	Not rated	4,887,731	3,806,472
<b>Total cash and cash equivalent</b>		4,887,731	4,411,918
		2011	2010
	Credit rating	\$	\$
<b>Held-to-maturity investments</b>			
Greater Building Society Variable Rate Notes	*A-2	500,000	500,000
<b>Total held-to-maturity investments</b>		500,000	500,000

\* Standard & Poor's Short Term Local Issuer Credit Rating

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Secretariat's operations it aims at maintaining flexibility in funding by keeping committed credit lines available. The fund manages liquidity risk by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

*Financing arrangements*

The fund had access to the following undrawn borrowing facility at the end of each reporting period:

		2011	2010
		\$	\$
Undrawn overdraft facility with Westpac Banking Corporation		1,004,449	1,200,000

The bank overdraft facilities may be drawn at any time.

*Maturities of financial liabilities*

The table below analyses the Secretariat's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date.

Due to the short-term nature of the liabilities the carrying amounts are disclosed in the table.

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Less than six months</b>		
Non-interest bearing - payables	627,672	579,778
Variable rate - Westpac Banking Corporation overdraft	195,551	-
Variable rate - current account balances held for related parties	2,495,645	1,906,650
	<b>3,318,868</b>	<b>2,486,428</b>

**(d) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

**4. Current assets - Cash and cash equivalents**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash at bank - Westpac Banking Corporation (a)	-	605,446
Glebe Income Account (other related party) (b)	4,887,731	3,806,472
Cash in hand	1,600	1,600
	<b>4,889,331</b>	<b>4,413,518</b>

**(a) Cash at bank – Westpac Banking Corporation (a)**

Cash at bank is bearing a variable interest rate, on credit balances above \$1,999, of 0.01% (2010: 0.25%).

**(b) Other cash and cash equivalents (b)**

The deposits are bearing floating interest rates between 3.50% and 5.50% (2010: 3.70% and 5.25%). These deposits have a varied maturity of at call or 3 months.

**(c) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the year of the financial year as shown in the statement of cash flows as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Balances as above	4,889,331	4,413,518
Bank overdraft (Note 10)	(195,551)	-
Balances per statement of cash flows	<b>4,693,780</b>	<b>4,413,518</b>

**5. Current assets – Receivables and other assets**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	11,378	69,859
Provision for impairment of receivables (note (a))	(4,412)	(7,232)
Prepayments - other	7,823	37,763
Accrued interest	693	662
Receivable from related entities	153,611	-
Input tax credits	22,494	31,893
Other receivables	-	80,330
	<b>191,587</b>	<b>213,275</b>

**(a) Bad and doubtful trade receivables**

The Secretariat has written back \$2,820 in respect of bad and doubtful receivables during the year ended 31 December 2011 (2010: Write off of \$5,793).

**6. Current assets – Held-to-maturity investments**

	2011	2010
	\$	\$
Greater Building Society Variable Rate Notes	500,000	500,000

**(a) Variable rate notes**

The fair value of the variable rate notes is \$500,000 (2010: \$500,000). Fair value was determined by reference to the face value and management’s intention to hold the investment to maturity. Maturity date is 12 April 2012.

**(b) Impairment and risk exposure**

The maximum exposure to credit risk at the reporting date is the carrying amount of the investment. Greater Building Society is rated by Standard and Poor’s Short Term Local Issuer Credit as “A-2”. The variable rate notes are neither past due nor impaired.

The variable rate notes are denominated in Australian currency. As a result, there is no exposure to foreign currency risk. There is no exposure to price risk as the investment will be held to maturity.

**7. Non-current assets – Available-for-sale financial assets**

	2011	2010
	\$	\$
Unlisted securities		
NSW Council of Churches Broadcasters Pty Ltd	47	47
Fair value adjustment	(47)	(47)
Total	-	-

The fair value is determined based on the present value of net cash inflows from expected future interest or dividends and subsequent disposals of the securities. No net cash inflows are expected.

All available-for-sale financial assets are denominated in Australian currency.

## 8. Non-current assets – Plant and equipment

	2011	2010
	\$	\$
Furnishings and effects - at cost	1,009,886	876,129
Additions	-	183,158
Disposals/write-off	(16,378)	(49,401)
Furnishings and effects	993,508	1,009,886
Less: Provision for depreciation	(415,436)	(292,912)
	578,072	716,974
Equipment and machinery - at cost	1,616	421,080
Disposals/write-off	-	(419,464)
Equipment and machinery	1,616	1,616
Less: Provision for depreciation	(727)	(404)
	889	1,212
Office equipment - at cost	261,127	473,480
Additions	205,742	8,510
Disposals/write-off	(194,470)	(220,863)
Office equipment	272,399	261,127
Less: Provision for depreciation	(80,129)	(238,007)
	192,270	23,120
Computer hardware - at cost	1,281,157	1,457,047
Additions	30,927	116,660
Disposals/write-off	(182,278)	(292,550)
Computer hardware	1,129,806	1,281,157
Less: Provision for depreciation	(1,019,861)	(1,114,380)
	109,945	166,777
Motor vehicle - at cost	25,248	25,248
Motor vehicle	25,248	25,248
Less: Provision for depreciation	(25,248)	(25,248)
	-	-
Expenditure recognised in relation to plant and equipment and fixtures and fittings which is in the course of construction	189,541	-
Total plant and equipment	1,070,717	908,083

<b>Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current year is set out below:</b>		
	2011	2010
	\$	\$
Opening balance at beginning of year	908,083	1,370,376
Additions	236,669	308,328
Work in progress changes during the year	189,541	(180,388)
Disposals/impairment write-off (a)	(11,410)	(104,223)
Depreciation	(252,166)	(486,010)
Closing balance at end of year	1,070,717	908,083
Proceeds from the sale of plant and equipment	1,022	100
Carrying cost of plant and equipment sold	2,197	-
Gain/(loss) on sale of plant and equipment	(1,175)	100

**(a) Impairment loss**

The impairment charge of \$9,213 (2010: \$104,223) relates to the closure of the Building Services Office with the outsourcing of that function. The difference between the impairment loss and the disposal/impairment write off shown in the reconciliation of carrying amount is the carrying amount of plant and equipment sold.

**9. Current liabilities - Payables**

	2011	2010
	\$	\$
Accounts payable	65,437	55,813
Accrued expenses	219,347	185,089
Planned giving - offerings received on behalf of Parishes	125,838	111,735
Other payables	217,050	227,141
	<b>627,672</b>	<b>579,778</b>

**10. Current liabilities - Interest bearing liabilities**

	2011	2010
	\$	\$
<b>Interest bearing liabilities</b>		
Overdraft - Westpac Banking Corporation (a)	195,551	-
Current accounts held for Diocesan funds (other related parties) (b)	2,691,196	1,906,650
	<b>2,886,747</b>	<b>1,906,650</b>

	2011	2010
	\$	\$
Current accounts held for Diocesan funds (other related parties)		
Movement		
Opening balance	1,906,650	2,584,674
Net increase/(decrease) in current account liability	784,546	(678,024)
Current account balances at end of year	<b>2,691,196</b>	<b>1,906,650</b>

(a) Information about the security relating to the Westpac Banking Corporation overdraft is provided in note 19.

Interest is payable at 9.61% on balances within the overdraft limit (2010: Nil).

(b) Current account balances are at call and unsecured.

Interest is paid at 2.70% (2010: 2.70%). Interest is charged at 8.20% (2010: 8.20%) on overdrawn client fund current accounts.

**11. Current liabilities - Provisions**

	2011	2010
	\$	\$
Annual leave entitlements	308,311	452,032
Long service leave entitlements	381,099	295,987
Restructuring costs (a)	244,688	148,265
Clergy stipend continuance unfunded claims (b)	8,173	74,959
	<b>942,271</b>	<b>971,243</b>

**(a) Restructuring costs**

Provision for termination benefits payable to non-voluntarily retrenched staff.

**(b) Clergy stipend continuance unfunded claims**

Provision is made for the short fall in insurance cover for a claim made against the clergy stipend continuance insurance scheme. Management estimates the provision based on the period the claimant remains covered by the scheme and the monthly shortfall between the pension paid and amount received from the insurer.

**(c) Movement in provisions**

Movements in each class of provision during the year, other than employee benefits, are set out below:

		Restructuring costs	Clergy stipend continuance unfunded claims	Total
<b>Movement in current provisions</b>		\$	\$	\$
Carrying amount at start of year		148,265	74,959	223,224
Charged/(credited) to the income statement				
- additional provisions recognised		600,775	(2,064)	598,711
Amounts used during the year		(504,352)	(64,722)	(569,074)
Carrying amount at end of year		244,688	8,173	252,861

**12. Non-current liabilities – Provisions and other liabilities**

		2011	2010
		\$	\$
Long service leave entitlements		154,235	261,018
Clergy stipend continuance unfunded claims (a)		-	5,766
		154,235	266,784

**(a) Clergy stipend continuance unfunded claims**

Provision for shortfall of claims beyond the next twelve months.

**(b) Movement in provisions**

Movements in each class of provision during the year, other than employee benefits, are set out below:

			Clergy stipend continuance unfunded claims
<b>Movement in non-current provisions</b>			\$
Carrying amount at start of year			5,766
Charged/(credited) to the income statement			
- unused amount reversed			(5,766)
Carrying amount at end of year			-

**13. Equity - Capital**

		2011	2010
		\$	\$
Contributed capital		2,062,105	2,062,105

Capital has been contributed by the Synod of the Anglican Church of Australia Diocese of Sydney. The Secretariat's governing ordinance grants no rights or preferences in relation to the capital, and places no restrictions on the use of the capital in pursuing the Secretariat's objectives and providing benefits to the Synod's stakeholders.

**14. Equity - Accumulated surplus**

	2011	2010
	\$	\$
Accumulated surplus/(deficit) at beginning of the year	248,316	88,865
Surplus/(deficit) for the year	(269,711)	159,451
Accumulated surplus/(deficit) at end of the year	(21,395)	248,316

**15. Commitments – Premises rental**

<b>Lease commitments: SDS as lessee</b>	<b>2011</b>	<b>2010</b>
<i>(i) Non-cancellable operating leases</i>	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	972,797	936,101
Later than one year but not later than five years	4,052,297	3,898,309
Later than five years	6,457,211	7,450,234
	<u>11,482,305</u>	<u>12,284,644</u>
<b>Lease commitments: SDS as lessor</b>	<b>2011</b>	<b>2010</b>
<i>Sub-lease payments</i>	\$	\$
Future minimum lease payments expected to be received in relation to cancellable sub-leases of operating leases		
Within one year	201,557	193,965
Later than one year but not later than five years	193,236	394,793
	<u>394,793</u>	<u>588,758</u>
<i>(ii) Cancellable operating leases</i>	\$	\$
Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:		
Within one year	342,336	399,328
Later than one year but not later than five years	307,936	376,256
	<u>650,272</u>	<u>775,584</u>

*(i) Non-cancellable operating leases*

The Secretariat leases various suites within St Andrew's House under non-cancellable operating leases expiring within eleven years. The leases have varying terms. Each lease is subject to an annual rent escalation of 3% on the anniversary of the lease commencement date. On renewal terms of the leases are renegotiated. Excess office space is sub-let to third parties also under non-cancellable operating leases.

*(ii) Cancellable operating leases*

The Secretariat has service contracts for the provision of software and hardware maintenance that are not recognised as liabilities.

**16. Payroll tax – refund**

During 2010 the Office of State Revenue (OSR) has paid a final refund of payroll tax of \$113,427 pertaining to their acceptance of the Secretariat's apportionment methodology concerning taxable and non-taxable salaries for payroll tax purposes.

**17. Investments in associates**

The Secretariat is a member of SCEGGS Darlinghurst Ltd and SCEGGS Redlands Ltd, two schools which are companies limited by guarantee. The Secretariat has particular powers which may be called upon in the case of a ballot which allows it to cast votes equal in number to one half of all the votes cast in the ballot (excluding the vote of the Secretariat). In a vote on an ordinary resolution not involving a ballot, the Secretariat has 1 vote, the same as other members. The quorum at general meetings is 15 members for SCEGGS Redlands Ltd and 20 members for SCEGGS Darlinghurst Ltd. The Secretariat has

the right to appoint 4 directors to each company. At present the Secretariat directors are 4 of 12 in each case.

The Secretariat does not have control of the schools as its voting power does not allow it to govern the financial and operating policies of the schools so as to obtain benefit from their activities. As a result the schools are regarded as associates of the Secretariat and not subsidiaries.

No financial information of the companies is disclosed as both are limited by guarantee and the Secretariat has not contributed any capital to the schools. In addition, the Secretariat has no expectation of ever receiving any financial benefit from the schools as by their nature no dividends are paid and the winding up clauses in their constitutions require any surplus on winding up to be paid to an Anglican school in the Diocese.

#### **18. Contingent liabilities and contingent assets**

Contingent liabilities in respect to the membership of the schools SCEGGS Darlinghurst Ltd and SCEGGS Redlands Ltd are limited in their constitutions to the guarantees of \$1 and \$10 respectively.

#### **19. Overdraft facility**

A Joint and Several Guarantee has been given to Westpac Banking Corporation by Glebe Administration Board and St. Andrew's House Corporation (other related parties) for overdraft accommodation up to \$1,200,000 granted to the Secretariat. Also there is Third Party Indemnity by Glebe Administration Board in respect of Bankers Undertaking with an individual limit of \$300,000. Outstanding balances are repayable on demand.

At balance date the Secretariat made available an overdraft facility with a limit of \$1,000,000 to the Glebe Administration Board through its current account with the Secretariat.

#### **20. Reconciliation of surplus from ordinary activities to the net cash flow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) from ordinary activities	(269,711)	159,451
Depreciation	252,166	486,010
Impairment of plant and equipment	9,213	104,223
(Gain)/loss on sale of plant and equipment	1,175	(100)
Bad debts written-off	46	2,812
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in receivables	21,642	22,360
Increase/(decrease) in payables	47,894	95,212
Increase/(decrease) in provisions	(141,521)	45,844
Net cash (outflow)/inflow from operating activities	<b>(79,096)</b>	<b>915,812</b>

#### **21. Related party transactions**

Ultimate control vests with Synod through the sanctioning of governing Ordinances. The transactions between (other related parties) Diocesan Funds are carried out on a commercial basis. The nature of transactions is disclosed in the financial statements.

Due to the inconsequential allocation of resources to the Glebe Australia Limited and Glebe Asset Management funds no fee was charged by the Secretariat in 2011 (2010: \$196,500 to Glebe Asset Management).

Due to common membership of the board's of the Glebe Administration Board and the Secretariat, the Secretariat is a related party of GAB and entities for which GAB is trustee.

The Secretariat operates as the central administrative body of the Diocese, and is the nominal employer of staff and responsible for providing secretarial and office support for the Archbishop, Registrar and other Diocesan funds. The Secretariat's activities involve extensive related party transactions. The Secretariat's revenues from management and service fees, property management fees, grants and donations are wholly derived from related parties. Revenues from interest and other income are mainly

derived from related parties. Expenses mainly attributable to related parties are interest and finance charges, rent and insurance expenses.

The Secretariat paid the St Andrew's House Corporation \$945,871 and \$40,682 for office rent and car parking respectively (2010: \$915,930 and \$39,657).

The Secretariat's net assets also contain outstanding balances with related parties. Included in the assets of the Secretariat are cash deposits with Glebe Income Accounts and some receivables. The Secretariat provides a deposit taking service via "current accounts" with its client funds. These related party outstanding balances are shown as interest bearing liabilities.

**Key management personnel**

**(a) Board members**

The following persons held office as members of the Secretariat during the year:

Canon B A Ballantine-Jones OAM	Mr I C Miller
Mr M Ballantyne	Mr J S Pascoe
Bishop R C Forsyth	Dr L A Scandrett (Resigned 25/05/2011)
Mr B M Koo	Mr R Smith
Mr A McLoughlin	

**(b) Other key management personnel**

The following persons also had authority and responsibility for the strategic direction and management of the Secretariat during the year:

<i>Name</i>	<i>Position</i>
Mr M A Payne	Chief Executive Officer
Mr M A Blaxland	Chief Financial Officer
Mr R Wicks	General Manager, Diocesan and Corporate Services

**(c) Key management personnel compensation**

	2011	2010
	\$	\$
Short-term employee benefits	658,816	742,900
Long-term employee benefits	12,475	26,720
	671,291	769,620

**22. Remuneration of auditors**

	2011	2010
	\$	\$
<b>(a) Assurance services</b>		
Audit services		
- audit and review of financial reports and other audit work	43,586	35,269
Total remuneration for audit services	43,586	35,269
<b>(b) Advisory services</b>		
For services rendered in the normal operations of the Secretariat	10,465	21,073
	54,051	56,342

The audit fee for the year is \$25,000 (2010: \$23,800).

**23. Events occurring after the end of the reporting period**

Since 31 December 2011 the Board resolved in principle to undertake a major property project intended to significantly reduce the floor space occupied by the Secretariat on level 2 of St Andrew's House. This project will require the reconfiguration of the existing office space. Detail plans and costing for the compression of floors space have not yet been determined.

The St Andrew's House Trust has agreed to the Secretariat relinquishing its lease on 600 square metres on level 2.

The financial statements were authorised for issue on 28 March 2012 by the Board.

## **MEMBERS' DECLARATION**

The members of the Sydney Diocesan Secretariat declare that these financial statements and notes set out on pages 147 to 168:

- (a) comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) give a true and fair view of the Secretariat's statement of financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.

In the members' opinion there are reasonable grounds to believe that the Secretariat will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

John Pascoe  
**Member**

Robert C Forsyth  
**Member**

28 March 2012

## **Report to Standing Committee of Synod**

### **CLAUSE 14**

Report to Standing Committee of Synod pursuant to Clause 14 of the Accounts, Audits and Annual Report Ordinance 1995 for the year ended 31 December 2010.

#### **Clause 14d – Liquidity**

**a. Solvency**

The members of the Secretariat are of the opinion that the Secretariat will be able to meet all of its liabilities as they fall due.

**b Provisions and employee entitlements**

Adequate provisions have been made for employee entitlements for long service (\$535,334) and annual leave (\$308,311). In the opinion of the members, the Secretariat has made adequate provision for future obligations.

**c Trade creditors**

All creditors are being paid in accordance with normal terms of payment.

**d Trusts**

All dealings with real and personal property have been consistent with the trusts on which the property is held.

**e Payments to members**

No amounts were paid to any members of the Secretariat during the year.

**f Internal control**

The Secretariat is satisfied that it has maintained a satisfactory system of internal control.

**g Insurance**

Appropriate types and levels of insurance cover are held in respect of all insurable risks, having regard to the value of assets and current level of awards for damages.

**h Matters subsequent to end of year**

Since 31 December 2011 the Board resolved in principal to undertake a major property project intended to significantly reduce the floor space occupied by the Secretariat on level 2 of St Andrew's House. This project will require the reconfiguration of the existing office space. Detail plans and costing for the compression of floors space have not yet been determined.

The St Andrew's House Trust has agreed to the Secretariat relinquishing its lease on 600 square metres on level 2.

**i Adoption of report**

This report has been adopted at a duly constituted and convened meeting of the members of the Secretariat on 28 March 2012.

**Clause 14e – Risk Management**

*Summary of Key Risks*

The key risk areas that were identified in 2011 were:

- a. **Business continuity**, reflecting risks around adequacy of procedures and documentation to monitor continuity of business, training of our people for business continuity purposes and that inadequate back up may result in loss of data.
- b. **Changing Diocesan environment**, including outcomes from the Archbishop's Strategic Commission which may impede fulfilment of charter obligations and lack of understanding by Diocesan leadership about the role of Sydney Diocesan Secretariat.
- c. **Financial control**, reflecting risks such as inadequate capital for the functioning of Sydney Diocesan Secretariat, failure to maintain income levels, inadequate expense control.
- d. **Investment management – ACPT Long Term Pooled Investment Fund**, including adequacy of governance procedures, performance of externally managed investments, failure of external service providers, and adequacy of assessment of risks to the business.
- e. **Operational Risk – Data & systems security**, reflecting risks around failure to adequately control access to information, adequacy of processes to ensure information reliability, adequacy of processes to ensure information reliability and failure to ensure proper security and ongoing integrity of data and systems.
- f. **Operational Risk – Physical security**, reflecting risks around unauthorised access to the office tower and danger to security of people and property in public areas.
- g. **Operational Risk – System & processes (Financial)**, reflecting risks around failure of financial systems to provide timely and accurate information and fraud, theft inappropriate payments or diversion of funds.
- h. **Operational Risk – System & processes (Technology)**, reflecting risks around systems do not meet users' needs, unauthorised/uncontrolled user profile creation/ modification, inadequate vendor support, inadequate ability to restore data and insufficient audit trail for key processes.
- i. **People**, reflecting factors such as failure to attract, engage, develop and retain appropriate staff, failure to ensure health, safety and welfare of staff, staff misconduct and succession planning.
- j. **Regulatory and contractual obligations**, reflecting obligations to external parties in respect to regulatory compliance, monitoring regulatory changes, and adherence to contractual obligations, lack of awareness of proposed or actual changes to regulatory environment,
- k. **Reputation**, reflecting factors such as an adverse event affecting another diocesan or closely related Anglican organisation which impacts the reputation of Sydney Diocesan Secretariat, or being linked to an ethical, legal or management failure by one of our service suppliers and adverse media comment about Sydney Diocesan Secretariat, staff accepting and holding external board appointments.
- l. **Service expectations** Failure to meet client service provision expectations, with potential impact on the business, finances and reputation of Sydney Diocesan Secretariat.

John Pascoe  
Member

Robert C Forsyth  
Member

28 March 2012

**Independent Auditor's Report to the Members of Sydney Diocesan Secretariat****Report on the financial report**

We have audited the accompanying financial report of Sydney Diocesan Secretariat (the Secretariat) [as set out on pages 147 to 168], which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the members' declaration for Sydney Diocesan Secretariat.

***Members' responsibility for the financial report***

The members of the Secretariat are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Accounts, Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution for the purpose of fulfilling the financial reporting obligations of the members under the Audits and Annual Reports Ordinance 1995 of the Synod of the Anglican Church of Australia Diocese of Sydney. We disclaim any assumptions of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the member, or for any purpose other than that for which they are prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Auditor's opinion***

In our opinion, the financial report presents fairly, in all material respects, the financial position of Sydney Diocesan Secretariat as at 31 December 2011 and its financial performance for the year ended in accordance with the accounting policies described in Note 2 to the financial statements.

PricewaterhouseCoopers

FRANCOIS BRUDER  
Principal

Sydney  
28 March 2012

## 35/09 Tertiary Education Ministry Oversight Committee (TEMOC)

(A report from the Tertiary Education Ministry Oversight Committee.)

1. The Tertiary Education Ministry Oversight Committee (TEMOC) was formed in 2009 and is responsible for the distribution of funds allocated by Synod to ministries operating in Universities and Vocational Education and Training (VET) institutions. TEMOC is committed to supporting the development of evangelical tertiary ministries within the Diocese in accordance with the statement of vision, strategic priorities and core principles detailed in its report to the Synod in 2010 (refer to [www.sds.asn.au](http://www.sds.asn.au)).

2. These are summarised below –

- a. Vision (paragraph 9, Synod report 2010): Our vision is to grow Bible-based ministries on each university and Vocational and Education and Training (VET) campus in the Diocese that are:
  - i. evangelistic,
  - ii. preparing students for a life-time of Christian service, and
  - iii. particularly concerned to raise up future generations of vocational Christian ministers.
- b. Core Principles (paragraph 10, Synod report 2010): In addition to the values in the vision above, we want these university and VET campus ministries to:
  - i. serve churches in partnership through training and equipping their members,
  - ii. as far as possible, work as a single united team on campus,
  - iii. develop effective ministry across the whole campus, including segments such as commuters, international students, postgraduates, staff and residents,
  - iv. have (Anglican) chaplains who will serve in these ministries, be recognized by the campus administration and advocate for the ministry.
- c. Funding Model (Paragraph 11, Synod report 2010): TEMOC funds are:
  - i. to help initiate new work on tertiary education campuses,
  - ii. to help resource campus based ministry traineeships to encourage the raising up of vocational Christian workers,
  - iii. not to be the sole funding source for any campus ministry.

Funds will be available under two schemes (*with the quantum of each grant declining over a 2 to 4 year trajectory*):

  - i. theologically trained workers,
  - ii. ministry traineeships.

3. The members of TEMOC are Professor Christopher Bellenger (Chair), the Rev Patrick Benn, the Rev Richard Blight, the Rev Robert Copland, Dr Sara Denize, the Rev Stephen Gooch, Ms Tracey Gowing, the Rev Peter Hughes, and Canon Mark Williamson.

4. Following the Synod 2011, TEMOC (having met on four occasions) has –

- i. reviewed reports from grant recipients on 2011 grants
- ii. confirmed funding allocations for 2012, and
- iii. called for and initiated a review of grant applications for 2013.

5. TEMOC was responsible for overseeing the distribution of the Synod allocation of \$150,000 to support Tertiary ministry in 2012 (down from \$300,000 in 2011). Preliminary grant applications were received for fourteen projects to the value of \$330,000. TEMOC considered each of the applications in accordance with the statement of vision, strategic priorities and core principles.

6. In 2012 funds were distributed to support ministry on ten tertiary campuses. All University projects were initiated by Anglican chaplains in consultation with evangelical student groups on campus. VET positions were initiated by the Inter-College Christian Fellowship which has been formed to promote and support such ministry. Funds are all being used for part salaries of men and women actively working amongst students on campus including leadership in evangelism and evangelical teaching on campus, evangelism directed to specific groups (such as to student residences and to ethnic groups), training of a rising group of female workers and growing the work amongst VET students.

7. Funds were distributed as follows –

<b>Tertiary Focus</b>	<b>Funds Recipient</b>	<b>Scheme</b>	<b>Ministry Focus</b>	<b>Project Contact</b>	<b>GRANT 2012</b>
Macquarie University	Robert Menzies College	Theologically Trained Worker	Chaplain	Rev Scott Blackwell	\$ 20,000
UNSW	UNICHURCH / Campus Bible Study	Theologically Trained Worker	Women's Worker	Rev Carl Matthei	\$ 20,000
UWS Bankstown	St John's Anglican Church, Padstow	Theologically Trained Worker	Chaplain	Rev Richard Blight	\$ 15,000
UWS Campbelltown	Campus Bible Study / Australian Fellowship of Evangelical Students	Theologically Trained Worker	Chaplain (Assistant)	Rev Adam Richards	\$ 15,000
UWS Penrith	Kingswood Anglican Church	Theologically Trained Worker	Chaplain	Rev Steve Gooch / Rev Rob Elder	\$ 15,000
University of Wollongong	Anglican Chaplaincy University of Wollongong	Theologically Trained Worker	Chaplain	Rev Robert Copland	\$ 15,000
University of Wollongong	Australian Fellowship of Evangelical Students	Theologically Trained Worker	Muslim Worker	Rev Robert Copland	\$5,000
TAFE Ministries (Nirimbah, Ultimo)	Inter-College Christian Fellowship / Anglican TAFE Ministries	Theologically Trained Worker	TAFE Workers	Rev Patrick Benn	\$ 25,000
University of Sydney; University of Technology, Sydney	St Barnabas Anglican Church Broadway	Traineeship	Workers in Student Residences	Rev Michael Paget	\$ 20,000
<b>TOTAL FUNDS</b>					<b>\$150,000</b>

8. Several members of TEMOC have direct involvement in student ministry on campus and from time to time are grant applicants. TEMOC maintains a Conflict of Interest Register and any member with a conflict of interest does not speak to their application in committee or vote on its approval.

9. TEMOC considered reports on all the projects funded in 2011. The reports confirmed the application of funds to the specified project and provided details of outcomes achieved from grant funding. Under God good work was done. For example, growth has been observed in the ministries at four UWS Campuses, with over 100 students from UWS attending the annual mid-year Conference in 2012 – the highest number so far; at one UWS campus a woman international student 'became a Christian in early 2011 and has now become a keen evangelist' while a male former student 'wants to do a ministry apprenticeship ... and continue on into full time ministry'; at Macquarie University 'the Anglican Chaplaincy has a healthier and more dynamic profile on campus'; at one tertiary campus 'the chaplaincy role has proven crucial in defending the existence [of the chaplaincy] ...and [in] promoting access by chaplains to the residential communities'; and on average 120 students attend weekly lunchtime bible talks at Wollongong University.

10. TEMOC has called for applications for new and continuing projects in 2013. A total of thirteen applications have been received for the first round review. Four applications are for new projects. Final decisions on grants will be made following the October meeting of Synod.

For and on behalf of the Tertiary Education Ministry Oversight Committee

PROFESSOR CHRISTOPHER R BELLENGER  
*Chairman*

10 August 2012

## 3/11 Towards 2050

(A report from the Standing Committee.)

### Background

1. Synod passed resolution 2/10 in the following terms –
 

“Synod, noting that by the year 2050 projected population studies anticipate that Australia’s population will exceed 40 million people and that the proportion of the population from non-Anglo-Celt background will be even more significant than is now the case –

  - (a) requests the Standing Committee to explore, and report back to Synod next year, as to how our Church might meet this significant change (both in population numbers and population mix) in terms of its impact on our mission to the people of our Diocese and on the face and fabric of our Church, and
  - (b) without limiting the matters to be considered, requests that the examination include the name or names that our Church may use as we present our mission objectives across the Diocese and the ‘logos’ of our Church.”
2. By resolution 3/11, the Synod noted an interim report provided in response to resolution 2/10 (the 2011 report) and –
  - (a) encouraged Synod members to consider the 2011 report and its recommendations and to provide comments on the 2011 report to the Diocesan Secretary by 31 March 2012, and
  - (b) requested the Standing Committee to bring to the 2012 session of the Synod a motion to enable the Synod to consider the recommendations in the 2011 report.
3. The committee constituted by the Standing Committee to prepare the 2011 report, comprising the Rev Andrew Katay, the Rev Peter Lin and Dr Philip Selden, have reviewed the comments made by Synod members and a number of interested diocesan bodies about the 2011 report.
4. This report has been prepared in response to Synod’s request in resolution 3/11, taking into account these comments. A copy of the 2011 report is reprinted as an attachment to this report.

### Comments

5. The committee considered that it is important to understand what the recommendations in the 2011 report are seeking to achieve.
6. The 2011 report focuses on the minimum or base-line action that should be taken over the next 40 years to –
  - (a) maintain parity between a growing population and levels of regular attendance at Anglican churches in the Diocese, and
  - (b) ensure the cultural and ethnic mix of those attending Anglican churches more closely reflects the culture and ethnic mix of the surrounding population.
7. In light of comments made about the recommendations in the 2011 report, the committee wanted to stress the following three matters –
  - (a) Firstly, the basic challenge identified in the 2011 report to maintain parity with a growing and culturally/ethnically diverse population is not intended to be an aspirational mission goal which challenges our categories of thinking etc. The goals identified in the 2011 report are evidence-based, deliberately modest (in the sense that they seek to achieve no more than parity) and, the committee trusts under God, realisable.
  - (b) Secondly, while the committee is thankful to God for the growth that has been seen in church attendance across the Diocese in recent years, the evidence suggests we are still not maintaining parity with population growth. Accordingly, the steps recommended in the 2011 report, while modest, are not about maintaining the status quo but focus on the changes that need to be made to maintain parity.
  - (c) Thirdly, the recommendations in the 2011 report are not intended to address everything that might be done to respond to the challenges of population growth and population mix and, in particular, are not intended to be a substitute for episcopally led mission across the Diocese which would build on base-line synodical initiatives.
8. The committee noted that the health of parish churches is a complex matter involving both internal and external factors. However the recommendations in the 2011 report are limited to four internal responses to the challenges of maintaining parity in both the size and mix of church attendance across

the Diocese. Following comments made about these recommendations, these responses can be expressed in a slightly revised form as follows –

- Strategic training programmes for all senior ministers. Humanly speaking, leadership in our parochial units is the single greatest determining factor as to whether our churches are growing or not. Included within such programmes would be the lessons learnt as a result of the Connect09 campaign and, in particular, the need to ensure that parish churches operate as part of rather than separate from their surrounding communities.
- The necessity of complementary ministry and church planting strategies in both greenfield and brownfield areas of the Diocese.
- The necessity of cross-cultural (including multi-cultural) ministry.
- The establishment of ministry centres in identified areas of population growth within the Diocese.

9. It is possible to identify other factors which may impact the size and mix of church attendances, including changes in societal norms and attitudes towards Christian belief and the values that flow from such belief. However these are generally matters which are more appropriately addressed through mission initiatives led by the Archbishop and his episcopal team rather than as part of a synodical initiative to maintain a comprehensive and effective network of parish churches.

10. Changes in the legal environment, including ongoing threats to religious freedoms, may also have an impact on ministry undertaken within our parish churches. However these are matters which are usually best dealt with directly by the Synod and Standing Committee on a representative basis rather than at the level of individual parishes.

#### **Consideration of recommendations**

11. To enable the Synod to consider the recommendations in the 2011 report, the committee recommended to the Standing Committee that the following motion be moved at the Synod “by request of the Standing Committee” –

“Synod, noting the reports in response to resolution 2/10 Towards 2050 and, in particular, the significant challenges faced by the Diocese over the next 40 years –

- (i) to maintain parity over this period between a growing population and levels of regular attendance at Anglican churches in the Diocese, and
- (ii) to ensure the cultural and ethnic mix of those attending Anglican churches in the Diocese more closely reflects the cultural and ethnic mix of the Diocese,

commits itself, as a bare minimum, to meeting these challenges as base-line outcomes for the Diocese by maintaining a comprehensive and effective network of parochial churches across the Diocese and for this purpose –

- (a) adopts as a strategic challenge the objective of ensuring that effective and regular strategic training programmes, with a focus on evangelism, church health and growth and church planting, are undertaken by all senior ministers in the Diocese and for this purpose requests the Department of Ministry, Training and Development, in consultation with the Regional Bishops, the Archdeacon of Liverpool, the Policy 3 Committee and the Mission Area Leaders, to report to the Mission Board, the Standing Committee and the Synod in 2013 on the planned rollout of appropriate strategic training programmes for all senior ministers, and
- (b) adopts as a strategic challenge church planting across the Diocese in greenfield and brownfield areas and for this purpose –
  - (i) requests the Standing Committee, through its Mission Board and in consultation with the Board of Evangelism and New Churches (ENC) and the Mission Property Committee (MPC), to bring to the Synod a report on the overall strategy for developing Anglican ministry in greenfield areas for adoption by the Synod in 2013, and
  - (ii) requests that ENC provide to the Synod in 2013 a report outlining its strategy for church planting in both greenfield and brownfield areas of the Diocese that is initiated both by existing parishes, supported by ENC, and outside the existing parish structure, initially supported and nurtured by ENC, and

- (c) adopts as a strategic challenge cross-cultural (including multi-cultural) ministry that underpins all parish ministry and church planting initiatives,
  - (d) adopts as a strategic challenge the objective of establishing a sustained program of land acquisition and construction of ministry centres in the priority greenfield areas of the Diocese identified by the MPC in its strategic report and for this purpose –
    - (i) adopts a provisional goal of at least 30 new ministry centres with an average attendance of 380 people being established in greenfield areas of the Diocese by 2050 with construction at a rate of at least one new ministry centre each year for the next 30 years, and
    - (ii) requests the MPC to bring to the Synod a report on a fund raising strategy, as a key focus for achieving land acquisition and the construction of ministry centres in greenfield areas at this rate, for adoption by the Synod in 2013, and
- and requests that the Standing Committee report to the first session of each Synod –
- (i) the latest available figures for regular church attendance at and ethnic/cultural composition of Anglican churches in the Diocese measured against the population size and ethnic/cultural composition of the Diocese, and
  - (ii) progress in meeting the strategic challenges referred to in paragraphs (a), (b), (c) and (d), and
  - (iii) any adjustments that should be made to the provisional goal referred to in paragraph (d) based on the latest available figures.”

#### **Standing Committee’s response**

12. The Standing Committee considered that it would be premature for a motion in the form recommended by the committee to be considered by the Synod in 2012. Instead, the Standing Committee requested that the following motion be moved at the Synod “by request of the Standing Committee” –

“Synod, noting the terms of resolution 2/10 and the further report of the Standing Committee provided to the Synod in response to its request in resolution 3/11 –

- (a) thanks the Standing Committee for its further report which clearly and helpfully sets out the significant challenges to our Diocesan network of churches and ministries in meeting the growth in population and ethnic mix in Sydney and the Illawarra over the next 40 years,
- (b) requests that resolution 2/10 and the further report of the Standing Committee be referred to the Mission Board for consideration and incorporation into the next phase of the mission of the Diocese, and
- (c) requests that on behalf of the Standing Committee, the Mission Board bring to Synod in 2013 the suggested shape of the next phase of the mission of the Diocese and its response to the recommendations in the Towards 2050 report.”

For and on behalf of the Standing Committee

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

## 2/10 Towards 2050

(A report from the Standing Committee.)

### Background

1. In October 2010 the Synod passed resolution 2/10 in the following terms –
 

“Synod, noting that by the year 2050 projected population studies anticipate that Australia’s population will exceed 40 million people and that the proportion of the population from non-Anglo-Celt background will be even more significant than is now the case –

  - (a) requests the Standing Committee to explore, and report back to Synod next year, as to how our Church might meet this significant change (both in population numbers and population mix) in terms of its impact on our mission to the people of our Diocese and on the face and fabric of our Church, and
  - (b) without limiting the matters to be considered, requests that the examination include the name or names that our Church may use as we present our mission objectives across the Diocese and the ‘logos’ of our Church.”
2. This matter was initially referred to the Mission Board for its consideration. The Mission Board prepared a response to resolution 2/10 focussing on material provided by the Rev Bruce Hall in respect of changes in population mix and the action taken and proposed to be taken in the area of cross-cultural ministry (CCM) to address these changes.
3. At its meeting on 30 May 2011, the Standing Committee appointed a committee comprising the Rev Andrew Katay, the Rev Peter Lin and Dr Philip Selden to review the report prepared by the Mission Board with a view to including further materials specifically addressing the issue of increased population size and multi-culturalism.
4. The purpose of this report is to –
  - (a) briefly overview projected demographic changes in the population of Australia, Sydney and the Diocese over the next 40 years,
  - (b) highlight the significant challenges faced by the Diocese in –
    - (i) maintaining parity over this period between a growing population and levels of regular attendance at Anglican churches in the Diocese, and
    - (ii) ensuring that the cultural/ethnic mix of those attending Anglican churches in the Diocese more closely reflects the cultural and ethnic mix of the surrounding population,
  - (c) identify at a high level the action that is being taken and should be taken to meet these challenges.

### Overview of demographic changes

#### *Australia and Sydney*<sup>1</sup>

5. Taking the middle estimates of the projections given by the Australian Bureau of Statistics (ABS), by 2050 Australia’s population will be approximately 35 million. Sydney’s population will be approximately 6.7 million.
6. On current trends, approximately 40% of this population growth will be Australian born with 60% coming from migration. In respect of permanent migration in the three years to 2007-2008, the countries with the greatest representation among the skilled categories of visa were the United Kingdom, India and China – with China, India and the United Kingdom also being the leading categories for family migration visa types.<sup>2</sup> However temporary immigration visas are 67% of total visas issued with 85% of those held

<sup>1</sup> <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features10Jun+2010>

<sup>2</sup> In comparison, of all Sydney and Illawarra based permanent migrants who arrived in Australia between 2000 and 2010, the most common country of birth was China (17.3%) followed by India (11.1%) and the United Kingdom (7.2%). “Immigration to the Sydney Diocese 2000-2010”, report prepared for Bruce Hall by Alison Moffitt, Anglicare Diocese of Sydney, Social Policy & Research Unit August 2011, page 3.

by Asians (East of the Caucasus)<sup>3</sup>. Even among the permanent visas (skilled worker and family types), those held by Asians are more than 50% of total visas issued in 2007-2008. The effect of these demographic changes is magnified in the capital cities since 80% of new migrants are concentrated in the capital cities.<sup>4</sup>

7. The net result is that between 2008 and 2050, Sydney<sup>5</sup> is projected to grow from 4.4 million to 6.7 million people (a net growth of 2.3 million people). Of this growth, approximately 1.2 million people will be Australian born or migrants of Anglo-celtic/European origin and 1.1 million people will be migrants from non-Anglo-celtic/non-European countries.<sup>6</sup>

8. Again, taking the middle estimates of the projections given by the ABS, by 2050 Australia's population will be older with the proportion of the population aged 65 years and over increasing from 13% to 23%.

9. The future population of Australia and its capital cities will be increasingly large, old and Asian.

#### *Diocese of Sydney*

10. Information about the size and projected increases in the size of the population in the Diocese Sydney are not readily available. However Anglicare has estimated that in 2009 the residential population in the Diocese was 4.64 million people. Anglicare has also indicated that, in general terms, church attenders in the Diocese (aged 15 years or over) are somewhat more Anglo-Celtic than the population (of all ages) in the Diocese.<sup>7</sup>

11. Assuming the rate of population growth in the Diocese corresponds to the projected rate of population growth for Sydney, the estimated size of the population in the Diocese in 2050 will be 7 million people or an increase of about 2.4 million people.

12. This report uses as the basis of its discussion a population growth in the Diocese of 2.4 million people by 2050 while recognising that this number is dependent on a number of variables and assumptions. This figure may need to be revisited as further data, particularly from the 2011 ABS Census, becomes available.

#### **Responding to population growth**

13. Refer Annexure 1.

#### **Responding to changes in population mix**

14. Refer Annexure 2.

#### **Names and logo**

15. As part of resolution 2/10, the Synod requested an examination of the name or names that may be used by the Anglican Church and the "logos" it uses in presenting its mission objectives across the Diocese. Further work on this aspect of Synod's request may need to be undertaken. However the following preliminary comments on this matter are offered.

16. It appears from anecdotal evidence provided by persons involved in CCM that the name Anglican is not a major impediment to gospel ministry in Sydney at the moment.

17. For many traditional Christians migrating to Australia (eg, Maronites) the traditional denominational badge provides a link to the established church. For Korean Christians, Anglicanism connotes small and

<sup>3</sup> At 30 June 2009, about 25.6 per cent of the estimated resident population of Australia comprised those born overseas. The countries representing the highest overseas born population are the United Kingdom (1 188 247, 20.43 per cent of overseas born), New Zealand (529 178, 9.10 per cent), China (350 979, 6.03 per cent), India (308 542, 5.30 per cent) and Italy (219 336, 3.77 per cent). Overall, the proportion of overseas born residents from European countries of birth is declining, while the proportion of migrants coming from Asia and Africa is increasing. <http://www.immi.gov.au/media/fact-sheets/15population.htm#d>

<sup>4</sup> Research into the long-term physical implications of Net Overseas Migration, July 2010, National Institute of Labour Studies, Flinders University School of the Environment, and CSIRO Sustainable Ecosystems, Department of Immigration and Citizenship, page 64

<sup>5</sup> Specific numbers for Wollongong are not available from the ABS report.

<sup>6</sup> This assumes a significant decline in Anglo-celtic / European migration.

<sup>7</sup> National Church Life Survey 2006. While many people born in Australia are not of Anglo-Celtic origin, Australian-born attenders are nonetheless over-represented among attenders, with some 76.8% of attendees born in Australia compared with 65.7% of the population. Similarly, people born in primary English-speaking countries (UK, NZ, Pacific Is, North America, and South Africa) are also over-represented, with 11.6% of attendees born in these countries compared with 9.7% of the population. Non-English speaking background (NESB) countries are greatly under-represented, with 11.6% of attenders born in a NESB country compared with 24.5% of the population. However a more detailed picture of NESB country of birth shows that people born in China, India/Sri Lanka and Korea are only marginally under-represented among Anglican attenders. For instance people born in China are 3.5% of Diocesan attenders but are 3.8% of the population. This reflects the presence of many Chinese congregations that are part of the Diocese.

Anglo-Catholic. For them it is a badge which requires a lot of explanation, but most are also suspicious of anything but Presbyterian. So a change of name would not solve the problem for Koreans.

18. For other overseas born non-Christians, the Anglican badge shows we are not a cult. Even the negative press of liberalism from the Global North Anglicans does not seem an insurmountable problem.

19. Our current flexibility allows local initiative to adjust the name and logo to fit local circumstances and focus and that is a good thing to allow.

20. The Diocesan logo has a heraldic feel to it, is clearly English, and as such fits with the established church idea. However no-one knows the logo and therefore it does not contribute to any meta-communication, so it may need to be reinvented.

#### **Feedback received in preparing this report**

21. In preparing this report the committee is grateful for the material and feedback received from a number of people and bodies across the Diocese.

22. In particular, the committee is grateful for the initial material provided by the Rev Bruce Hall on the existing and proposed strategies for cross-cultural ministry in the Diocese. The committee agrees that a sustained focus on cross-cultural ministry (including multi-cultural initiatives) is not only necessary for ensuring that the cultural and ethnic mix of those attending Anglican churches more closely reflects the surrounding population but must also be a key component of any strategy to increase the size of regular church attendance and any strategy for church planting. The material provided by Mr Hall is largely set out in Annexure 2 of this report.

23. The feedback received also highlights the importance of ensuring that any strategies for church growth which are developed, including the proposed coaching of senior ministers, factor in the lessons learned from the Connect09 campaign. Although it almost goes without saying, it is critical for the Diocese to be underpinned by a strong network of outward focussed missional churches which are intentionally connecting with their surrounding communities.

24. The committee was reminded of the need to ensure that diocesan agencies which have been established by the Synod to undertake responsibilities and functions relevant to the matters raised in this report are the bodies that are called on to undertake the work of developing and implementing any strategic challenges identified by the Synod. The committee recognises that it is not appropriate for the Synod to seek to prescribe how these agencies should go about doing their work.

25. The committee is also mindful of comments made on behalf of the Sydney Anglican Indigenous Peoples' Ministry Committee about the need to ensure that any strategies to respond to population growth have proper regard to the growing Indigenous population in the Diocese. The committee is also mindful of the fact that ABS statistics indicate that the Sydney basin has more Aboriginal inhabitants than the whole of Australia north of Alice Springs.

#### **Response of the Standing Committee**

26. The Standing Committee requested that the following motion be moved at the Synod "by request of the Standing Committee" –

"Synod, noting the interim report in response to resolution 2/10 Towards 2050 –

- (a) encourages Synod members to consider the report and its recommendations and to provide comments on the report to the Diocesan Secretary by 31 March 2012, and
- (b) requests the Standing Committee to bring to the 2012 session of the Synod a motion to enable the Synod to consider the recommendations in the report."

For and on behalf of the Standing Committee

ROBERT WICKS  
*Diocesan Secretary*

21 September 2011

## Responding to population growth

### The challenge

1. In 2009, approximately 75,000 people regularly attended Anglican churches in the Diocese of Sydney. Based on an approximate population of the Diocese in 2009 of 4.64 million people, this is about 1.6% of the population of Sydney regularly attending an Anglican church in 2009.<sup>8</sup>
2. In order to maintain parity between a population which is projected to grow by about 2.4 million people by 2050 and 2009 levels of regular church attendance, there would need to be a net increase of 38,400 people regularly attending Anglican churches in the Diocese by 2050.<sup>9</sup>
3. Population growth will not be evenly distributed across the Diocese. Current projections indicate that approximately 70% of the growth will occur in existing urban or “brownfield” areas of the Diocese with the remaining 30% of growth occurring in urban fringe or “greenfield” areas of the Diocese.<sup>10</sup> This means that in order to maintain parity with the surrounding population, regular church attendance in existing brownfield areas should see a net increase by approximately 26,900 people by 2050 with a net increase of approximately 11,500 people in greenfield areas by 2050.
4. In order to give some idea about the challenge in merely maintaining parity between church attendance and population growth across the whole Diocese (and assuming no change in the current number of 270 parochial units), the average regular church attendance of parochial units in the Diocese would need to increase from about 280 people in 2009 to about 420 people in 2050, an average increase of 50%.
5. The committee considers that relying on growth of existing parochial units is unlikely to be sufficient by itself to maintain parity with population growth across the whole Diocese.
6. Despite the challenge in maintaining parity with population growth, maintaining parity should be regarded by the Synod as a baseline outcome.

### The recommended action

7. There are any number of actions that can and must be taken to respond to projected increases in population growth in the Diocese.
8. However the committee considers it would be strategically helpful for the Synod to commit at a high level to action in the following 3 areas –
  - (a) increasing the proportion of parochial units which are growing by at least the rate of population growth,
  - (b) acquiring land and constructing ministry centres in greenfield areas, and
  - (c) church planting across the Diocese.
9. Each of the matters is dealt with below.

#### *Increase the proportion of parochial units which are growing by at least the rate of population growth*

10. **Strategic challenge:** It is recommended that the Synod adopt as a strategic challenge the objective of increasing the proportion of parochial units with church attendances which are growing by at least the rate of population growth.
11. **Goal:** On the best data available, about 45% of parochial units have church attendances which grew in 2010 by at least the current rate of population growth in Sydney of 1.3%. It is therefore recommended that the Synod adopt as a provisional goal that the proportion of parochial units which, over the preceding 3 years, have church attendances which have grown by at least the rate of population growth in Sydney for the same period reach 90% by 2050 (50% by 2015, 60% by 2020, 70% by 2030, 80% by 2040, 90% by 2050).
12. **Key focus:** The key contribution to the health and growth of churches is that of the senior minister (humanly speaking). Therefore, the key focus is the equipping of senior ministers. The committee

<sup>8</sup> The figure of 1.6% reflects the methodology used by the Diocesan Registry to calculate regular church attendance which includes persons who attend church 2-3 times per month. Tim Sims recently published the Weekly Average Service Attendance of Sydney Anglican churches at 1.3% of the population. The different methodologies used do not impact the magnitude of the challenge facing the Diocese in responding to population growth.

<sup>9</sup> The total number of new members of our churches would of course have to be significantly higher, to compensate for losses from death, church transfer etc.

<sup>10</sup> Metropolitan Plan for Sydney 2036, New South Wales Government, December 2010 at page 114.

considers that the best form of equipping is regular, parish-specific coaching, sustained over a period of time (1-2 years) experienced with a small group of peers. This format enables the delivery of material in digestible form, as well as sufficient time for the principles in the training to be imbedded in thinking and practice, along with the stimulation and encouragement of a group of peers.<sup>11</sup>

13. **Strategy:** It is recommended that the Regional Bishops and the Archdeacon of Liverpool be requested to investigate senior minister coaching models with the Policy 3 Committee and Mission Area Leaders and to report to the Synod in 2012 (via the Standing Committee) on models which are available, a proposed strategy for rolling out the models across the Diocese and nominated targets for the roll-out.

*Acquisition of land and construction of ministry centres in greenfield areas*

14. **Strategic challenge:** It is recommended that the Synod adopt as a strategic challenge a sustained program for acquiring land and constructing ministry centres in the priority greenfield areas of the Diocese identified by the Mission Property Committee in its strategic report. While it is clearly possible to undertake church planting without the acquisition of land and construction of ministry centres, the committee considers that the usual model of church necessitates land and buildings owned by or on behalf of the church for sustainable long-term ministry.
15. **Goal:** Based on population growth in brownfield areas of the Diocese of 26,900 by 2050 (and assuming the number of parochial units remains at 270), we would expect to see average regular church attendances of parochial units in existing urban or brownfield areas of the Diocese increase from about 280 people to about 380 people by 2050. Assuming this level of average church attendance is achieved in brownfield areas and should be replicated in urban fringe or greenfield areas of the Diocese, it would be necessary to establish 30 churches in greenfield areas of the Diocese to accommodate 11,500 additional church attenders by 2050. On the basis that churches which are established toward the end of this period are likely to have lower levels of attendance than those established at the beginning of this period, it is recommended that the Synod adopt as a provisional goal that one new site is acquired and one ministry centre is constructed each year for the next 30 years.
16. **Key focus:** Raising funds for the acquisition of land and the construction of ministry centres in the priority greenfield areas of the Diocese identified by the Mission Property Committee in its strategic report.
17. **Strategy:** It is recommended that the Mission Property Committee bring to the Synod (via the Standing Committee) a report on a fundraising strategy for adoption by the Synod in 2012. In making this recommendation, the committee recognises that there is often a significant time lag between the acquisition of land and construction of a ministry centre on the land. While the Mission Property Committee may therefore be the only body that has an interest in acquiring land, there may be a need to consider whether it is appropriate, as a matter of policy, to require a church which operates from a newly constructed ministry centre to repay some or all of the cost of the ministry centre to enable the construction of further ministry centres on a rolling basis. The Mission Property Committee may wish to address this issue in its report.

*Church planting strategy across the Diocese*

18. In addition to strategies for increasing the proportion of parochial units which are growing by at least the rate of population growth and acquiring land and construction of ministry centres in greenfield areas, the committee believes that these strategies must be complemented by a church planting strategy for both brownfield and greenfield areas of the Diocese. The committee therefore recommends that the Board of Evangelism and New Churches be requested to provide to the Synod in 2012 a report outlining its strategy for church planting in both greenfield and brownfield areas of the Diocese.

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<sup>11</sup> Three books by Dr Paul Borden (*Assaulting the Gates Hit the Bullseye* and *Direct Hit*) explore more fully the reasons that this form of equipping ministers is most effective.

## Responding to changes in population mix

### The challenge

1. A number of factors point to the need for the Diocese to respond to the call to continue developing cross-cultural ministry (CCM) over the next 40 years –
  - Call of the gospel to make disciples of all nations.
  - Significant changes in population mix projected for Sydney and Australia during this period.
  - Current weaknesses in an “English church”<sup>12</sup> unprepared for a variety of reasons to reach all nations (a weakness also shared by other ethnic groups).
  - Weakness of first generation churches to meet the needs of the second generation.
  - Previous CCM Diocesan reports including Identifying Culturally Diverse Parishes (Anglicare) September 2009 and Different Faces Changing Faces (Multi Cultural Forum) March 2009.
2. The following should also be noted –
  - (a) **Large and increasingly more parts of Sydney with weak or declining ministries.** Many of these churches have good heart and some resources but are still unable to make ministry headway in their area. Stronger churches are geographically and mentally distant from areas of weakness with a tendency of churches not to fund ministries which will not quickly pay for themselves.
  - (b) **Global trend as Christianity becomes more “Southern” – Professor Philip Jenkins thesis.**<sup>13</sup> According to Jenkins, the future of global Christianity and evangelism lies in the hands of Global South Christians. This has profound implications for our resource allocation and mission emphases, especially the focus of evangelism and training of those from the Global South, while not neglecting the Global North. Training Global South leaders here or overseas is an obvious priority.
  - (c) **Declining traditional congregations leading to a declining number of traditional services.** In light of the significant projected increase in the proportion of the population aged 65 years and older, the reducing number of traditional services would appear to be a concern. Although it is true in the coming decades that an increasing proportion of people will not have grown up with the Prayer Book, nonetheless, the typical tradition-oriented conservatism of retirement aged people would suggest that churches will face an increasing challenge to reach out and minister to this growing proportion of the population.
  - (d) **Declining diocesan funding.** Grants for CCM, which in times past were provided by the Diocese, are no longer available or available at greatly reduced levels. This means that the future of CCM will be in raising support from other sources. Helping CCM workers to raise support is one of the aims of Evangelism and New Churches (“ENC”).
  - (e) **Stop funding solely “English church enclave” chaplaincies.** The demands of changing demography (and continuing demands of theology) mean that there is no place for churches or ministries which do not see themselves as ‘missionary’ or see their churches as only for the “English”. This applies to any particular ethnic enclave.
  - (f) **Failure of second generation work.** While the current migration patterns continue, first generation work will be important. However second generation work has not been done well by any first generation migrants. Therefore recruiting, training and supporting second generation leadership is vital.

<sup>12</sup> This does not presume that the Anglican church (English church) is always a bad label; see paragraphs 15 to 20 of the covering report.

<sup>13</sup> The Next Christianity, OUP, 2002

“... The growth in Africa has been relentless. In 1900 Africa had just 10 million Christians out of a continental population of 107 million—about nine percent. Today the Christian total stands at 360 million out of 784 million, or 46 percent. And that percentage is likely to continue rising, because Christian African countries have some of the world’s most dramatic rates of population growth. Meanwhile, the advanced industrial countries are experiencing a dramatic birth dearth. Within the next twenty-five years the population of the world’s Christians is expected to grow to 2.6 billion (making Christianity by far the world’s largest faith). By 2025, 50 percent of the Christian population will be in Africa and Latin America, and another 17 percent will be in Asia. Those proportions will grow steadily. By about 2050 the United States will still have the largest single contingent of Christians, but all the other leading nations will be Southern: Mexico, Brazil, Nigeria, the Democratic Republic of the Congo, Ethiopia, and the Philippines. By then the proportion of non-Latino whites among the world’s Christians will have fallen to perhaps one in five.”

- (g) ***Need for flexibility with respect to stipend and licensing to meet changes.*** Like most missionary work, much of the CCM in Sydney will not fit exactly into patterns of funding and licensing that we have used traditionally. New patterns for funding and legitimising part-time ministry by licence will be necessary.

**Recommended action**

3. The following action is recommended with regard to CCM, responding to changes in the population mix –
- (a) **Training**  
Provide continuing education for present and future ministers, and lay people. For example, the Rev Bruce Hall and others should continue to encourage other leaders to identify, recruit, train and help locate workers for CCM in Sydney.
- (b) **Goal**  
Provide more people and resources at the “discipling interface”, so that every Sydney Anglican church is doing significant CCM by 2020.
- (c) **Strategy**
- Identify people with the passion for CCM leadership (regardless of ethnicity).
  - Recruit and train such people.
  - Identify areas of need (eg. Canterbury road, etc.).
  - Develop fund raising skills among workers<sup>14</sup> (eg. AFES model).
  - Provide support and structure (via the Rt Rev Alan Stewart and the Rev Bruce Hall in ENC).
- (d) **Future leadership of CCM**
- Replace the Rev Bruce Hall within 5 years.
  - Develop the funding base for CCM/ENC to sustain at a least part-time CCM “advisor” position within ENC within the next 5 years.
  - Include the work of CCM under the umbrella of the Diocesan Mission through ENC.
- (e) **Flexibility in licensing and stipend**  
For example –
- Both the leader of a CCM and a part-time evangelist cum-CCM person need to be able to take part-time employment (3 days), while holding an Archbishop’s licence to minister in a parish.
  - Generally, for suitable ministers, part-time employment in ministry should not necessarily be a bar to licensing (eg. General Licence for those ordained and Diocesan Lay Worker licence for lay persons).
  - AFES levels of funding for these CCM leaders may be necessary to begin with (compared with \$45,226 + travel + housing = \$75,000 for first year out of Moore Theological College plus 10% for office costs).

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<sup>14</sup> This takes into account that Interserve has determined that ‘full’ fundraising for mission work (CCM) in Australia is generally unlikely from personal supporters (Conversation with Andrew Schachtel July 2010). So gaining support from supporting churches as CMS does, will be important.

## Georges River Regional Council Annual Report for 2011

(A report from the Georges River Regional Council.)

### Financial Statements and Auditor's Report

1. Financial statements and auditor's report for the Georges River Regional Council will be tabled at the Synod in accordance with clause 14 of the Accounts, Audits and Annual Reports Ordinance 1995.

### Charter

2. The Georges River Regional Council is constituted under the Regions Ordinance 1995 and its functions, powers and duties are as established by Clause 6 of that ordinance. The Region covers the Mission Areas of St George, Bankstown and Liverpool in this Diocese.

### Access

3. The Principal Office of the Georges River Regional Council is St Andrew's House, Sydney Square, Sydney, NSW 2000 (PO Box Q190, Sydney 1230) and the phone number is 9265-1530. The business hours are Monday to Friday, 8.30am to 4.30pm. The Honorary Secretary is Mr Michael Toull (phone 9773 1549) and the Honorary Treasurer is Mr Richard Graves (phone 8020 0734).

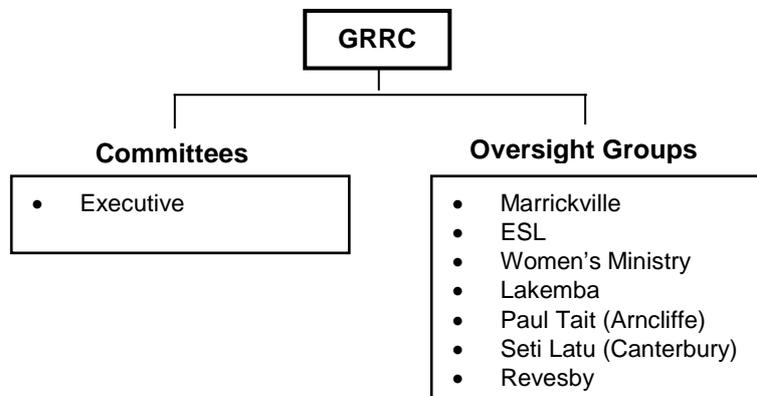
### Members

4. The members of the Regional Council as at December 2011 were as follows:

<b>Name</b>	<b>Attendance (1/1/11 – 31/12/11)</b>
Archdeacon I Cox ( <i>Acting Chairman from 1/3/09</i> )	4
The Rev M Chacko	4
The Rev S Christoforidis	2
Mr R Graves	4
The Canon Rev P Colgan ( <i>not standing for re-election, resigned Oct 2011</i> )	3
Mr C Ellis	4
Ms N Esler	4
Ms Wein Hsien-Heng ( <i>resigned 9/12/2011</i> )	1
Mr A Koulyras	3
The Rev J Lewis ( <i>appointed 30/8/11</i> )	1
The Rev P Lin	3
Mr Greg Nelson ( <i>resigned 14/6/11</i> )	0
The Rev M Powell	3
Dr David Power	4
The Rev James Rogers ( <i>resigned 19/8/11</i> )	0
Mr M Toull	4
The Rev Ray Vassallo ( <i>appointed 30/8/11</i> )	1

### Structure

5. The significant committees are the Executive Committee and the Oversight Teams, and the Council's organisation and Committee structure is as follows –



6. The senior officers of the Council are –
- Acting Chairman – Archdeacon Ian Cox
  - Vice Chairman – Mr Clive Ellis
  - Honorary Treasurer – Mr Richard Graves
  - Honorary Secretary – Mr Michael Toull

**Activities**

7. In 2011 the Council received a Synod grant of \$75,000 for administration purposes. The Council's income is assisted by the interest from Ordinance money directed to the Georges River Region.

**Financial Results**

8. Following is a short summary of the results for the 2011 Financial Year and the Budget for 2012 –

	<b>Actual 2011</b>	<b>Budget 2011</b>	<b>Variance</b>	<b>Note</b>	<b>Budget 2012</b>
<b>Income</b>					
Synod Grant	10,000	10,000	0	A	0
Synod Grant - Admin support	75,000	75,000	0		75,000
ADM Grant re Women's Muslim Ministry	30,000	30,000	0		25,000
ADM Grant re MTM Students	0	0	0	B	20,000
Govt Grant re Women's Ministry	4,500	0	4,500	C	0
Women's Ministry Services	5,247	5,000	247		5,000
Donations to Women's Muslim Ministry	900	0	900		0
Ordinance Income Belfield -capitalised	8,504	8,730	-226		7,971
Ordinance Income Belfield - available	20,432	20,370	62		18,600
Ordinance Income Hurlstone Pk - capitalised	888	0	888		0
Ordinance Income Hurlstone Pk - available	7,506	8,030	-524		6,900
Ordinance Income Liverpool - available	25,828	27,070	-1,242		24,000
Interest	39,585	34,980	4,605		33,000
Net gain from Regional Conference	70	0	70		0
	<u>228,460</u>	<u>219,180</u>	<u>9,280</u>		<u>215,471</u>
<b>Expenditure</b>					
Cross Cultural - ESL Coordinator	27,423	28,800	-1,377		30,000
Cross Cultural Grants to Parishes	40,000	40,000	0		0
Leadership & Parish Ministry Grants	45,000	45,000	0		0
Administration and Property Expenses	2,173	2,500	-327		2,400
EOS administration costs	40,544	35,000	5,544	D	42,000
Women's Ministry to Muslims	101,007	100,000	1,007		105,000
Women's Ministry Govt Grant Expenses	4,500	0	4,500	C	0
MTM Students	0	0	0	B	20,000
Grant re Church Planter	35,640	35,640	0	E	18,623
	<u>296,287</u>	<u>286,940</u>	<u>9,347</u>		<u>218,023</u>
<b>Excess of Income over Expenditure</b>	<u>-67,827</u>	<u>-67,760</u>	<u>-67</u>		<u>-2,552</u>

**Explanation of significant variances**

- A. General Synod Grant Income no longer available
- B. Additional Muslim Ministry staffing supported by ADM
- C. Govt Grant fully expended.
- D. Substantial increase in EOS costs not budgeted
- E. Church Planter now employed by Marrickville and GRRC providing grant of 1/2 cost in 2011 and 1/4 cost in 2012.

**"Liquidity" Report**

9. The members of Georges River Regional Council submit the following information –
- (i) we are of the opinion that, at the date of this report, there are reasonable grounds to believe that our Organisation will be able to pay its debts as and when they fall due;

- (ii) adequate provisions have been made (including but not limited to, provisions for employee entitlements);
- (iii) all trade creditors are being paid in accordance with normal terms of payment;
- (iv) all dealings with real and personal property (including money) have been consistent with the trusts on which the property is held;
- (v) no payment has been made to a member (other than in the capacity of an employee of our Organisation);
- (vi) satisfactory systems of Internal Control and Risk Management have been maintained;
- (vii) appropriate types of insurance and levels of insurance cover are held for all insurable risks having regard to both value of assets and current levels of awards for damages;
- (viii) no matter has arisen since the end of the Financial Year which could have a significant effect on the Organisation, other than as mentioned above.

**Risk Management Report**

10. The Georges River Regional Council now conducts an annual risk management audit. Two major risks are –

- (a) Misappropriation of money invested for the Regional Council
- (b) No real outcome for grant monies distributed.

11. We have sufficient checks and balances to minimise these risks.

12. This report has been adopted at a duly convened and constituted meeting of the Organisation on 19th June 2012.

For and on behalf of the Georges River Regional Council

IAN COX

*Archdeacon of Liverpool: Georges River Region*

12 July 2012

## Northern Regional Council Annual Report for 2011

(A report from the Northern Regional Council.)

### Introduction

1. The Council met four times during the year, in February, May, August and November at the parishes of Waitara, Naremburn, Narrabeen and Gladesville respectively.

### Membership

2. The membership of Regional Council consisted of –

Bishop Glenn Davies (Chairman)	Dr Rob Mackay
The Rev Terry Bowers	Mrs Jill Macleod
The Rev Roger Bray	Ms Jane McNamara
The Rev Ernest Chau	The Rev Ian Millican
Mr Fred Chilton	Mr Jim Peet
Ms Stephanie Cole	Mr Ian Steward
The Rev Keith Dalby	Dr Andrew Tong
The Rev Michael Kellahan	The Rev Peter Tong
The Rev Robin Kinstead	Mr Stephen Tong

3. During the year the Rev Rick Smith resigned in February and in August the Rev Andrew Graham, Mrs Jan Hall and Mrs Pru Selden indicated that they would not be seeking re-election at Synod. At the November meeting the Rev Roger Bray submitted his resignation following his acceptance of the parish of Newtown with Erskineville. The Revs Terry Bowers and Robin Kinstead, and Mrs Jill Macleod were elected by Synod. The Rev Mal York was nominated at the November meeting to replace the Rev Roger Bray. After due process he was elected by circular resolution in December. One lay vacancy on Council remains. The Council places on record its appreciation of the members who have resigned during the year and thanks them for their valued contribution.

4. Council resolved to invite an Area Mission Leader to attend each meeting to inform the council of the ministry and mission progress in their area.

### Regional Events

#### *Archbishop's Lectures*

5. These lectures are a valued annual event in the Northern Region and we place on record our appreciation of the Archbishop's ongoing commitment to this ministry. For the past eight years, Abbotsleigh School has hosted the three consecutive Wednesday evening meetings and the region appreciates this generous assistance from the school. The title for 2011 was 'In Praise of Marriage'. The first evening saw around 400 people attending in the auditorium with each following week well supported. The lectures were well received, as was the Archbishop's sensitive responses in the question and answer time. The availability of MP3s and DVDs of the lectures was appreciated.

#### *Regional Conference*

6. The conference was held at Collaroy Conference Centre on May 9-10. There were 134 attendees on Monday and 99 on Tuesday.

7. The Archbishop gave the Bible study each day on the theme of conversion. His presence and input were much appreciated.

8. It was a challenging, stimulating conference and the attendees appreciated the work of those responsible for its planning and administration.

### General Matters

#### *Regional Matters*

9. At February Standing Committee the Hunter's Hill Leasing Ordinance 2011 was passed. This ordinance provides for \$6,000 pa to go to the Northern Regional Council.

10. At the February meeting of the Regional Council the composition of the council was discussed and it was generally agreed that a smaller council with geographic spread was desirable. The suggested composition was:

- Regional Bishop – ex officio
- 8 lay members – at least one from each mission area
- 6 clergy – at least one from each mission area
- up to 2 members elected by regional council.

This recommendation was made to the Ordinance Reform Group.

11. The regional accounts for the year resulted in a small deficit (\$632).
12. The cross-cultural ministry in the region will continue in 2012. However as there are no such funds available to regions in 2012, Evangelism and New Churches has agreed to continue to fund this ministry.
13. The continuity and viability of church plants was the subject of a significant discussion by the council during the year. Many difficulties were raised for reflection. A document summarising the discussion was later prepared by the Bishop and sent to Evangelism and New Churches and copies forwarded to mission area leaders.

#### *Parish Matters*

14. The parish of Beacon Hill, which has been under the ministry of the Rev David Ritchie as Intentional Interim Rector, has carefully reflected upon its future and on 1 August the Rev Kerry Nagel (Rector of Narrabeen) became its rector. The Rev Richard Mason was appointed to Beacon Hill under the oversight of Kerry Nagel. This fresh approach was strongly supported by the parish and it is anticipated that this ministry partnership will strengthen Beacon Hill's ministry. The partnership will be reviewed in three years.
15. In November the provisional parish of Kirribilli sought support from Regional Council to apply to Synod for full parish status. Council noted that all the necessary requirements had been met and supported the application, which was endorsed by the Synod.

#### *Church Plants*

16. A ministry partnership between the parishes of St James, Turramurra and St Philip, South Turramurra has resulted in a church plant at Warrawee Public School. Around 35 adults have come from the two churches to form this new congregation. The Rev Bruce Pass, part of the ministry team at St James', is their minister.
17. Naremburn/Cammeray parish has assisted the parish of Willoughby East by sending eight families to commence a new congregation at 9 am on Sunday mornings. It is hoped that this will lead to the growth of a younger families ministry. Scott Millar (student minister) is leading this congregation.
18. Church by the Bridge (St John the Baptist, Kirribilli) planted a 6pm evening service at Christ Church Lavender Bay on 27 March under the leadership of the Rev Dr Paul Dale. An eager team of 32 people from Kirribilli formed the congregation which by the end of the year had grown to 80. Mr Simon Jackson now has pastoral oversight of this congregation.

#### *Regional Architectural Panel*

19. The panel is under the chairmanship of the Rev Geoff Leader (rector, Longueville) in 2011. As is usual in the Northern Region, the panel worked consistently during the year with a number of parish projects. The region owes a considerable debt to the panel members who freely give of their time and expertise.

#### *Multicultural Ministry*

20. This committee is under the chairmanship of the Rev Bruce Stanley of Waitara parish. Mrs Trish Bell continues to train staff for ESL and encourage parishes to be active in this strategically important ministry. The committee has the vision of 'serving the ministers and parishes of the Northern Region, and the wider diocese, through the strategic development of networks and resources for multicultural ministry'. During the year the Rev Jaekoo Shin and Mr John Gurusami resigned from the committee and at the end of the year the Rev Bruce Stanley (chair) also resigned and the Rev Chris Burgess was appointed as his successor. The other position remains vacant. The Committee places on record its deep appreciation of the substantial contribution made to the business of the committee by each of these former members.

#### *Regional Grants*

21. As a consequence of continuing financial constraints very little funding was available for regional grants. Fortunately the region had some limited financial reserves and was able to continue funding some ministries.
22. The Regional Council adopted the following budget for 2011 –

Parish	Ministry to be funded	Amount \$
Chatswood	Assistant Minister	35,500
Hornsby Anglican Chinese Church	Mandarin ministry	30,000
Naremburn/Cammeray	Japanese ministry	40,000
Narrabeen (Warriewood)	Church plant	10,000

Parish	Ministry to be funded	Amount \$
Putney	Children's/ youth worker	7,000
MCM consultant	Cross-cultural ministry	30,519
<b>Total</b>		<b>\$153,019</b>

23. It should be noted that the EOS invoices the region separately for the EA and PA expenses, which are paid from designated money available from the Synod.

*NSW Government Community Building Partnership Grants*

24. Nineteen parishes had their grant applications approved in December 2010 for projects to be completed in 2011. These grants totalled \$536,824 and their details are as follows –

Ermington	\$ 46,994	Manly	\$ 23,000	Seaforth	\$ 23,150
Freshwater	\$ 4,500	Nth Epping	\$ 29,333	Turrumurra	\$ 20,000
Gladesville (1)	\$ 10,380	Nth Ryde	\$ 14,100	Wahroonga (St P)	\$ 25,970
(2)	\$ 7,640	Nth Sydney	\$ 20,000	Waitara	\$ 25,818
Hornsby	\$ 79,068	Putney	\$ 40,000	West Ryde	\$ 40,000
Hunters Hill	\$ 17,871	Pymble	\$ 19,000	Willoughby	\$ 5,000
Kirribilli	\$ 60,000	St Ives	\$ 25,000		

25. It is encouraging to see these successful grant applications from the parishes in the region. These initiatives will result in improved church facilities and many will have a direct beneficial impact upon parish ministry.

For and on behalf of the Northern Region Council

GLENN N DAVIES  
*Bishop of North Sydney*

4 July 2012

## South Sydney Regional Council Annual Report for 2011

(A report from the South Sydney Regional Council.)

### Introduction

1. The Council met on four occasions in 2011 and the Executive Committee met once. The meetings were held at St Andrew's House.

### Membership

2. As at 31 December 2011, membership of the Regional Council was –

The Rt Rev Robert Forsyth (chairman)	Mrs Elisabeth Boyce
The Rev Chris Braga	Mr Ken Breakspear
The Rev Andrew Katay	Dr Robert Claxton
The Rev Dave Rogers	Mrs Christine Crump
The Rev Dominic Steele	Mr Robert Freeman
	Mr Gilbert van der Jagt
	Miss Alicia Watson
	Mr Mark Wormell

3. In the course of the year the Council accepted with regret the resignation of the Revs Antony Barraclough and Andrew Moore. Mrs Sarita England and Mrs Paulette Gray, both long-term members, did not stand for re-election. These four members made significant contributions to the Council which have been greatly appreciated.

### Property matters

4. Council successfully promoted an ordinance to sell 115 Young Street, Redfern, held in trust by Council. The proceeds of the sale, after deductions of costs, were paid into the Sydney Anglican Indigenous Peoples Ministry Committee trust fund.

5. In addition, the Ordinance Review Committee of the Council, chaired by Allan Pidgeon (co-opted) met to consider draft ordinances on behalf of the Parishes of South Sydney, Darling Street, King Street and York Street.

6. Council also recommended to the incoming Council that they gave consideration to "gifting" the Marriott Street land to the Parish of South Sydney.

### Ministry Partnerships 2011

7. The council has decided to honour all ministry partnership grants but only enter into new partnerships if, and when funds become available. In 2011, funds were distributed as follows –

Parish	Purpose	Amount \$
Ashfield/Five Dock/Haberfield	International worker	49,000
Lord Howe Island	Ministry airfares and expenses	12,364
Malabar	Children's and youth worker	11,000
Maroubra	Assistant minister	19,500
Newtown	Assistant minister	11,000
Summer Hill	Evangelist/ MTS worker	11,000
Fees	SDS, accounting, bank	2,256
<b>Total</b>		<b>\$116,120</b>

8. The Regional Council allocated \$5,000 to support Sauerkraut, the special clergy church leadership training program run by Bishop Forsyth.

### Other Matters

9. The Council contributed to the salary for Assistant to the Bishop of South Sydney and PA \$81,667.

10. The ecclesiastical district of Pyrmont, created in 2005, reverted to the parish of St Barnabas', Broadway.

11. The provisional parish of Malabar was reclassified as a parish.

For and on behalf of the South Sydney Regional Council.

HUGH T. COX  
Assistant to the Bishop of South Sydney

12 July 2012

## Western Sydney Regional Council Annual Report for 2011

(A report from the Western Sydney Regional Council.)

### Charter

1. The Western Sydney Regional Council is constituted under the Region's Ordinance 1995 and its functions, powers and duties are as established by Clause 6 of that ordinance.

### Access

2. The Principal Office of the Western Sydney Regional Council is St Andrew's House, Sydney Square, Sydney, NSW 2000 (PO Box Q190, Sydney 1230) and the phone number is 9265-1519. The business hours are Monday to Friday, 8.00am to 4.00pm. The Regional PA is Miss Kirsty Grugan and the Honorary Treasurer is Mr Andrew McLachlan.

### Membership

3. The members of the Regional Council as at December 2011 were as follows –

#### **Name**

Rt Rev IY Lee	Mrs V Brasington
Rev R Cunningham	Mr A Dowthwaite
Rev G Howells	Mr K Fairfax
Rev N Macken	Mr A Frank
Rev M Robinson	Dr R James
Canon M Williamson	Mrs J Marlow
	Mr A McLachlan
	Mr Ross Pendlebury
	Mr M Purvis
	Mr G Tuckwell

4. The main committees are the Executive Committee, the Ordinance Review Panel and the Architectural Panel.

### Structure

5. The senior officers of the Council are –

- Chairman – Bishop Ivan Lee
- Honorary Treasurer – Mr Andrew McLachlan

### Activities

6. The Council meet on 3 occasions during 2011 at Christ Church, Blacktown. The main areas of consideration included mission areas, church growth and sub continental ministry. The council has two regional workers: Mrs M Presbury as part time ESL worker to encourage, train and support ESL ministry in the region; and the Rev Ken Coleman as regional Cross Cultural co-ordinator.

### Regional Grants

7. Following is the grant information for 2011.

<b>PARISH</b>	<b>PURPOSE</b>	<b>AMOUNT</b>
Region	ESL co-ordinator and trainer	20,000
Region	Cross cultural co-ordinator	10,000
Auburn St Thomas	Cross Cultural Children & Youth	10,000
Guildford with Villawood	Vietnamese worker	10,000
Parramatta	Pastor Persian Congregation	10,000
Parramatta	Chinese pastor	15,000
Wentworthville	Dinka Sudanese Minister	3,240
Riverstone	Youth worker	10,000
Minchinbury	Children's worker	5,000
Lidcombe	Chinese worker	9,230
Berala / Carlingford	Assistant minister	15,000
<b>TOTAL</b>		<b>117,470</b>

For and on behalf of the Western Sydney Regional Council.

IVAN LEE  
Bishop of Western Sydney

30 June 2012

## Proposal to change the status of the provisional parish of Minchinbury to a parish

(A report of the Western Sydney Regional Council.)

### Proposal

1. A proposal was made to the Archbishop by the minister and wardens of the provisional parish of Minchinbury under clause 4(1)(b) of the Parishes Ordinance 1979 (the Ordinance).

### Support of the Western Sydney Regional Council

2. A meeting of the Western Sydney Regional Council held on 16 August 2012 considered the proposal under clause 5 of the Ordinance.

3. The Western Sydney Regional Council certifies that all procedural requirements under clauses 4 and 6 of the Ordinance have been complied with, and recommends that the Synod raise the status of Minchinbury to a parish.

### Parish Information

4. The provisional parish of Minchinbury, located in South Rooty Hill, serves the neighbouring suburbs of Minchinbury, South Rooty Hill and Old Mount DrUITt.

5. On Saturday 11 November 1916 the Church of England church building St John the Evangelist, Mount DrUITt, was opened and dedicated by the Archbishop of Sydney Dr J.C. Wright in Mount DrUITt Road, Mount DrUITt. In September 1967 St James, a newer larger building in the Mount DrUITt district, was opened at 40 Halinda Street Whalan, and the two churches served the Mount DrUITt area together.

6. The present Minchinbury Anglican building was opened and dedicated by the Most Reverend D.W.B Robinson, Archbishop of Sydney, on Sunday 25 October 1987, the congregation having outgrown the original building at Mount DrUITt. The new Minchinbury Anglican continued to serve with St James, Whalan, as part of the same parish.

7. Minchinbury was able to achieve financial independence from St James in 1996, and in 2002 took the step in becoming a separate provisional parish. A church service launching the Anglican Provisional Parish of Minchinbury was held on Sunday 10 February, 2002, at which the Reverend James Davidson was appointed Curate-in-Charge. The loan repayment for the building at Minchinbury was completed in 2005.

8. In 2010, Minchinbury, St Clair and St Marys parishes developed the Outer West Ministry Co-operative as a method of giving the members of each congregation access to a wider pool of training and teaching resources. This training has served not only to encourage current members of these three churches, but has increased the opportunity for inviting non-church friends and family to these events.

9. Since 2008, average weekly attendance at Minchinbury has risen from 138 to 191 in 2011; an increase of nearly 40%. In the same period, total offertory has risen from \$116,466 for 2008 to \$186,455 for 2011; an increase of more than 60%.

10. At the present time, the parish staff consists of the senior minister David Mears, an associate minister Paul Hallam, a part-time associate (Family and Children's) minister Naomi Ireland and a Year 13 student Cassandra Vollmer.

11. The population of the Provisional Parish stands at approximately 15,000.

12. The current year regular Sunday attendance at Minchinbury is 198 (142 adults 56 children) as follows –

	Adults	Children
10am	83	41
6pm	59	15

### Particulars of Church property

13. Details of property held by the Anglican Church Property Trust upon trust for the Provisional Parish are as follows –

	Value of Land and Improvements
Church and Hall	\$1,104,000
Garage & Shed	\$15,000
Rectory	\$241,000
Portable Building	\$33,000

14. A portable building meeting room was added in 2011 through a Local Council Building Grant, and another is to be added this year also through an approved Local Council Building Grant.

#### **Summary of consolidated receipts and payments**

15. A summary of the financial position over the last three years and the budget for 2012 is set out below –

	2009	2010	2011	2012 Budget
<b>Receipts</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Offerories	169,850	185,533	196,844	194,955
Missions	786	301	9,841	
Rent/Interest	9,356	2,422	2,968	17,360
Grants (Uni. Ministry)			37,074	5,000*
Others	16,180	22,968	46,398	300
<b>Total</b>	<b>196,172</b>	<b>211,224</b>	<b>284,125</b>	<b>217,615</b>

	2009	2010	2011	2012 Budget
<b>Expenditure</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Stipends/salaries	81,473	116,585	119,748	175,174
Cost Recovery	15,936	28,550	32,799	42,000
Printing & Stationary	7,257	6,718	8,548	7,000
Maintenance	14,353	10,157	45,857	6,000*
Electricity etc	37,379	49,161	39,948	18,000*
Other ministries	297		27,182	
<b>Total</b>	<b>156,695</b>	<b>211,171</b>	<b>274,082</b>	<b>248,174</b>

\* Grants are not included in 2012 budget above.

16. The parish has no outstanding debts.

17. The Bishop of Western Sydney and the Western Sydney Regional Council enthusiastically support this application and gives thanks to God for the dedication of the ministers, wardens, parish council and members of the parish for their faithfulness to God that has brought about this proposal.

#### **Recommendation**

18. The Western Sydney Regional Council recommends that the provisional parish of Minchinbury be reclassified as parish with effect from 1 January 2013.

For and behalf of the Western Sydney Regional Council.

IVAN LEE  
Regional Bishop

16 August 2012

## Wollongong Regional Council Annual Report for 2011

(A report from the Wollongong Regional Council.)

### Introduction

1. The Wollongong Regional Council met 4 times during 2011 on the evenings of 15 March, 14 June, 13 September and 8 November. The meeting is held in Wollongong with each meeting preceded by a meal. The Executive committee also met four times during 2011 to consider matters delegated to it and to plan agendas for the regular Council meetings.

### Membership

2. In 2011 the membership of the Council was –

Bishop Peter Hayward (Chair)	Mr Glenn Murray
Rev Dr Michael Blake	Rev Neil Percival
Mr Paul Burns	Mr Doug Philpott
Rev Rob Copland	Mr Stuart Quarmby
Mr Peter Evans	Rev Stephen Semenchuk (resigned)
Mrs Amanda Garlato	Rev Stephen Swanepoel
Mr Andrew Guile	Mr Ron Webb
Mr Greg Holmes	Mr Peter White
Mr Geoff Kyngdon	Mr Tony Willis
Rev Richard Mills (resigned)	Ms Vivienne Young

The Rev Anthony Douglas and Rev Stephen Fifer were newly elected to the Council.

### Ministry Strategies

3. Bishop Peter Hayward and the Regional Council worked closely to further support ministry across the Region. This included –

- financial support for the Nowra and Macarthur Indigenous ministries and Berkeley ministry (see below)
- meeting with and support of Mission Area leaders
- development of the Oran Park ministry
- support for Eagle Vale and Wollondilly attaining parish status
- support for new Rectors
- 3 day Regional Ministry conference including input from Mark McCrindle

4. Throughout 2011 the arrangement remained that funding from the Diocese would not continue to the Wollongong Region (other than office running costs) and that the Region would utilise its resources to fund the Bishop's Assistant and any other ministries. Funding from the Region's assets was allocated to the specific ministries in Berkeley and the Indigenous churches in the Macarthur and Shoalhaven.

5. Due to the ongoing financial constraints, grant allocation for 2011 was limited to \$80,000. These grants have been allocated to the Berkeley Church plant and the Indigenous ministries in the Macarthur and Shoalhaven.

<i>Parish</i>	<i>Purpose</i>	<i>Allocation</i>	<i>Total</i>
Berkeley	Church planting	\$30,000	
Macarthur Indigenous	Indigenous	\$20,000	
Nowra	Indigenous	\$30,000	\$80,000

6. The Regional Council has partnered with the Mission Area leaders of the Region to plan for ongoing ministry. The Council receives regular feedback regarding the broader mission taking place in the Region.

7. The three day Wollongong Regional Ministry Conference continues to be a "high point" in the life of the Region. This enables clergy and lay parish staff to meet together for mutual fellowship and teaching. Various guest speakers join in the conference.

8. The Council received reports from Bishop Hayward and the Assistant to the Bishop at each meeting.

9. The Wollongong Regional Council is not involved in borrowings. Audited statements of accounts have been presented with the Annual Returns to the Synod.

**“Liquidity” Report**

10. The members of the Wollongong Regional Council are of the opinion that, at the date of the report, there are reasonable grounds to believe that the Organisation is able to pay its debts as and when they fall due.
11. Adequate provisions have been made (including but not limited to, provisions for employee entitlements).
12. All trade creditors are being paid in accordance with normal terms of payment.
13. All dealings with real and personal property (including money) have been consistent with the trusts on which the property is held.
14. No payment has been made to a member (other than in the capacity of an employee of the Organisation).
15. Satisfactory systems of Internal Control and Risk Management have been maintained.
16. Appropriate types of insurance and levels of insurance cover are held for all insurable risks having regard to both value of assets and current levels of awards for damages.
17. There are no matters which have arisen since the end of the Financial Year and the date on which the report is signed which could have a significant effect on the Organisation.

**Risk management report**

18. The key identifiable risks to the Wollongong Regional Council are –
  - embezzlement of funds by employees
  - spending of funds over and above income generated by interest from trusts and investments
  - inadequate insurances
19. It is the policy of the Wollongong Regional Council that all funds drawn are to be approved by two signatories to accounts.
20. Spending of funds and allocation of grants over and above day to day running costs can only be carried out by resolution of the Regional Council. Funds are invested through Glebe and the ACPT.
21. All insurances are maintained through Diocesan policies.
22. Financial reports and associated matters are reported to each meeting of the Wollongong Regional Council.

For and on behalf of the Wollongong Regional Council

TONY WILLIS  
*Assistant to the Bishop of Wollongong*

30 June 2012

## **Proposal to change the status of the provisional parish of Shoalhaven Heads to a parish**

(A report of the Wollongong Regional Council.)

### **Proposal**

1. The minister and wardens of the provisional parish of Shoalhaven Heads propose under clause 4 of the Parishes Ordinance 1979 that the provisional parish be reclassified as a parish.
2. The various requirements for this proposal under clauses 4 and 6 of the Parishes Ordinance 1979 have been met and details of this follow.

### **Support of the Wollongong Regional Council**

3. On 8 May 2012 the Wollongong Regional Council resolved to support the request that the provisional parish of Shoalhaven Heads be classified as a parish under the Parishes Ordinance 1979.

### **Parish Information**

4. The provisional parish makes this proposal with enormous pleasure and a deep sense of the kindness of God to the small and weak. In the eighteen months since Shoalhaven Heads was created as a provisional parish, God has continued to bless its people and ministry.
5. The proposal is made with the full support of the minister, the wardens and parish council, along with the congregations as a whole, reflected in a motion to this effect that was adopted unanimously at the recent Annual General Meeting.
6. The story of the church of St Peter's is a testament to the parish-based, community-focused ethos of Anglican ecclesiology. The church may be small; it may gather in a small town – but each lost soul is precious. The church is enthusiastic about growing its ministries and reaching out to its neighbours. God has brought the church far, but they hope to go further yet in his service. The church prays that the Synod's approval as a full parish within the Diocese will spur them on to the next chapter of their life together.

### **Particulars of all church trust property**

7. The provisional parish has only the one church building, St Peter's, located at 128 Scott Street in Shoalhaven Heads. The church seats just over 100, and has an adjoining crying room. Attached are a small hall, a kitchen, and toilets.
8. There is an open block of land, and then the minister's residence at 126 Scott Street. This is a four bedroom home, with study, built to diocesan rectory standards and completed in 2009.
9. These properties are owned outright, with no debt owing.

### **An estimate of the number of households within the parish boundaries claiming Anglican affiliation**

10. The 2006 census recorded 2,844 individuals living in the township of Shoalhaven Heads, and a further 1,126 in the surrounding district, a total of 3,970. Data is not readily available for the parish boundaries, but within the town itself, 2006 census data indicates 819 families, 485 lone occupants, and 29 other households. 37% (1076) of the town's population described themselves as Anglicans.

### **An estimate of the size of the congregation**

11. The church has two congregations each Sunday morning, with an average total attendance of approximately 80 people. The level of attendance has remained fairly steady for the last five years, reflecting not so much a lack of growth as the number of brothers and sisters who have gone to glory. 48% of the local population are over the age of 55.
12. In recent times, the age balance in the congregations has shifted towards the town's pattern as the family service has grown to parity with the traditional service. In 2010, the church was able to begin a second age group for children's ministry on Sunday mornings, followed by a third age group in 2011. The church was also delighted to have finally launched this year the first youth group in its history, reaching almost entirely unchurched kids.

### **A summary of Shoalhaven Head's financial standing**

13. In the last twenty years, the offertory income has grown from \$15,000 to \$101,000, with the 2011 accounts showing an operating surplus of \$1,107. The provisional parish has at any given time somewhere between \$20,000 and \$30,000 held in its accounts, a portion of which is earmarked for capital development of its site. There are no long term liabilities.

14. The growth in offertory income has reflected an increased confidence in the provisional parish's common purpose, and in the context of the GFC is extremely encouraging.

<b>Year</b>	<b>Offertory Target</b>	<b>Offertory Actual</b>
2007	70,720	74,003
2008	87,500	83,389
2009	85,800	86,336
2010	95,000	91,302
2011	109,515	100,949

15. The provisional parish's 2011 financial statements show a net asset position of \$1,242,106.

16. The 2012 budget for the provisional parish includes a provision of \$15,000 towards the employment of an additional staff member towards the end of the year.

17. In accordance with Section 6 of the Ordinance the provisional parish over the previous financial year –

- Paid the minister according to minimum recommended stipend and provided the recommended travel allowance.
- Has paid all cost recoveries.
- Housed the minister in a diocesan standard residence.
- Is in a sound financial condition.

**Recommendation**

18. The Wollongong Regional Council recommends that the provisional parish of Shoalhaven Heads be reclassified as a parish with effect from 1 January 2013.

For and behalf of the Wollongong Regional Council

PETER HAYWARD  
*Regional Bishop*

TONY WILLIS  
*Assistant to the Bishop*

26 June 2012

## Bishopscourt

(A report from the Standing Committee.)

### Introduction

1. This report contains material which was supplied to Synod in 2010, but has been updated to reflect the current situation.
2. Synod is this year asked to consider two questions –
  - (a) Where should the next Archbishop live?
  - (b) Should the present Bishopscourt be sold and a replacement residence obtained?

### Executive Summary

3. The property at 11A Greenoaks Avenue Darling Point known as Bishopscourt has been the residence of the Archbishop of Sydney for over 100 years, as well as providing facilities for ministry and hospitality.
4. However, Bishopscourt is no longer a suitable property for this purpose for these principal reasons –
  - (a) *the office of Archbishop would be better served by a more contemporary and less “grand” building with modern facilities,*
  - (b) *it is very expensive to maintain, and*
  - (c) *it represents a large proportion of the total assets of the capital fund held for the Endowment of the See (EOS) - the fund from which distributions are made to support the office of the Archbishop.*
5. These reasons have been amply documented in various reports over the last 30 years and together they present a compelling case to find a more suitable residence. Previous impediments to action, real or perceived, either no longer exist or are of less importance. Retaining Bishopscourt would be poor stewardship of the resources of the EOS. Selling Bishopscourt would allow the Archbishop to pass the EOS to his successor with a balanced budget.
6. It is appropriate that any decision to sell Bishopscourt be made at the 2012 Synod, before the election of the next Archbishop.
7. Suitable replacement properties of a more modest cost and size have been identified.
8. Governance issues of the EOS as recommended by the Archbishop’s Strategic Commission, have been addressed, so that the Anglican Church Property Trust will be responsible for maintaining the real value of the invested portion of the capital fund held for the EOS and for determining the distributions that should be made each year to the EOS’s expenditure fund managed by the EOS Committee. Ordinances to effect these changes were passed by Standing Committee in July 2012.
9. Standing Committee therefore recommends that the Synod authorise the sale of Bishopscourt at the forthcoming session of the Synod and that it be sold as soon as appropriate and practicable thereafter (within 5 years) with a portion of the proceeds used to acquire alternative accommodation more appropriate to the contemporary needs of the office of Archbishop, with the balance invested in the EOS capital fund.

### Background

10. Bishopscourt is one of the assets held by the Anglican Church Property Trust in the EOS’s capital fund.
11. The property (formerly known as Greenoaks) was built in the mid 1840s by Thomas Sutcliffe Mort. It was purchased by the Diocese in 1911 to become the official residence of the then fifth Bishop of Sydney, Archbishop Wright.
12. Prior to the purchase of Bishopscourt previous Bishops of Sydney had lived in –
  - (a) a rented house in Darlinghurst (1837-1852),
  - (b) a rented house in Millers Point (1855-1857), and
  - (c) a new house built in Randwick (on land exchanged for a site in Newtown) (1858-1911).
13. Since its acquisition by the Diocese, Bishopscourt has been home to the Archbishop of Sydney and has been altered substantially to meet the requirements of successive incumbents. Extensive alterations

and renovations were undertaken in 1911, the present chapel was added in 1935, and further major renovation works were undertaken in the 1960s, in the mid 1990s and in 2008-2009.

### **Previous reports**

14. The question of the suitability of Bishopscourt has been examined on many occasions over the last 30 years, generally either shortly before or after the election of a new Archbishop. Numerous reports have been written on the subject, invariably covering many of the same issues – high maintenance costs, difficult heritage issues, image/perception problems, excessive capital value and possible criteria for alternative residences. Each report recommended the sale of Bishopscourt.

15. The present Archbishop commissioned a report in 2007 to determine the future of Bishopscourt. This report, which was received in August 2010, again recommended its sale.

16. That recommendation is the same as that of the majority of the earlier reports, but hitherto no action has ever been taken. There may have been particular obstacles at various times (such as the depressed property market in 1992), but the consistent underlying themes have been –

- (a) an understanding that the then current Archbishop did not want to move and/or a belief that the next Archbishop may wish to live in Bishopscourt, and
- (b) a concern that it may not be possible to find a suitable replacement property.

17. Standing Committee examined the question of whether or not Archbishop Robinson should move into Bishopscourt in April 1982, but he did move in and no further action was taken.

18. In July 1991 the EOS Committee was advised that “there are compelling [financial] reasons for selling Bishopscourt [as it] presents a continuing maintenance and conservation problem”. However, in October 1991 Archbishop Robinson advised the EOS Committee “I accept the view that Bishopscourt should be retained only if this can be done in a way consistent with the other demands of the Endowment, but my experience has led me to believe that the advantages of the present residence for the Archbishop’s task are very great, and could not easily, if at all, be had in any alternative arrangement”.

19. In November 1991 Standing Committee received a short report from the EOS Committee recommending that Bishopscourt be retained as the residence of the Archbishop. That report was not unanimous. After receiving several further reports over the following months and debating the matter at length in March and August 1992, the Standing Committee resolved that the residence for the next Archbishop be a house... approved by the Standing Committee after consultation.

20. In April 1993 Bishop Goodhew, when he was Archbishop-elect, stated “I think the time has come for the diocese to build a new residence for the bishop; one which is functional but not opulent”. No further action, however, was taken and Archbishop Goodhew moved in.

21. In May 2001 Standing Committee resolved “that Bishopscourt not be offered to the future Archbishop but alternative accommodation secured” and appointed a committee to further investigate this matter. The committee’s report in August 2001 said “the retention of Bishopscourt is not an efficient use of the Diocese’s resources ... expensive to operate and maintain ... heritage restrictions ...[and] the very high value means that the EOS lacks income”. The committee recommended the sale of Bishopscourt.

22. In August 2001, however, the Standing Committee resolved to “refer the committee’s report to the Archbishop for his consideration and further report to the Standing Committee in due course” and then also to “invite the Archbishop to move into Bishopscourt until the matter is resolved”. The present Archbishop took up residence in Bishopscourt with the understanding that he would move elsewhere should this be required and a suitable alternative found. No further reports on this matter had been received until the EOS Committee reported to Standing Committee in August 2010 recommending the sale of Bishopscourt.

23. A report was provided to Synod in 2010 recommending the sale of Bishopscourt. Synod debated the matter but did not agree to the sale at that time.

24. A more detailed account of the previous reports may be found in Appendix 1.

### **Where should the Archbishop live?**

25. The present Bishopscourt consists of –

Archbishop’s living space

Bedroom (one)

Bathroom (old)

Lounge/dinning room

Kitchen (small)

- Laundry space (no tub)
- Family room
- Box room for storage
- Small study for Archbishop's wife
- Guest space
  - 2 bedrooms sleeping 3 each
  - 3 twin share bedrooms
  - Large sitting room
  - Small dining area
  - 2 kitchens
  - 2 bathrooms
- Formal rooms
  - Study
  - Dining Room
  - Lounge
  - Chapel
  - Conference Room
  - Enclosed verandah
- Work rooms
  - Kitchen (large)
  - Serving area (large)
  - Flat for housekeeper
  - Flat over garage (small)

26. A factor which has made the present Bishopscourt work well for hospitality is that until recently there were 2 full time positions at Bishopscourt: housekeeper and gardener. The housekeeper, who has recently died, resigned due to ill health and it proved difficult to replace her. Other catering arrangements have therefore been in place. If Bishopscourt is sold and replaced with a more modest residence, there will be no need for 2 full time staff, and other arrangements for hospitality could be implemented which do not involve permanent staff, providing a consequential saving.

27. The first question to be put is where is it appropriate for the Archbishop to live? The present Bishopscourt, while it provides advantages for entertaining etc, is seen by some as being too grand a residence. In fact, while the residence itself may be 'grand', the flat occupied by the Archbishop and his wife is very modest and not totally convenient. A newer and smaller Bishopscourt would have less grandeur, but more comfort!

28. In fact, Bishopscourt does not meet the Diocesan requirements for a rectory.

29. Investigations have already been undertaken, utilising the suggestions of the Archbishop and his wife, as to the minimum requirements for a future Archbishop's residence. These requirements are –

- Good location, preferably not too far from the city and the airport
- Separate dining room to seat 15-20
- Large sitting room
- Probably 3 private bedrooms
- Study for Archbishop and one for his wife
- Private family room area
- Modern house kitchen
- Separate guest accommodation: 2 bedrooms and bathrooms
- A guest kitchenette
- Good parking
- Gardens optional but should be easy to maintain.

30. A comparison of the facilities available in the present Bishopscourt and the requirements in a future Archbishop's residence are set out in the table in Appendix 5.

31. To ascertain the feasibility of obtaining a residence with the above features at a reasonable cost, several suitable properties in the Eastern suburbs have been viewed. While no one property will be perfect and have every feature, we are satisfied that most of the above parameters can be achieved.

32. It seems likely that a replacement residence could be purchased for an amount which would allow an adequate sum to be available for investment after the sale of the present Bishops court. This would adequately provide some funds for day-to-day expenses, while retaining the real value of the invested portion of the EOS capital fund.

33. Consideration has also been given to the possibility of purchasing land from a parish and building a new residence. It is also likely that such a project could be achieved for a similar amount.

34. While it would not be prudent to purchase a new property before the present Bishops court is sold, we recommend that it is appropriate to make the decision in principle now that a new residence will be provided for the next Archbishop. This will remove any uncertainty.

### **Reasons for selling**

#### *Suitability as a residence for Archbishop*

35. There are a number of strong reasons to reconsider the future of Bishops court now. Virtually all of the issues supporting the sale of the property that have been identified in the previous reports on the subject remain valid, indeed some have recently become more acute. As stated above Bishops court is perceived to be 'too grand'. In fact, it should be possible to provide more comfortable accommodation.

#### *Cost of maintaining Bishops court*

36. The retention of Bishops court represents poor stewardship of the resources of the Diocese, because of the high cost of maintenance and the tying up of non income producing capital.

37. Maintenance and conservation work (excluding staff wages) undertaken at Bishops court in the last eight years has totalled approximately \$2.94 million, averaging therefore \$368,000 per year. This work has been conducted in accordance with a detailed project plan, as required for a heritage property, and has involved the removal of a large Moreton Bay fig tree in the north east corner of the property, as well as extensive stone and roof conservation work, stained glass window restoration, major electrical works and various plumbing, drainage, kitchen servery, painting and landscaping work. Details are provided in Appendix 3.

38. The ongoing heritage issues both increase the cost of maintenance and limit the scope for renovations to increase functionality.

39. In February 2010, at the request of the EOS Committee, a firm of heritage architects estimated the sum of \$425,000 would need to be spent on conservation works between 2013 and 2015.

40. Furthermore, given the age and nature of the building, history would suggest it is very likely that other presently unforeseen issues may arise over the next few years that will require additional unavoidable work.

41. The current operating costs of Bishops court (principally staff wages) are between \$250,000 and \$300,000 per year (see Appendix 3).

#### *Increase cash flow*

42. The EOS faces significant short and medium term financial challenges. Its recurrent expenditure needs, even after recent significant restructuring to reduce costs, exceed its income. The resolution of these challenges lies in a restructure of its balance sheet where the present 'asset mix' is quite unsuitable for an endowment. The majority of the assets are in property which produces no, or very little, cash income. Among the EOS property assets, Bishops court is by far the worst performing – it produces no cash income, but requires substantial annual expenditure on maintenance and operating costs, yet it represents a significant proportion of the total value of EOS assets.

43. Several external professional advisors as well as a number of the Diocese's own boards, committees and staff have all concluded that there will be significant financial benefits for the EOS by selling Bishops court and purchasing a less expensive residence for the Archbishop, thereby allowing the release of a significant sum (net sale proceeds less cost of replacement property) to be invested in the capital fund held by the Property Trust to assist in the making of annual distributions to the EOS's expenditure fund.

44. The Archbishop's Strategic Commission on Structure, Funding and Governance has previously estimated that the cumulative positive impact from the sale of Bishops court and the purchase of a replacement property should result in an additional amount of annual net income for the EOS of between \$800,000 and \$1,000,000.

*Marketability*

45. Recently a real estate agent familiar with Bishopscourt had indicated that there are buyers who are interested in such rare 'icon' properties, and that buyers in this market are not unduly concerned by the heritage issues involved. This view has been confirmed more recently by some other property professionals with a good knowledge of the current market for properties in the relevant price range in the Eastern Suburbs.

46. In due course, formal advice about the likely sale price, and the sales strategy, will need to be obtained. It is considered that given the prevailing market and the 'uniqueness' of Bishopscourt its true value will not be known until expressions of interest are sought. In addition, there are matters of commercial sensitivity and therefore it is not appropriate to give estimates of valuation at this time.

*Availability of alternative residences*

47. The subcommittee appointed by the EOS Committee recently received indication from the real estate agent familiar with Bishopscourt that a number of potential residences would be available in the price range of \$5 million to \$7 million, subject to whatever requirements the Diocese may wish to include for entertainment areas and guest accommodation. Several of these properties have been viewed and deemed suitable.

*Other support for selling*

48. The Archbishop's Strategic Commission on Structure, Funding and Governance, the EOS Committee and the Standing Committee recommend the sale of Bishopscourt.

**Possible impediments***Symbolism*

49. Bishopscourt is symbolic of the Anglican Church's historical place in the city of Sydney, and some may see its sale as a retrograde step that breaks with history and tradition.

50. The building itself has had a special place in many people's memories, and may evoke a certain fondness and nostalgia for particular aspects of ministry that have been conducted from there.

51. It has been a home and workplace for successive Archbishops and its facilities and location have been well utilised for entertaining and holding conferences and accommodating visiting guests.

*Finding a suitable replacement*

52. On most occasions over the last 30 years when the question of selling Bishopscourt has been raised one of the difficulties has been to identify a suitable replacement property. In part this is due to the fact that there has never been agreement on what is required of such a property. However, as noted above in clause 47 several suitable properties in the desired price range have been identified.

53. Bishopscourt includes sizeable gardens, accommodation for up to 12 guests, a conference room for 20, dining room seating up to 36, and off-street parking for 10-15 cars. Attempting to replicate these in an alternative residence would be difficult and the cost would be prohibitive. It would be necessary, therefore, to have different expectations of the use of Bishopscourt.

54. The home of the Archbishop is typically both a residence and a place of ministry. The Archbishop's ministry will always involve hospitality and entertainment, and the facilities for this should be available in a new residence. These objects however do not require a residence as large as the present Bishopscourt to accomplish them, and conferences and more extensive hospitality and entertainment can more economically be provided by outsourcing to other venues hired for specific events or purposes.

*Publicity*

55. Some have expressed concern that any sale of Bishopscourt may attract media attention focussed on the high value of the property and its grand appearance. Any replacement property although of a significantly less value will also command a significant price and may therefore also attract similar comment.

56. While recognising the potential any sale and purchase has to attract unwelcome publicity, the Standing Committee does not see that issue as sufficient to warrant the retention of the present property. Indeed, if well handled the sale of Bishopscourt should be seen for what it is, the most responsible course of action.

**Financial considerations**

57. In addition to the reasons provided above in favour of selling Bishopscourt, there are financial considerations

58. As reported to Synod in 2010, EOS has made considerable savings in its expenditure, with a reduction from \$7m in 2008 to approximately \$3m per annum at the present time. This has largely been achieved by a reduction in staffing from 27.3 to 17.7, with only 13.7 positions fully funded by EOS. The EOS Committee cannot see any further way to reduce expenditure without damage to ministry.

59. The major source of income for EOS consists of distributions from St Andrew's House. These have been discontinued from 2010 to 2012, with a consequent loss of income to EOS of several million dollars. That shortfall has, of necessity, been made up by using cash reserves, with the exception of the welcome parish contribution in 2011 which the Synod initiated. In 2012, EOS had a budgeted income of approximately \$1m and expenses of approximately \$3m.

60. It is expected that distributions from St Andrew's House will resume in 2013. This will assist the EOS in returning to a balanced budget. There will, however, still be a shortfall of several hundred thousand dollars per annum. If this cannot be achieved by the sale of Bishops court, the only other source of funding would be from the parishes. If Synod is not prepared to agree to the sale of Bishops court, it will need to find another source of funding.

61. When the matter was brought before Synod in 2010, there was not the same clarity of information. Synod can now be assured that –

Preliminary costing of likely sale and purchase prices shows that it is feasible

All possible cost savings have been implemented, assuming staffing levels are maintained

Governance issues re EOS have been addressed

Sale proceeds will be invested wisely by ACPT such that the real value of the invested portion of the capital fund of the EOS will be maintained

A satisfactory replacement property should be obtained within the suggested budget

The EOS can be returned to a sustainable financial position.

### **Recommendations**

62. Standing Committee recommends that the Synod approve the sale of Bishops court at this session of the Synod by passing the bill for the Bishops court Sale Ordinance 2012.

63. Standing Committee also recommends that following the passing of the sale ordinance by the Synod, the following motion be moved at Synod at the request of the Standing Committee –

“Synod requests the Endowment of the See Committee to make arrangements to provide suitable alternative accommodation for the next Archbishop taking into consideration the advice of the Archbishop and Mrs Jensen, and having regard to the matters raised in the explanatory report accompanying the ordinance approving the sale of Bishops court.”

For and on behalf of the Standing Committee.

PHILIP SELDEN  
*Diocesan Registrar*

21 August 2012

## Summary of previous reports

The recommendation that a new residence needs to be found for the Archbishop is not new! Shortly after his consecration in 1909 Bishop Wright observed that the property in Randwick that had served as the residence of the Bishop of Sydney for over 50 years was “too far from the centre of things to be a city dwelling; not far enough out to be a country retreat”. The next year the Diocese bought the Greenoaks property in Darling Point.

### 1980s

In April 1982 Standing Committee resolved that arrangements should be made for Archbishop Robinson either to move into Bishopscourt or to rent or purchase a suitable residence near the city. In fact Archbishop Robinson moved in to Bishopscourt and no further action was taken.

### 1990s

In July 1991 the Standing Committee asked the EOS Committee to “make a recommendation concerning the housing arrangements for the next Archbishop of Sydney”.

In July 1991 Mr B R Davies (then a member of SDS/GAB) reported to the EOS Committee that –

“In my view there are compelling reasons for selling Bishopscourt. If it is retained it will not only commit considerable capital resources which could be used for other urgent needs, but present a continuing maintenance and conservation problem.”

However, in Oct 1991 Archbishop Robinson wrote to the EOS Committee saying –

“I accept the view that Bishopscourt should be retained only if this can be done in a way consistent with the other demands of the Endowment, but my experience has led me to believe that the advantages of the present residence for the Archbishop’s task are very great, and could not easily, if at all, be had in any alternative arrangement.”

In November 1991 the Standing Committee received a report from the EOS Committee recommending “that Bishopscourt be retained as the residence for the Archbishop of Sydney and that this residence be offered to the new Archbishop as his official residence.”

In February 1992 the EOS Committee offered a fuller explanation for its previous recommendation, noting –

- (a) the Committee was not of one mind concerning the desirability in the long term of retaining Bishopscourt as a residence for the Archbishop of Sydney,
- (b) arguments for – size and convenience for hospitality, location, parking, history, possible unwelcome media attention a sale would attract, suitability for ministry,
- (c) arguments against – cost of maintenance, amount of capital tied up, long term heritage related costs, general size and style not suitable for the principal Minister of a Christian church at this time,
- (d) the Committee was, however, in agreement that (due to the general economic climate and poor state of the property market) this was not the time to sell the property.

In March 1992 the Standing Committee voted 20:19 that “Bishopscourt be offered to the next Archbishop as his official residence, but with the proviso that a change of residence might be required in the course of his episcopate.”

In August 1992 the Standing Committee rescinded its resolution of the previous March and resolved “that the residence for the next Archbishop be a house ... approved by the Standing Committee after consultation between the next Archbishop and the trustee of the EOS after his election.”

In April 1993 Archbishop-elect Goodhew stated –

“I think the time has come for the diocese to build a new residence for the bishop; one which fulfils all the requirements, which is appropriate for the end of the 20<sup>th</sup> Century, which is functional but not opulent, within easy reach of St Andrew’s House and which is readily accessible by the public. It should be designed to serve the needs of successive Archbishops for the next 50 years.”

No further action was taken.

## **2000s**

In a report to Standing Committee in May 2001 the then CEO of SDS said –

“Selling Bishopscourt would allow the purchase of an appropriate designed replacement property which would be less expensive, both to purchase and then to operate and maintain. The lower operating and maintenance costs would directly benefit the annual operating result of the EOS, and the lower capital cost to the property would release funds for more profitable investment by the EOS.”

In May 2001 Standing Committee resolved “that Bishopscourt not be offered to the future Archbishop but alternative accommodation secured” and then resolved to appoint a committee “to further investigate and report on the question of the future use of Bishopscourt and alternative accommodation for the Archbishop”.

The committee’s report to Standing Committee in August 2001 said –

“The retention of Bishopscourt is not an efficient use of the Diocese’s resources. The property is expensive to operate and maintain and heritage restrictions further complicate the work and increase the cost. In addition, the very high value of the land and building means that the EOS lacks income because too much of its capital is tied up in an asset that produces no return.

The sale of Bishopscourt and the development of an alternative property to provide a residence and (possibly) a function centre for the Archbishop is therefore desirable both from a financial perspective and because of the message it would convey to the Diocese and to the wider community.”

The committee recommended an ordinance be promoted to the next session of Synod to allow for the sale of Bishopscourt.

After receiving the committee’s report the Standing Committee meeting in August 2001 resolved to –

“refer the report to the Archbishop for his consideration and further report to the Standing Committee in due course”

and then also resolved to –

“invite the Archbishop to move into Bishopscourt until the matter is resolved”.

The Archbishop indicated that he would move if asked to do so.

In 2007, the present Archbishop commissioned a report to determine the future of Bishopscourt.

The Report was provided to the Standing Committee and to Synod in 2010. The report noted that “we are currently facing a serious financial situation with regard to the Endowment of the See, largely unrelated to the Global Financial Crisis...The majority of its assets are under-performing, either by providing no income or very limited income. While steps have been taken to reduce expenditure markedly, this is still insufficient to provide a balanced budget.”

“The recommendation of the EOS Committee and of the Archbishop’s Commission is that Bishopscourt should be sold.”

## EOS Budget

<b>INCOME</b> <b>(\$000s)</b>	<b>2012 budget</b>	<b>Draft 2013 budget</b>	<b>Indicative 2014 &amp; 2015 budget</b>	<b>Indicative 2014 &amp; 2015 budget if Bishopscourt not sold</b>
Investment income	452	170	72	72
Other (bequests & rent)	115	115	115	115
Distribution from SAHC	-	n/a	n/a	n/a
Distribution from EOS Capital Fund (investment income)	n/a	250	730	250
Distribution from EOS Capital Fund (SAH)	n/a	1,400	1,400	1,400
Contribution from Diocesan organisations	152	152	152	152
use of Cash reserves	1,917	426	245	875
PCR contribution to Archives	50	50		
Synod contribution used to support Episcopal team	264	176		
Synod contribution to Archbishop's ministry (used for Women's Ministry)	50	-		
<b>TOTAL</b>	<b>3,000</b>	<b>2,739</b>	<b>2,714</b>	<b>2,864</b>
<b>Surplus/(Shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>EXPENSE</b> <b>(\$000s)</b>	<b>2012 budget</b>	<b>Draft 2013 budget</b>	<b>Indicative 2014 &amp; 2015 budget</b>	<b>Indicative 2014 &amp; 2015 budget if Bishopscourt not sold</b>
Office of the Archbishop	283	283	308	308
Archbishop's residence	306	150	100	250
Archives	129	129	129	129
Registry – registrar & support staff	462	442	442	442
Secretariat	325	293	293	293
Episcopal team – admin/pastoral	1,395	1,442	1,442	1,442
Marketing costs for Greenoaks apartments	100	-	-	
<b>TOTAL</b>	<b>3,000</b>	<b>2,739</b>	<b>2,714</b>	<b>2,864</b>

## Notes:

1. Investment income and distribution from SAHC are distributed from EOS capital fund to EOS expenditure fund from 2013.
2. Archbishop's Residence maintenance expense is paid by ACPT from EOS Capital Fund from 2013.
3. Use of cash reserves in 2014/2015 would be reduced by \$226k if Synod continues to partially fund Episcopal team and Archives.

**Bishopscourt Expenses**

	<b>2010</b>	<b>2011</b>
Staff	105,340	96,473
Cleaning	4,109	7,907
Utilities	11,996	8,359
Depreciation	4,668	1,500
Property Maintenance	82,599	102,647
Rates	4,002	4,964
Valuation fee		5,000
Computer, phone etc	8,636	6,926
Catering	46,290	27,697
Art hire	3,450	3,450
<b>TOTAL</b>	<b>271,090</b>	<b>264,923</b>

**Bishopscourt Maintenance Works**

<b>Year</b>	<b>Amount</b>	<b>Type of Works</b>
2004-2005	82,500	General, electrical, landscaping
2006	42,000	General, electrical, landscaping
2007	266,000	Landscaping, stonework, electrical, servery, plumbing
2008	980,000	Roof conservation, general, electrical
2009	1,387,000	Roof conservation, stained glass, landscaping, electrical
2010	82,599	General
2011	102,647	General
<b>TOTAL</b>	<b>2,942,746</b>	
<b>Average per year</b>	<b>367,843</b>	

## EOS Balance Sheet

	Dec 2009	Dec 2010	Dec 2011	June 2012
	\$000s	\$000s	\$000s	\$000s
<b>ASSETS</b>				
<b><i>Current Assets</i></b>				
Cash	262	3,471	4,695	3,495
Receivables	83	83	76	127
ACPT - Long Term Pooling Fund (at fair market value)	4,215	4,081	3,756	3,851
<b><i>Total Current Assets</i></b>	<b>4,560</b>	<b>7,635</b>	<b>8,527</b>	<b>7,473</b>
<b><i>Non-current Assets</i></b>				
Plant and equipment (motor vehicles, computers, etc)	550	420	328	292
Bishopscourt plus other senior clergy housing *	31,939	27,390	21,904	21,809
Greenoaks apartments ^	6,337	2,324	2,200	2,200
Investment in St Andrew's House	27,170	31,629	40,949	42,002
<b><i>Total Non-current Assets</i></b>	<b>65,996</b>	<b>61,763</b>	<b>65,381</b>	<b>66,303</b>
<b><i>Total Assets</i></b>	<b>70,556</b>	<b>69,398</b>	<b>73,908</b>	<b>73,776</b>
<b>LIABILITIES</b>				
Loan from GAB	1,871	-	-	-
Other Liabilities (leave provisions and payables)	499	685	696	480
<b><i>Total Liabilities</i></b>	<b>2,370</b>	<b>685</b>	<b>696</b>	<b>480</b>
<b>NET ASSETS</b>	<b>68,186</b>	<b>68,713</b>	<b>73,212</b>	<b>73,296</b>

\* now just Chatswood, Oatlands & Pymont

^ last Unit (#5 Forsyth) was sold in July 2012

<b>Present Bishopscourt</b>		<b>Future Archbishop's residence</b>	
Private space		Private space	
Bedrooms 1		Bedrooms 3	
Bathroom (old)		Bathroom	
Lounge/dining		Lounge plus dining (shared with "formal rooms")	
Family room		Family room	
Kitchen (small)		Kitchen (modern)	
Study for Archbishop's wife		Study for Archbishop's wife	
Laundry (no tub)		Laundry	
Storage room			
Guest space		Guest space	
Bedrooms 5 (total 12 beds)		Bedrooms 2	
Sitting room (large)			
Dining room (small)			
Bathrooms 2		Bathrooms 2	
Kitchens 2		Kitchenette	
Formal rooms		Formal rooms	
Study		Study	
Dining room		Dining room (seat 15-20)	
Lounge		Large sitting room	
Chapel			
Conference room			
Enclosed verandah			
Work rooms		Work rooms	
Kitchen (large)			
Serving area (large)			
Flat for housekeeper			
Flat over garage (small)			
		Other requirements	
		Good location, not too far from city and airport	
		Good parking	
		Gardens optional, but easy to maintain	

## Bishopscourt Sale Ordinance 2012

No 40, 2012

### Long Title

An Ordinance to authorise the sale of the current residence of the Archbishop of Sydney at Darling Point known as Bishopscourt and to authorise the application of certain funds for the purpose of acquiring an alternative residence for the Archbishop.

### Preamble

A. Anglican Church Property Trust Diocese of Sydney (the "Property Trust") is the registered proprietor of the land at 11A Greenoaks Avenue, Darling Point comprised in certificate of title folio identifier 1/123557, being the current residence of the Archbishop known as Bishopscourt ("Bishopscourt").

B. Bishopscourt is church trust property held on the trusts set out in the Endowment of the See Capital Ordinance 2012.

C. By reason of circumstances which have arisen after the creation of the trusts on which Bishopscourt is held it is expedient that Bishopscourt be sold and the proceeds applied in the manner set out in this Ordinance.

The Synod of the Diocese of Sydney Ordains as follows.

#### 1. Name

This Ordinance is the Bishopscourt Sale Ordinance 2012.

#### 2. Declaration

By reason of circumstances which have arisen after the creation of the trusts on which Bishopscourt is held it is expedient that Bishopscourt be sold and the proceeds applied in the manner set out in clause 4.

#### 3. Power of sale

The Property Trust is authorised to sell Bishopscourt at any time within 5 years after the date of assent to this Ordinance, at such price as the Standing Committee, acting on the recommendation of the Property Trust, approves by resolution.

#### 4. Application of the proceeds of sale

The proceeds of sale, after the payment of the costs and expenses of and incidental to this Ordinance and the sale of Bishopscourt, are to be paid to the Property Trust to be held as part of the fund established by the Endowment of the See Capital Ordinance 2012 (the "Capital Fund").

#### 5. Acquisition of alternative residence

(1) The Property Trust is authorised, with the approval of the Archbishop-in-Council, to apply an amount of up to \$7 million from the Capital Fund for the purposes of –

- (a) acquiring, renovating and fitting out an alternative residence for the Archbishop, and
- (b) meeting the costs of providing the Archbishop with suitable interim accommodation pending the acquisition and any necessary renovation and fitting out of such alternative residence.

(2) An approval of the Archbishop-in-Council under subclause (1) may be given subject to such terms and conditions as the Archbishop-in-Council sees fit.

(3) No application is to be made under paragraph (a) of subclause (1) until the net proceeds arising from the sale of Bishopscourt are paid to the Property Trust.

#### 6. Report to Synod

At the next meeting of the Synod following any sale under clause 3, a report on the financial details of the sale including estimates of sale price, sale price, EOS budget impact and such other information as would provide the Synod with a clear understanding of the financial circumstances of the sale and related matters.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

PG KELL  
Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 15 October 2012.

CJ MORONEY  
R WICKS  
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN  
Archbishop of Sydney  
18/10/2012

# Synod Appropriations and Allocations Ordinance 2012

## Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012

### Explanatory Report

#### Introduction

1. Under the Synod Estimates Ordinance 1998 the Standing Committee is required to prepare for the second ordinary session of the 49<sup>th</sup> Synod a statement of funding principles and priorities and a proposed ordinance reflecting that statement which contains Synod funding estimates for 2013. The Statement of Funding Principles and Priorities for 2013 (the "Statement") has been prepared and is printed for the Synod separately.
2. The Synod Appropriations and Allocations Ordinance 2012 and the Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012 (the "Ordinances") have been prepared to give effect to the Statement.
3. The details of specific appropriations of individual Synod and parish trust funds and the amounts allocated to particular purposes and organisations under the Synod Appropriations and Allocations Ordinance 2012 are shown in the Schedule which forms Attachment 1 to this report.
4. The uses and sources of funds applicable to the Endowment of the See have been shown in a separate column in Attachment 1, even though these figures are not the responsibility of Synod. The reason for including this column in the attachment is to improve transparency and enable the Synod to see how the holistic Diocesan finances, which are the subject of the Statement, are then given effect through the administration of the two endowments, the parish trusts and the cost recoveries charge and levy paid by parishes.
5. The details of the cost recoveries charge in respect of ministry costs and parochial network costs and the levy to acquire land for future church sites under the Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012 are shown in the Schedule which forms Attachment 2 to this report. The estimate of the amount of the variable parochial cost recoveries charge and the parish levy to be paid by each parochial unit are shown in the Schedule which forms Attachment 3 to this report.
6. This report provides explanatory comments on the specific proposed uses and sources of such funds. The report should be read in conjunction with the broader explanations provided in the Statement.

#### Use of funds

##### *Long term requirements*

7. The role undertaken by the Archbishop's Public Relations (Media Officer) is considered an essential element of the Diocesan ministry network. Therefore, while such a person is employed by the Anglican Media Council, an allocation from Synod Funds will be paid to the Council to be applied for this specific purpose.
8. As in previous years, one of the requirements of our ministry network is that we maintain an archive record of parish material. This is to be funded with an amount of \$50,000 to be raised through the variable parochial cost recoveries charge.

##### *Immediate requirements*

9. For 2013 our estimated membership and affiliation costs in the wider Anglican Church (ie, the assessment raised by the General Synod and the accommodation and travel costs of Sydney representatives attending the General Synod, and the costs of the Provincial Synod) are to be funded through an allocation of Synod funds. Funding for our membership of the NSW Council of Churches has been discontinued.
10. The direct external costs of each ordinary session of Synod, such as venue hire and printing costs, should be funded through an allocation of Synod funds rather than drawing on any reserves or working capital that may remain in the Synod Fund. The actual cost is heavily dependent on the venue (Wesley Theatre), format (afternoon and evening sessions) and duration (5 days) of the Synod.
11. Similarly, the cost of a 5 day booking for the Archbishop's election Synod, should be funded through an allocation of Synod funds rather than drawing on any reserves or working capital that may remain in the Synod Fund.
12. The cost of Standing Committee (and subcommittee) members' car parking in St Andrew's House is considered an appropriate use of Synod funds, although the amount allocated for this purpose has been reduced by 10%.
13. The allocation of Synod funds to cover the costs incurred by the Secretariat in providing services to the Synod, Standing Committee and parishes under its ordinance has been reduced by 10% from the 2012 level, although no corresponding reduction in the scope of services to be provided under the Secretariat's service level agreement with the Standing Committee has yet been agreed.
14. The parochial network costs (recovered through the variable portion of the parochial cost recoveries charge) consist of the estimated cost of or parish-related contribution to –

- (a) The annual parish property and liability insurance program – increasing by more than 12%. In arriving at this amount the Property Trust has made allowance for –
  - (i) a conservative average 9% increase in premiums,
  - (ii) the cost of financing the annual premium in advance of receiving the 10 instalments of parochial cost recovery charges,
  - (iii) an estimate for the amortised cost of obtaining new insurance valuations for all the properties, and
  - (iv) the cost of reimbursing Care and Assistance payments authorised by the Professional Standards Unit.
- (b) The parish risk management program – reduced by 10%.
- (c) Parish related work by the Professional Standards Unit (PSU) – unchanged.
- (d) The safe ministry training program – unchanged (provided by Youthworks on behalf of the PSU).
- (e) A provision for relief and remission of cost recovery charges – unchanged.
- (f) Diocesan archives – unchanged.
- (g) Support for the Sydney Anglican Parish Accounting System (SAPAS) – unchanged, and
- (h) The Secretariat's administration and accounting fee, approved by the Finance Committee, for the PCR Fund 951.

15. The ministry costs (recovered through the 'fixed' portion of the parochial cost recoveries charge) consist of the contributions required for superannuation, long service leave, stipend continuance insurance and sickness and accident fund on behalf of each of the ordained ministry staff licensed to the parochial unit.

16. Details of the amount of each of the parochial network costs and the ministry costs are shown in the Schedule in Attachment 2.

#### *Long term mission commitments*

17. Along with a number of other programs, the amount of Synod funds allocated to support the work of Ministry, Training and Development has been reduced by 10%. The Department advises this will mean the Director's position will become part time. Nevertheless the Department retains primary responsibility for recruiting, guiding and selecting for ministry in the Diocese, as well as providing continuing education for ministers.

18. The critical importance of acquiring land for future church sites in the expanding greenfield areas of the Diocese has been recognised as a major long term Mission initiative. Accordingly an amount of \$2,000,000 has been set aside in 2013 for this purpose, to be funded by way of a levy on all parochial units. While such an amount will probably not be sufficient to purchase even one new church site, it is a significant contribution to this initiative. If this level of annual funding can be maintained in the future it will go a long way to enabling a permanent ministry presence to be established in new housing areas. All these funds will be directed towards greenfield areas because there is currently no permanent ministry presence in these areas, whereas in brownfield areas there is at least some existing church plant available to support ministry to the growing population in those areas. At the same time as the parish levy is providing money to purchase new church sites, the Mission Property Committee is working on a multi-faceted campaign to raise the funds for the building work needed. A number of Diocesan organisations including the Department of Evangelism and New Churches, Moore Theological College, Youthworks College and Ministry Training and Development are working to identify, equip and nurture the church planters to lead these new churches.

19. Moore Theological College will continue to receive the majority of the funds allocated under long term mission commitments. Notwithstanding the reduction in funds available this year from the Diocesan Endowment and parish trust ordinances, the amount allocated to the College has been maintained at the same level as in 2012, reflecting the strategic long term importance of the College to the Mission of the Diocese.

20. The funding of Youthworks College will also be maintained at the same level as in 2012, reflecting its important role in providing future leadership for our churches and for the Mission.

#### *Current mission activities*

21. The Synod funds allocated to support the work of the Anglican Education Commission in 2013 have been maintained at the same level as in 2012, although this is only half the amount provided in 2011. As noted last year, this level of funding recognises that the Anglican Education Commission already draws much of the income it needs directly from the Anglican Schools it supports, and the provision of central funds, other than for advocacy, was always intended to be by way of seed funding until the Commission was able to establish a track record and earn the financial support of the Anglican schools.

22. The allocation of Synod funding for the Anglican Media Council to provide internal communication and evangelism, including through their website and Southern Cross, has been reduced by 10%.

23. The Synod funding allocated for the research function provided by Anglicare has been maintained at the same level as in 2012 in recognition that the research provided, including that derived from the NCLS data, has proven integral to much of the mission planning and this allocation only covers part of the actual cost incurred by Anglicare.

24. The creation of a holistic Diocesan budget for 2013 has enabled a reassessment of the Synod funding required to support the Episcopal team. In 2012 \$300,000 of Synod funds was allocated to Regional Councils to assist with administrative support provided for the Assistant Bishops. For 2013 the extent of Synod support for the

Episcopal team has been reduced to \$176,000, with the balance, which currently covers the costs of the 4 assistant bishops, 2 archdeacons, 1 bishop's assistant, 1.35 executive assistants and 2 personal assistants, funded from the Endowment of the See.

25. The Synod funding allocated to the Department of Evangelism and New Churches has been maintained at the same level as in 2012 because its work is considered a high priority mission activity. The Department provides resources which support local evangelism and directly assist the planting of new Sydney Anglican congregations as well as having responsibility for developing a Diocesan wide approach to ethnic, cross cultural and multicultural gospel ministry in the regions and parishes.

26. For 2013 the amount of Synod funds allocated as an addition to the capital of the Sydney Anglican Indigenous Peoples Ministry Fund has been maintained at \$48,000. If the previous formula used for many years (ie, 1% of total income available to the Synod) had been maintained, the allocation in 2013 would have been \$44,000.

27. The allocation of Synod funds to provide ongoing support and assistance for Mission Areas has been reduced to \$80,000 in 2013 in recognition of the reserves available for this purpose as a result of the mid-year start in 2010.

28. The Synod funding to support the work of the Tertiary Education Ministry Oversight Committee ("TEMOC") has been increased slightly for 2013 as it is considered strategic to the Mission. The Standing Committee recognises the strategic importance of maintaining a clear Anglican presence amongst evangelical Christians ministering in the tertiary education sector. Research shows the time at university or other tertiary education institutions is a significant stage in many people's lives, both in terms of conversion and commitment, and for recruitment to ministry. Federal Government policy will see a very significant increase over the coming years in the proportion of the population completing year 12 that then go on to undertake tertiary education.

29. Synod funds allocated to support for gospel work outside the Diocese have been maintained at 4% of the total available funds. The Standing Committee recognises that Synod resolution 40/09 "encourages it to consider how in future the Diocese may return to 5% of income that would be made available for Gospel work beyond the Diocese", and has investigated a number of options to raise the amount allocated for such work. In 2012 a number of parishes have contributed a modest amount by way of voluntary contributions to the Work Outside the Diocese Fund in response to resolution 22/11. Furthermore significant amounts have been donated by individuals and organisations. Both these parish contributions and the other donations have been directed toward providing bursaries for people from the wider Anglican Communion to attend the 2012 FCA Leadership Conference. There are likely to be additional calls on the Work Outside the Diocese Fund to assist with similar bursaries in 2013. However, in 2013 the Work Outside the Diocese Committee should be able to maintain the overall level of grants comfortably in excess of the target of 5% of available Synod funds through the use of reserves representing unspent allocations from prior years.

30. The Synod funds allocated to Youthworks for resourcing children's and youth ministry and Special Religious Education (\$310,000), and recruiting for and running an expanded Year 13 Program (\$100,000) have both been maintained at the same level as in 2012 because these programs are considered to be of high priority.

31. In March 2010 Standing Committee agreed to assume responsibility for providing funding to support the ministry on Lord Howe Island from the beginning of 2013. Accordingly an allocation of \$20,000 of Synod funds has now been provided. Prior to this Lord Howe Island had been the responsibility of the South Sydney Regional Council.

32. An amount of \$108,000 has been allocated to Contingencies to give the Standing Committee some flexibility and capacity to respond to changed circumstances that may arise during 2013.

### **Source of funds**

33. The Glebe Administration Board has advised the Standing Committee that the amount which may prudently be distributed from the Diocesan Endowment for spending by the Synod in 2013 is \$3,335,000.

34. The amount of Synod's share of the distribution received under each of the 9 parish trust ordinances that provide for a portion of the income generated to be distributed to Synod is detailed in the Schedule in Attachment 1. In aggregate, Synod's share of the income derived from these ordinances will be \$1,039,000 in 2013.

35. A portion of the balance of the reserves held in the Synod's accumulated funds will be appropriated to meet direct Synod disbursements, such as venue hire and printing, both for the 3<sup>rd</sup> session of the 49<sup>th</sup> Synod in October 2013, and for the Archbishop's election Synod in August 2013.

36. The Standing Committee is recommending that the majority of the reserves in the Synod Fund, which are currently estimated at approximately \$1,000,000, be used to supplement the income available to Synod over the next few years, beginning with an allocation of \$200,000 in 2013.

37. The Standing Committee has also included in the sources of funds available for allocation by Synod in 2013 an amount of \$312,000 representing an estimate of the Synod's share of the net settlement of back rent owing on the office building at No.1 York Street, Sydney.

38. The aggregate of the amount required as a parish contribution to the cost of Diocesan archives and the parish property and liability insurance program and the other parochial network costs results in a total amount of \$4,457,000 to be recovered from parishes in the form of the variable parochial cost recovery charge for 2013.

39. A parish levy of \$2,000,000 will be raised to provide the funds needed by the Mission Property Fund to continue to acquire land for new church sites in the greenfield areas of the Diocese.

**Recommendation**

40. It is recommended that the Synod receive this report and pass the Ordinances.

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

26 July 2012

**Funding Principles and Priorities for 2013**

The figures below represent a holistic budget comprising – Diocesan Endowment (DE/Synod) + Parish trusts + Endowment of the See (EOS) + Parishes (PCR & Levy)

	Actual	Recom-	Appropriations & Allocations	PCR & Levy		EOS (for the info. of Synod members) 2013 \$000s
	2012	mend 2013		PCR	Levy	
	\$000s	\$000s	2013 \$000s	2013 \$000s	2013 \$000s	
<b>USE OF FUNDS</b>						
<b><u>Long Term Requirements</u></b>						
Office of the Archbishop	283	283				283
Archbishop's residence	306	200				200
Archbishop's PR (Media Officer)	150	150	150			
Archives	129	129		50		79
Cathedral	-	-				
Registry Office (Registrar & support staff)	462	417				417
	<b>1,330</b>	<b>1,179</b>	150	50	-	979
<b><u>Immediate Requirements</u></b>						
Membership/affiliation costs -						
General Synod (Aust.)	324	321	321			
Provincial Synod	12	12	12			
NSWCC	14	-	-			
Sydney Reps at General Synod	20	20	20			
Sydney Synod -						
Cost of venue hire & printing costs, etc	76	76	76			
Committee members' car parking	25	23	23			
Archbishop's election Synod	-	53	53			
Secretariat - Synod, Standing Committee & parishes	700	630	630			
EOS	325	293				293
Parish Insurance Program	3,014	3,389		3,389		
Parish Risk Management Program	230	207		207		
Professional Standards Unit	495	495		495		
Safe Ministry Training Program	100	100		100		
Provision for PCR remission	20	20		20		
Support for SAPAS	11	11		11		
Secretariat fee for managing PCR Fund 951	-	185		185		
	<b>5,366</b>	<b>5,835</b>	1,135	4,407	-	293
<b><u>Long Term Mission Commitments</u></b>						
Ministry Training & Development	370	333	333			
Mission Property Committee	-	2,000			2,000	
Moore Theological College	1,577	1,577	1,577			
Youthworks College	80	80	80			
	<b>2,027</b>	<b>3,990</b>	1,990	-	2,000	-
<b><u>Current Mission Activities</u></b>						
Anglican Education Commission	60	60	60			
Anglican Media Council	150	135	135			
Anglicare - research	80	80	80			
Episcopal team-pastoral & admin staff & office	1,395	1,442	176			1,266
Evangelism & New Churches (incl. cross-cultural work)	290	290	290			
Indigenous ministry (SAIPMC)	48	48	48			
Marketing costs for Greenoaks apartments	100	-				-
Mission Areas	200	80	80			
Tertiary Education Ministry (TEMOC)	150	158	158			
Work Outside the Diocese Committee	200	175	175			
Youthworks- children & youth, SRE	310	310	310			
Youthworks- Year13	100	100	100			
Funding for Lord Howe Island	-	20	20			
Contingencies	117	108	108			
	<b>3,200</b>	<b>3,006</b>	1,740	-	-	1,266
<b>Total Use of Funds</b>	<b>11,923</b>	<b>14,010</b>	<b>5,015</b>	<b>4,457</b>	<b>2,000</b>	<b>2,538</b>

	Actual	Recom-	Appropriations & Allocations	PCR & Levy		EOS (for the info. of Synod members) 2013 \$000s
	2012	mend 2013		PCR	Levy	
	\$000s	\$000s	2013 \$000s	2013 \$000s	2013 \$000s	
<b>SOURCE OF FUNDS</b>						
Diocesan Endowment (GAB's formula excluding SAHC)	3,642	3,335	3,335			
DE (GAB's formula for SAHC distribution)	-	-	-			
EOS - Investment Income (estimate)	452	420				420
Other income (estimate)	115	115				115
Distribution from SAHC (estimate)	-	1,400				1,400
Contribution from Diocesan organisations (estimate)	152	152				152
<i>Subtotal EOS income</i>	719	2,087				2,087
Cash reserves (incl. proceeds from Greenoaks apartments)	1,881	450				450
<i>Subtotal EOS sourced funds</i>	2,600	2,537				2,537
Parish trusts -						
St James Sydney Phillip Street Property Ordinance (C/F 022)	162	133	133			
St Matthew's Manly Ordinance (C/F 175)	391	221	221			
ACPT Synod Fund (C/F 400) - interest	35	38	38			
CENEF Ordinance (C/F 333) – income applied direct to Youthworks	-	-	-			
Hunters Hill (Woolwich) Ordinance (C/F 566)	2	4	4			
Narellan (Elderslie Lands) Variation of Trusts Ordinance (C/F 638)	36	32	32			
Ryde (Kirkby Gardens, etc) Ordinance (C/F 706)	429	527	527			
St Phillip's Sydney Ordinance (C/F 757)	7	6	6			
St Phillip's Sydney York Street Property Ordinance (C/F 759)	73	78	78			
<i>Subtotal parish trust income</i>	1,135	1,039	1,039			
Synod fund	76	129	129			
Synod Fund reserves	-	200	200			
PSU reserves	200	-	-			
Other (back rent from No. 1 York Street)	-	312	312			
Parish PCR (basic elements refer 'Immediate Requirements')	3,920	4,457		4,457		
<i>% based on estimated 2011 NOR of \$89.2m</i>	4.7%	5.0%				
Parish PCR (Membership/affiliation costs)	350	-		-		
<i>% based on estimated 2011 NOR of \$89.2m</i>	0.4%	0.0%				
Parish Levy for the acquisition of land for church sites	-	2,000			2,000	
<i>% based on estimated 2011 NOR of \$89.2m</i>	0.0%	2.2%				
<b>Total parish charge % (PCR + Levy)</b>	<b>5.1%</b>	<b>7.2%</b>				
<b>Total Source of Funds</b>	<b>11,923</b>	<b>14,009</b>	<b>5,015</b>	<b>4,457</b>	<b>2,000</b>	<b>2,537</b>

Attachment 2

	Actual for 2012	Estimate for 2013	% Change
<b>Parochial Cost Recoveries Charge for 2013</b>			
<b>Parochial Network Costs</b>			
Parish property and liability insurance program	3,014,400	3,389,000	12.4%
Parish risk management program	230,000	207,000	-10.0%
Parish related work by the Professional Standards Unit	495,000	495,000	0.0%
Safe ministry training program	100,000	100,000	0.0%
Provision for relief and remission of PCR charges	20,000	20,000	0.0%
Membership and affiliation costs	332,082	-	n/a
Parish contribution to the cost of Diocesan archives	50,000	50,000	0.0%
Support for Sydney Anglican Parish Accounting System (SAPAS)	11,000	11,000	0.0%
Fee for managing the PCR Fund 951	-	185,000	n/a
	<b>4,252,482</b>	<b>4,457,000</b>	<b>4.8%</b>
Total Net Operating Receipts (2 years prior)	83,198,107	89,212,993	7.2%
<b>Variable PCR charge percentage</b>	<b>5.11%</b>	<b>5.00%</b>	<b>-2.3%</b>
<b>Ministry costs (per F/T minister)</b>			
<b>Ministers, Assistant Ministers (7+ years), Senior Assistant Ministers</b>			
Superannuation	9,497	9,937	4.6%
Long service leave (estimate)	1,216	1,277	5.0%
Stipend continuance insurance (estimate)	982	1,030	4.9%
Sickness & accident fund	50	50	0.0%
<b>Cost per minister</b>	<b>11,745</b>	<b>12,294</b>	<b>4.7%</b>
<b>Assistant Ministers (1-6 years)</b>			
Superannuation	8,548	8,943	4.6%
Long service leave (estimate)	1,216	1,277	5.0%
Stipend continuance insurance (estimate)	982	1,030	4.9%
Sickness & accident fund	50	50	0.0%
<b>Cost per minister</b>	<b>10,796</b>	<b>11,300</b>	<b>4.7%</b>
<b>Church Land Acquisitions Levy</b>			
<b>Contribution to the acquisition of land for future church sites</b>	-	2,000,000	n/a
<b>Levy percentage</b>	<b>n/a</b>	<b>2.24%</b>	

## Variable PCR Charges and Land Acquisitions Levy for 2013

	\$	Parishes with property	Parishes without property
Parochial Network Costs	4,457,000	5.02%	3.01%
Contribution to the acquisition of land for future church sites	2,000,000	2.24%	2.24%
Total Net Operating Receipts for 2011	89,212,993		

	Parish, Prov. P, R. Church, Prov. R. C.	Region	Parochial Unit (Note 2)	Net Operating Receipts for 2011 (Note 1)	Variable PCR charge for 2013	Church Land Acquisition Levy for 2013
1	PP	SS	Abbotsford	144,000	7,227	3,228
2	P	W	Albion Park	331,535	16,639	7,432
3	P	SS	Annandale	233,181	11,703	5,228
4	PP	GR	Arncliffe	230,117	11,549	5,159
5	P	N	Artarmon	153,610	7,709	3,444
6	P	SS	Ashbury	129,308	6,490	2,899
7	P	SS	Ashfield and Five Dock and Haberfield	639,697	32,105	14,341
8	P	N	Asquith/Mt Colah/Mt Kuring-gai	329,282	16,526	7,382
9	P	WS	Auburn – St Philip	94,809	4,758	2,125
10	PP	WS	Auburn – St Thomas'	104,192	5,229	2,336
11	P	W	Austinmer	298,421	14,977	6,690
12	P	N	Avalon with Palm Beach	234,098	11,749	5,248
13	P	N	Balgowlah	336,313	16,879	7,540
14	P	SS	Balmain	100,188	5,028	2,246
15	P	GR	Bankstown	133,123	6,681	2,984
16	P	WS	Baulkham Hills	286,474	14,378	6,422
17	P	N	Beacon Hill	122,623	6,154	2,749
18	P	N	Beecroft	280,521	14,079	6,289
19	P	SS	Bellevue Hill	175,374	8,802	3,932
20	P	GR	Belmore with McCallums Hill & Clemton Park	146,041	7,330	3,274
21	P	N	Belrose	434,081	21,786	9,731
22	PP	WS	Berala	154,493	7,754	3,463
23	P	N	Berowra	257,731	12,935	5,778
24	P	W	Berrima cum Moss Vale	141,361	7,095	3,169
25	P	W	Berry with Kangaroo Valley	195,664	9,820	4,386
26	P	GR	Beverly Hills with Kingsgrove	326,080	16,365	7,310
27	P	WS	Blackheath	117,765	5,910	2,640
28	P	WS	Blacktown	479,669	24,074	10,753
29	P	GR	Blakehurst	129,392	6,494	2,901
30	P	W	Bomaderry	179,130	8,990	4,016
31	PP	SS	Bondi	191,546	9,613	4,294
32	P	W	Bowral	434,194	21,791	9,734
33	P	GR	Brighton/Rockdale	153,803	7,719	3,448
34	P	SS	Broadway	737,714	37,024	16,538
35	P	W	Bulli	275,767	13,840	6,182
36	P	SS	Burwood	309,002	15,508	6,927
37	PP	GR	Cabramatta	324,843	16,303	7,282
38	P	WS	Cambridge Park	149,067	7,481	3,342
39	P	W	Camden	590,050	29,613	13,228
40	P	W	Campbelltown	446,406	22,404	10,008
41	P	GR	Campsie	173,186	8,692	3,883
42	P	GR	Canterbury with Hurlstone Park	194,392	9,756	4,358
43	P	W	Caringbah	740,533	37,166	16,601
44	P	WS	Castle Hill	1,571,717	78,881	35,235
45	P	SS	Centennial Park	635,932	31,916	14,256
46	P	N	Chatswood	945,946	47,475	21,206
47	RC	WS	Cherrybrook #	183,043	5,512	4,104
48	PP	GR	Chester Hill with Sefton	54,618	2,741	1,224

	Parish, Prov. P, R. Church, Prov. R. C.	Region	Parochial Unit (Note 2)	Net Operating Receipts for 2011 (Note 1)	Variable PCR charge for 2013	Church Land Acquisition Levy for 2013
49	P	N	Christ Church Northern Beaches	333,332	16,729	7,473
50	PP	SS	Clovelly	200,955	10,086	4,505
51	P	SS	Concord and Burwood	182,950	9,182	4,101
52	P	SS	Concord West with Concord North	202,586	10,167	4,542
53	P	SS	Coogee	129,043	6,476	2,893
54	P	SS	Cooks River	141,541	7,104	3,173
55	P	W	Corrimal	109,025	5,472	2,444
56	P	WS	Cranebrook with Castlereagh	215,145	10,798	4,823
57	P	N	Cremorne	219,667	11,025	4,925
58	P	W	Cronulla	177,316	8,899	3,975
59	P	WS	Crossway	1,696,168	85,127	38,025
60	P	SS	Croydon	594,232	29,823	13,322
61	PP	W	Culburra Beach	328,044	16,464	7,354
62	P	W	Dapto	630,431	31,640	14,133
63	P	SS	Darling Point	754,527	37,868	16,915
64	P	S	Darling Street	503,581	25,274	11,289
65	P	N	Dee Why	396,060	19,877	8,879
66	PP	W	Denham Court	90,371	4,536	2,026
67	PP	WS	Doonside	75,811	3,805	1,700
68	P	SS	Drummoyne	158,700	7,965	3,558
69	PP	GR	Dulwich Hill	134,195	6,735	3,008
70	P	WS	Dundas/Telopea	301,010	15,107	6,748
71	P	WS	Dural District	333,409	16,733	7,474
72	P	W	Eagle Vale	185,536	9,312	4,159
73	P	GR	Earlwood	226,419	11,364	5,076
74	P	N	East Lindfield	215,175	10,799	4,824
75	P	SS	East Sydney	544,319	27,318	12,203
76	P	SS	Eastgardens	403,700	20,261	9,050
77	P	N	Eastwood	382,120	19,178	8,566
78	P	WS	Emu Plains	313,556	15,737	7,029
79	P	SS	Enfield	158,808	7,970	3,560
80	P	W	Engadine	611,140	30,672	13,701
81	P	SS	Enmore/Stammore	123,471	6,197	2,768
82	P	N	Epping	352,411	17,687	7,900
83	PP	N	Ermington	90,719	4,553	2,034
84	PP	GR	Fairfield with Bossley Park	319,589	16,040	7,165
85	P	W	Fairy Meadow	271,929	13,648	6,096
86	P	W	Figtree	1,187,797	59,613	26,628
87	P	N	Forestville	328,673	16,495	7,368
88	P	N	Frenchs Forest	211,999	10,640	4,753
89	P	N	Freshwater	198,050	9,940	4,440
90	P	GR	Georges Hall	142,106	7,132	3,186
91	P	W	Gerrigong	190,442	9,558	4,269
92	P	N	Gladesville	994,385	49,906	22,292
93	P	SS	Glebe	180,993	9,084	4,058
94	PP	N	Glenhaven	262,607	13,180	5,887
95	PP	WS	Glenmore Park #	534,142	26,808	11,975
96	P	W	Glenquarie	93,384	4,687	2,094
97	P	N	Gordon	428,025	21,482	9,596
98	P	WS	Granville	152,928	7,675	3,428
99	PP	GR	Greenacre	69,737	3,500	1,563
100	P	N	Greenwich	373,006	18,720	8,362
101	P	WS	Greystanes-Merrylands West	98,313	4,934	2,204
102	PP	WS	Guildford with Villawood	221,471	11,115	4,965
103	P	W	GyMEA	480,554	24,118	10,773
104	RC	W	Harbour Church #	139,403	4,198	3,125
105	P	W	Helensburgh and Stanwell Park	254,507	12,773	5,706
106	P	N	Hornsby	183,939	9,232	4,124

	Parish, Prov. P, R. Church, Prov. R. C.	Region	Parochial Unit (Note 2)	Net Operating Receipts for 2011 (Note 1)	Variable PCR charge for 2013	Church Land Acquisition Levy for 2013
107	PRC	N	Hornsby Anglican Chinese Church #	149,004	4,487	3,340
108	P	N	Hornsby Heights	169,013	8,482	3,789
109	P	GR	Hoxton Park	252,447	12,670	5,659
110	P	N	Hunters Hill	441,139	22,140	9,890
111	P	GR	Hurstville	458,159	22,994	10,271
112	P	GR	Hurstville Grove	369,193	18,529	8,277
113	P	W	Huskisson	118,395	5,942	2,654
114	P	W	Ingleburn	291,377	14,624	6,532
115	PP	W	Jamberoo	59,004	2,961	1,323
116	P	W	Jannali	621,463	31,190	13,932
117	PP	WS	Katoomba	166,287	8,346	3,728
118	P	W	Keiraville	131,767	6,613	2,954
119	P	WS	Kellyville	522,903	26,244	11,723
120	P	SS	Kensington	224,289	11,257	5,028
121	P	W	Kiama	396,223	19,886	8,883
122	P	N	Killara	385,585	19,352	8,644
123	P	SS	Kingsford	141,197	7,086	3,165
124	P	WS	Kingswood	171,583	8,611	3,847
125	P	N	Kirribilli	745,216	37,401	16,706
126	P	WS	Kurrajong	221,959	11,140	4,976
127	PP	GR	Lakemba	51,291	2,574	1,150
128	P	WS	Lalor Park and Kings Langley	113,440	5,693	2,543
129	P	N	Lane Cove and Mowbray	832,837	41,799	18,671
130	P	N	Lavender Bay	254,435	12,770	5,704
131	P	WS	Lawson	105,916	5,316	2,374
132	P	SS	Leichhardt	306,501	15,383	6,871
133	P	WS	Leura	119,267	5,986	2,674
134	P	WS	Lidcombe	225,568	11,321	5,057
135	P	N	Lindfield	661,141	33,181	14,822
136	P	WS	Lithgow	207,292	10,404	4,647
137	P	GR	Liverpool	389,585	19,553	8,734
138	PP	GR	Liverpool South	115,682	5,806	2,593
139	P	N	Longueville	351,941	17,663	7,890
140	PP	SS	Lord Howe Island	16,285	817	365
141	P	WS	Lower Mountains	434,357	21,800	9,738
142	P	GR	Lugarno	112,257	5,634	2,517
143	P	N	Macquarie	552,243	27,716	12,380
144	P	SS	Malabar	345,468	17,338	7,745
145	P	N	Manly	1,321,037	66,300	29,615
146	P	SS	Maroubra	274,243	13,764	6,148
147	P	GR	Marrickville	249,716	12,533	5,598
148	P	W	Menai	653,560	32,801	14,652
149	P	W	Menangle	135,332	6,792	3,034
150	P	WS	Merrylands	214,144	10,747	4,801
151	PP	WS	Minchinbury	219,190	11,001	4,914
152	P	W	Minto	230,564	11,572	5,169
153	P	W	Miranda	816,783	40,993	18,311
154	P	W	Mittagong	180,415	9,055	4,045
155	P	N	Mona Vale	252,884	12,692	5,669
156	P	GR	Moorebank	309,592	15,538	6,941
157	P	N	Mosman-St Clement	722,586	36,265	16,199
158	P	N	Mosman-St Luke	393,816	19,765	8,829
159	P	WS	Mt Druitt	122,858	6,166	2,754
160	P	WS	Mulgoa	117,886	5,916	2,643
161	P	W	Narellan	362,620	18,199	8,129
162	P	N	Naremburn/Cammeray	975,472	48,957	21,868
163	P	N	Narrabeen	715,916	35,930	16,050
164	P	N	Neutral Bay	300,519	15,082	6,737

	Parish, Prov. P, R. Church, Prov. R. C.	Region	Parochial Unit (Note 2)	Net Operating Receipts for 2011 (Note 1)	Variable PCR charge for 2013	Church Land Acquisition Levy for 2013
165	P	N	Newport	159,537	8,007	3,577
166	P	SS	Newtown with Erskineville	245,909	12,342	5,513
167	P	SS	Norfolk Island	-	-	-
168	P	N	Normanurst	401,263	20,139	8,996
169	P	N	North Epping	298,974	15,005	6,702
170	P	N	North Ryde	115,229	5,783	2,583
171	P	N	North Sydney	1,477,911	74,174	33,132
172	P	N	Northbridge	345,869	17,359	7,754
173	P	WS	Northmead and Winston Hills	656,198	32,933	14,711
174	P	WS	Norwest	389,556	19,551	8,733
175	P	W	Nowra	371,887	18,664	8,337
176	P	W	Oak Flats	180,256	9,047	4,041
177	P	WS	Oakhurst	202,778	10,177	4,546
178	P	GR	Oatley	165,946	8,329	3,720
179	P	GR	Oatley West	126,822	6,365	2,843
180	P	SS	Paddington	144,556	7,255	3,241
181	P	GR	Padstow	110,016	5,521	2,466
182	P	GR	Panania	311,611	15,639	6,986
183	P	WS	Parramatta	1,417,248	71,129	31,772
184	P	WS	Parramatta North with Harris Park	250,050	12,550	5,606
185	P	GR	Peakhurst/Mortdale	263,252	13,212	5,902
186	P	WS	Penrith	339,210	17,024	7,604
187	P	GR	Penshurst	177,877	8,927	3,988
188	P	SS	Petersham	439,950	22,080	9,863
189	PRC	N	Philadelphia Anglican Church #	90,900	2,737	2,038
190	P	W	Picton	88,941	4,464	1,994
191	PP	WS	Pitt Town	287,868	14,448	6,453
192	P	W	Port Kembla	80,071	4,019	1,795
193	PP	N	Putney	92,950	4,665	2,084
194	P	N	Pymble	630,763	31,657	14,141
195	P	WS	Quakers Hill	768,396	38,564	17,226
196	P	SS	Randwick	547,824	27,494	12,281
197	PP	GR	Regents Park	30,811	1,546	691
198	PP	GR	Revesby	65,509	3,288	1,469
199	P	WS	Richmond	163,310	8,196	3,661
200	PP	WS	Riverstone	96,735	4,855	2,169
201	P	GR	Riverwood-Punchbowl	286,182	14,363	6,416
202	PP	W	Robertson	79,280	3,979	1,777
203	P	WS	Rooty Hill	629,310	31,584	14,108
204	PP	W	Rosemeadow	259,019	13,000	5,807
205	P	N	Roseville	762,601	38,273	17,096
206	P	N	Roseville East	154,410	7,750	3,462
207	PP	WS	Rouse Hill	187,341	9,402	4,200
208	P	N	Ryde	615,263	30,879	13,793
209	PP	GR	Sadleir	241,752	12,133	5,420
210	P	GR	Sans Souci	160,533	8,057	3,599
211	P	N	Seaforth	184,979	9,284	4,147
212	P	WS	Seven Hills	236,507	11,870	5,302
213	P	W	Shellharbour	146,015	7,328	3,273
214	P	W	Shellharbour City Centre	496,303	24,909	11,126
215	PP	W	Shoalhaven Heads	104,214	5,230	2,336
216	P	GR	Smithfield Road	245,870	12,340	5,512
217	P	GR	South Carlton	249,651	12,530	5,597
218	P	SS	South Coogee	156,877	7,873	3,517
219	P	W	South Creek	176,374	8,852	3,954
220	P	GR	South Hurstville	143,946	7,224	3,227
221	P	SS	South Sydney	159,102	7,985	3,567
222	P	WS	Springwood	601,039	30,165	13,474

	Parish, Prov. P, R. Church, Prov. R. C.	Region	Parochial Unit (Note 2)	Net Operating Receipts for 2011 (Note 1)	Variable PCR charge for 2013	Church Land Acquisition Levy for 2013
223	PP	WS	St Clair	134,574	6,754	3,017
224	P	GR	St George	194,050	9,739	4,350
225	P	GR	St George North	652,192	32,732	14,621
226	P	N	St Ives	<i>1,655,906</i>	83,107	37,123
227	P	WS	St Marys	289,680	14,538	6,494
228	P	SS	Strathfield	331,360	16,630	7,429
229	P	SS	Strathfield and Homebush	260,588	13,078	5,842
230	P	SS	Summer Hill	195,106	9,792	4,374
231	PP	SS	Surry Hills	221,483	11,116	4,965
232	PP	W	Sussex Inlet	88,152	4,424	1,976
233	P	W	Sutherland	366,739	18,406	8,222
234	P	W	Sutton Forest	218,772	10,980	4,904
235	P	SS	Sydney-Cathedral of St Andrew	<i>1,024,099</i>	51,398	22,959
236	P	SS	Sydney-Christ Church St Laurence	542,317	27,218	12,158
237	P	SS	Sydney-Holy Trinity Millers Point	210,643	10,572	4,722
238	P	SS	Sydney-St James King Street	1,425,464	71,541	31,956
239	P	SS	Sydney-St Philip York Street	800,013	40,151	17,935
240	P	W	Sylvania	279,984	14,052	6,277
241	P	W	The Oaks	120,990	6,072	2,712
242	P	N	Thornleigh-Pennant Hills	320,753	16,098	7,191
243	P	WS	Toongabbie	287,822	14,445	6,452
244	P	N	Turrumurra	696,359	34,949	15,611
245	P	N	Turrumurra South	476,463	23,913	10,681
246	P	W	Ulladulla	278,854	13,995	6,251
247	RC	SS	Unichurch (UNSW) #	455,380	13,713	10,209
248	P	SS	Vaucluse and Rose Bay	251,213	12,608	5,632
249	P	N	Wahroonga-St Andrew	251,145	12,604	5,630
250	P	N	Wahroonga-St Paul	190,716	9,572	4,276
251	P	N	Waitara	166,104	8,336	3,724
252	P	SS	Watsons Bay	203,035	10,190	4,552
253	P	SS	Waverley	290,394	14,574	6,510
254	P	WS	Wentworth Falls	219,127	10,998	4,912
255	P	WS	Wentworthville	<i>132,683</i>	6,659	2,975
256	P	N	West Lindfield	185,816	9,326	4,166
257	P	WS	West Pennant Hills	822,690	41,289	18,443
258	P	N	West Pymble	562,805	28,246	12,617
259	P	N	West Ryde	243,116	12,202	5,450
260	P	W	West Wollongong	298,594	14,986	6,694
261	PP	WS	Westmead	129,213	6,485	2,897
262	P	WS	Wilberforce	271,600	13,631	6,089
263	P	N	Willoughby	459,648	23,069	10,305
264	P	N	Willoughby East	160,923	8,076	3,608
265	P	WS	Windsor	176,197	8,843	3,950
266	P	W	Wollondilly	158,209	7,940	3,547
267	P	W	Wollongong	592,828	29,753	13,290
268	P	SS	Woollahra	205,532	10,315	4,608
269	P	GR	Yagoona	236,786	11,884	5,308
				<b>89,212,993</b>	<b>4,457,000</b>	<b>2,000,000</b>

**Notes**

- 1 For parishes that had not lodged audited financial statements for 2011 by 5 July 2012 (shown in italics, shaded) an estimate of their 2011 Net Operating Receipts has been calculated by taking 2010 NOR + 5%. If the 2011 audited financial statements are still outstanding at the time the actual 2013 parochial cost recovery charges are due to be invoiced later this year, the Finance Committee has approved the use of a charge based on 2010 NOR + 20%.
- 2 Parishes without property (shown marked with #) are charged a lower rate of variable PCR reflecting the absence of the component for the property insurance premium, except that Glenmore Park has volunteered to pay the variable charge percentage applicable to parishes with property.

## Synod Appropriations and Allocations Ordinance 2012

No 38, 2012

### Long Title

An ordinance to authorise appropriations and allocations for 2013.

### Preamble

By the Synod Estimates Ordinance 1998, the Standing Committee is to prepare for the second ordinary session of the 49<sup>th</sup> Synod a statement of funding principles and priorities for the Diocesan Mission and a proposed ordinance which contains estimates of the amounts available to be appropriated and the amounts that should be allocated by the Synod for 2013 to reflect the statement of funding principles and priorities.

The Synod of the Diocese of Sydney Ordains as follows.

### 1. Name of Ordinance

This Ordinance is the Synod Appropriations and Allocations Ordinance 2012.

### 2. Interpretation

In this Ordinance –

“Allocations Report” means the part of Attachment 1 to Standing Committee’s report to the Synod about this Ordinance headed “USE OF FUNDS”.

“Income Report” means the part of Attachment 1 to Standing Committee’s report to the Synod about this Ordinance headed “SOURCE OF FUNDS”.

### 3. Declarations

By reason of circumstances arising after the creation of the trusts of each of the amounts referred to in the column headed "Appropriations & Allocations" in the Income Report –

- (a) it is inexpedient to carry out or observe those trusts or to deal with or apply those amounts solely for the same or like purposes as those trusts, and
- (b) it is expedient to vary those trusts to permit the allocations under this Ordinance.

### 4. Appropriations and Allocations for 2013

(1) The Synod directs that the amounts referred to in the column headed “Appropriations & Allocations” in the Income Report be allocated in the manner specified in the column headed “Appropriations & Allocations” in the Allocations Report.

(2) If, in the opinion of the Standing Committee, all or any part of an amount allocated in the manner specified in the column headed “Appropriations & Allocations” in the Allocations Report is not required or cannot be applied for that purpose, the Standing Committee may by resolution reallocate that amount or part to another purpose.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

K SOWADA  
Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 15 October 2012.

CJ MORONEY  
R WICKS  
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN  
Archbishop of Sydney  
18/10/2012

## Parochial Cost Recoveries, Parochial Network Costs and Church Land Acquisitions Levy Ordinance 2012

No 39, 2012

### Long Title

An ordinance to determine the costs for parochial units and for a levy for the acquisition of land for church sites payable by parochial units in 2013, to authorise the application of such charges and for incidental purposes.

### Preamble

A. Under clause 4 of the Cost Recoveries Framework Ordinance 2008 (the "Framework Ordinance"), a parochial unit is to pay a cost recoveries charge each year in respect of ministry costs and parochial network costs specified or determined in accordance with an ordinance referred to in clause 5 of the Framework Ordinance.

B. By clause 5(1) of the Framework Ordinance, the Standing Committee is to prepare for the second ordinary session of the 49<sup>th</sup> Synod a proposed ordinance which specifies the cost recoveries charge to be paid by each parochial unit in 2013 and authorises the Standing Committee to apply such cost recoveries charges toward ministry costs and parochial network costs.

C. The statement of funding principles and priorities prepared by the Standing Committee for the second ordinary session of the 49<sup>th</sup> Synod under clause 3(1) of the Synod Estimates Ordinance 1998 contemplates the payment of a levy by parochial units in 2013 for the acquisition of land for church sites.

The Synod of the Diocese of Sydney Ordains as follows.

### 1. Name of Ordinance

This Ordinance is the Parochial Cost Recoveries, Parochial Network Costs and Church Land Acquisitions Levy Ordinance 2012.

### 2. Definitions

In this Ordinance –

"year" means a period of 12 calendar months commencing on 1 January.

"ministry costs" means the costs, expenses, charges or contributions for the year referred to or contemplated under clause 2(2)(a) of the Framework Ordinance.

"parochial network costs" means –

- (a) the costs, expenses, charges or contributions for the year referred to or contemplated under clause 2(2)(b) of the Framework Ordinance, and
- (b) the cost of the parish risk management program, and
- (c) a \$495,000 contribution towards the costs for the year of the Professional Standards Unit, and
- (d) the cost of the safe ministry program, and
- (e) a \$50,000 contribution towards the costs of the Diocesan Archives, and
- (f) a \$20,000 provision for the relief or remission of parochial cost recoveries charges, and
- (g) the cost of supporting a standard accounting system for parishes, and
- (h) the cost of the Sydney Diocesan Secretariat's fee for managing the Parochial Cost Recoveries Fund 951.

"parochial unit" means a parish, provisional parish, recognised church or provisional recognised church in the Diocese of Sydney.

"parochial unit with property" means a parochial unit for which real property is held on trust or which has the use of real property held as part of the fund constituted under the Mission Property Ordinance 2002.

"church land acquisition projects" means the acquisition of land for church sites in areas in the Diocese which are experiencing or are likely to experience a rapid increase in population in accordance with the priorities determined under clause 5C of the Mission Property Ordinance 2002.

"Mission Property Fund" means the fund constituted under the Mission Property Ordinance 2002.

### 3. Cost recoveries charge

(1) In 2013 each parochial unit is to pay a cost recoveries charge calculated according to the formula in the Schedule.

(2) The cost recoveries charge paid by a parochial unit under subclause (1) is to be applied to the payment of the ministry costs and parochial network costs incurred, or to be incurred, in the year for which that charge is paid.

### 4. Church land levy

(1) In 2013 each parochial unit is to pay a levy calculated as 2.24% of the Net Operating Receipts of the relevant parochial unit for 2011 determined under Part 3 of the Cost Recoveries Framework Ordinance 2008.

- (2) The levy is payable by 10 equal instalments, the first due and payable on 1 March 2013 and subsequent instalments due and payable on the first day of each succeeding month.
- (3) The levy paid by a parochial unit under subclause (1) is to be paid as an addition to the Mission Property Fund and applied towards church land acquisition projects.

**Schedule: Cost Recoveries Charge**

1. The cost recoveries charge payable by a parochial unit for 2013 is the sum of –
- (a) the minister and assistant minister charge for that year, and
  - (b) the variable charge for that year,
- but if –
- (c) the contributions, costs and charges for a minister or assistant minister are paid by another parochial unit or body, or do not apply to the minister or assistant minister, a pro rata rebate of the appropriate portion of the minister or assistant minister charge is granted for that part or parts of the year for which that minister or assistant minister is licensed, and
  - (d) if a minister or assistant minister is licensed to the parochial unit only for part or parts of the year, an appropriate portion of the minister and assistant minister charge is payable for such part or parts.

2. In this Schedule –
- “assistant minister” means an assistant minister or a senior assistant minister within the meaning of the Assistant Ministers Ordinance 1990 licensed to the parochial unit.

“minister” means –

- (a) the person licensed to the parochial unit as rector or curate-in-charge, and
- (b) in the absence or incapacity of a person referred to in paragraph (a) or during any vacancy in office of the rector or curate-in-charge of the parochial unit, the person appointed under rule 9.7 in Schedule 1 or Schedule 2 of the Parish Administration Ordinance 2008 for the time being to exercise all or any of the functions of the rector or curate-in-charge.

“minister and assistant minister charge” means, for each minister and assistant minister licensed to the parochial unit, the sum of the following costs and charges –

- (a) the costs of the contribution or contributions to a superannuation fund at the rate determined from time to time under the Sydney Diocesan Superannuation Fund Ordinance 1961, and
- (b) the costs of the contribution required to the Sydney Long Service Leave Fund in order to enable that Fund to make the payment or payments required to be made under the Long Service Leave Canon 1992, and
- (c) the costs of the contribution or contributions to fund the Sydney Diocesan Sickness and Accident Fund, and
- (d) the costs of effecting stipend continuance insurance.

“variable charge” means the determined percentage of the Net Operating Receipts of the parochial unit for 2011 under the Framework Ordinance.

“determined percentage” means the ratio, expressed as a percentage, determined by the Standing Committee in accordance with the following formula –

$$\frac{PC}{TR}$$

where –

PC is the total estimated amount of all parochial network costs payable in 2013, and

TR is the total of the Net Operating Receipts of all parochial units for 2011,

provided that –

- (a) in the case of a parochial unit with property, the determined percentage is adjusted upwards to the extent necessary to meet any shortfall in the recovery of the estimated amount of all parochial network costs associated with property payable in a year due to the reduction in the determined percentage for parochial units without property under paragraph (b), and
- (b) in the case of a parochial unit without property, the determined percentage is 60% of the determined percentage calculated under paragraph (a).

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

R TONG  
Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 15 October 2012.

CJ MORONEY  
R WICKS  
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN  
Archbishop of Sydney  
18/10/2012

## 38/11 Review of the Department of Evangelism and New Churches

(A report from the Standing Committee.)

### Introduction

1. The Department of Evangelism (New Churches) Reconstitution Ordinance 2010 requires the Standing Committee to review the Department of Evangelism and New Churches Ordinance 2010 (the Ordinance) and report to the Synod in 2012 about the outcome of its review. At the 2011 Synod, resolution 38/11 requested that certain functions and activities of the Board be included in the review. The text of resolution 38/11 is set out in the annexure to this report. This report has taken into consideration the requests in resolution 38/11.
2. Under the Ordinance, the Board of the Department of Evangelism and New Churches (the Board) has the following purposes –
  - (a) To advance the evangelistic purposes of the Diocese, including through the planting of new congregations and fellowships in the Diocese.
  - (b) The Board may, subject to the provisions of this Ordinance, fulfill its purposes by such means as the Board considers expedient including by –
    - (i) resourcing churches and parishes to evangelize including through the planting of new congregations in the Diocese, and
    - (ii) identifying, training, supporting and appointing suitably gifted persons to evangelize, including through the planting and leading of new fellowships in the Diocese.
3. Like most new initiatives in mission work it will have initial difficulties and misunderstanding. This has been the situation in the planting of new fellowships in the diocese over the past 2 years.
4. On the other hand we have seen new fellowships started and continued in the following locations –  
 Berkeley Life Centre, Fellowship Leader Wayne Pickford.  
 New Life Anglican Church (Oran Park), the Rev Stuart Starr  
 ShACC (Nowra), Brendon Gartlett  
 Soma Church (Macquarie), the Rev Peter Hughes  
 Soul Revival Church (Grays Point), the Rev Stuart Crawshaw  
 Vine Church (Surry Hills), the Rev Toby Neal.
5. There are 13 congregations with links to ENC. Some of these were in existence before the Ordinance was changed in 2010.

### Fellowships

6. A new fellowship is established by a group of people gathering together in a suburb independent of the local Anglican Church, who apply to ENC to become a fellowship.
7. A Memorandum of Understanding (MOU) is presented to the fellowship outlining the responsibilities of the Board to the leader of the fellowship and the leader's responsibilities to the Board. The MOU legitimises the church plant providing licensing from the Archbishop and other administrative assistance. Under the MOU, the church fellowship leader is employed by ENC and paid the minimum wage (or more if it can be raised by the fellowship), rather than the minimum Diocesan stipend, as well as superannuation and a Ministry Expense Account.
8. A copy of the ENC Board's MOU is available from the ENC office.
9. The church fellowship leader must be a qualified person, either ordained or lay, who has been appointed by the Board and licensed by the Archbishop on the application of the Director of ENC. Licensing follows the same policies as for other ministries in the Diocese, including a requirement that the leader has completed at least one year at Moore Theological College before being accepted as a candidate for diaconal ordination.
10. It is the Board's intention that a church fellowship will grow and become a Recognised Church in time. If the church fellowship does not want to do this, then the MOU will end and the fellowship will operate independently, possibly as an Affiliated Church.

### Recruiting

11. In co-operation with Moore Theological College and Ministry Training and Development, the Director of ENC, the Rev Bruce Hall, meets regularly with students at the College assessing them as prospective church planters and for cross cultural ministry. Currently there are a small group of students

considering this ministry. The Board also conducts training days for senior ministers and other parish leaders to assist them in planning new church plants.

### **Planting New Fellowships**

12. The Board can plant new fellowships in any parish in the Diocese however the Ordinance states that "Although the permission of the minister and Regional Bishop is not necessary, it is intended that fellowships be planted and operate with the **goodwill and encouragement** of the Regional Bishop and the minister of any parish in which a fellowship would, but for subclause (2), meet or operate." (clause 15(3))

13. It appears that 'goodwill and encouragement' has not worked.

14. The main problem with some of the new fellowships has been the lack of communication between the various identities, the Regional Bishops, ENC, the fellowship leader and the local minister.

15. The committee undertaking this review was informed of a number of cases of a breakdowns in goodwill, such as a fellowship starting without the local minister being informed at all and where reconciliation following a church split has been made much more difficult.

16. It is noted that ENC is not a haven for church splits or those who would work independently of diocesan structures.

17. These cases have caused angst in the Diocese and questions have been raised, not just on the floor of Synod. As a result, the Director and the Board of ENC are committed to working with Regional Bishops, Regional Councils and local parishes. It has not been possible to gauge how this angst has affected the church planting plans of local churches and Mission Areas.

### **Planting new churches**

18. Currently there are three ways of beginning new congregations or fellowships in the Diocese.

19. The Archbishop, through the Parishes Ordinance 1979, has the authority to form a new ecclesiastical district, being a provisional parish.

20. Secondly a local congregation can plant a new congregation in another place within the parish. This is a mother/daughter relationship and has been the procedure for many parishes in the Diocese over many years. The church planter is licensed by the Archbishop on the application of the senior minister of the parish. A parish can start a new congregation in another parish provided it has consulted with the Regional Council and the other parish.

21. Thirdly, through the ENC Ordinance, where a fellowship is a ministry of the Board and is taken to be outside any parish.

### **Consultation and Reporting**

22. It is recognised that fellowships provide an opportunity to experiment with different forms of gatherings – different people groups, networks, or types of outreach – but also that there does need to be a strengthening of the relationship between the various parties involved in the establishment of fellowships.

23. It is therefore recommended that a ministry plan must be presented to the local Bishop and the parish council of the parish where the fellowship is to be planted. The ministry plan will aid in the discussion and understanding of the proposed fellowship. The ministry plan does not have to be agreed to but must be discussed.

24. It is further recommended that the Regional Bishop or Regional Archdeacon must give permission for a new fellowship being planted in a parish. This is because –

- The Regional Bishop/Archdeacon has an overview of the region both personally and through the Mission Area leaders.
- The Regional Bishop/Archdeacon has regular meetings with all of the interested parties in church planting and the planting of new fellowships.
- The Bishop and Archdeacon have contact with the Mission Property Committee through the Mission Board, and meet regularly with the Director of ENC and with local clergy.
- The Regional Bishop/Archdeacon has the opportunity to discuss with various individuals the needs for new congregations of fellowship.
- The Regional Bishop/Archdeacon is able to assess the suitability of a candidate for a church plant or fellowship.

- The Regional Bishop/Archdeacon is aware of particular deserts or tribes where there is a need for a new ministry.
- The Regional Bishop/Archdeacon has pastoral oversight of the fellowship leader.

#### **Future Plans**

25. ENC will continue to recruit people from Moore College and will assist local churches to church plant in particular areas where there are unreached tribes or deserts.

26. ENC will assist local churches in the ministry of reaching people groups that are currently unreached. This could be recent migrants or second or later generation groups.

27. New cross cultural churches might be established from an existing church or because of the changing demography of an area, a small fellowship could be established initially independent of the local church.

28. The ENC Board has many challenges because by 2050 the population of Sydney will grow to 7 million with 60% of this growth coming from migration. The growth of Sydney in some areas will be the increase of medium and high density accommodation. In other places it will be the establishment of new suburbs in the north western and south western plains of Sydney. Projections for population growth are 30% in 'greenfields' and 70% in 'brownfields' areas.

29. The Board's future plans will also consider raising funds so as to continue to engage in evangelism across the Diocese. It will also seek to establish support mechanisms for pioneering work among small people groups in Sydney.

#### **Recommendation**

30. The committee undertaking the review recommended that clause 15(3) of the Ordinance be amended so that –

- (a) the ENC must present a ministry plan for the proposed church fellowship to the Parish Council of the local parish and the Regional Bishop or Archdeacon, and
- (b) the Regional Bishop or Archdeacon must give permission for the creation of the proposed church fellowship.

31. In response, the Standing Committee requested that a bill for the Department of Evangelism and New Churches Ordinance 2010 Amendment Ordinance 2012 be promoted to the Synod "by request of the Standing Committee".

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

**38/11 Review of the Department of Evangelism and New Churches**

Synod –

- (a) thanks God for the work of the Department of Evangelism and New Churches (ENC) and rejoices in the potential of New Fellowships to reach many in the Diocese;
- (b) requests Standing Committee, in their review of the Department of Evangelism and New Churches (ENC) Reconstituting Ordinance 2010 which is due for report to the Synod in 2012, to include specific analysis of the following –
  - (i) how much ENC's operations reflect the priorities and modes of operation expressed in the Department of Evangelism (New Churches) Reconstitution Ordinance 2010 Explanatory Report, particularly in regard to church planting in new geographic areas where the local parishes have already created plans and have the resources to begin a new work,
  - (ii) what efforts are made to speak to local parishes and mission areas prior to developing plans for planting New Fellowships,
  - (iii) whether the priority in the ordinance of "resourcing churches and parishes to evangelise, including through the planting of new congregations in the Diocese" over "identifying, training, supporting and appointing suitably gifted persons to evangelise, including through the planting and leading of new fellowships in the Diocese" has been maintained (4.2.a and 4.2.b in the ordinance),
  - (iv) what the effect of ENC church in new geographic areas has on the impetus of local churches and Mission Areas considering their own plans for church planting,
  - (v) what theological institutions ENC considers candidates from and what level of theological training is required in their New Fellowship planters,
  - (vi) what effect it would have on a New Fellowship in the case that a church planter is unwilling or unable to be ordained to the ministry of the word in the Sydney Diocese,
  - (vii) what effect it would have on the integration of a New Fellowship into the life of the Diocese in the case that a church planter is unwilling or unable to be ordained to the ministry of the word in the Sydney Diocese,
  - (viii) the relationship between ENC and the Mission Property Committee, and the process by which the use of Mission Property is decided,

and, if necessary, to bring an amended ordinance reflecting any recommended changes to the next session of Synod.

## Department of Evangelism and New Churches Ordinance 2010 Amendment Ordinance 2012

No \_\_\_\_\_, 2012

### Long Title

An Ordinance to provide for certain requirements for the planting of fellowships.

The Synod of the Diocese of Sydney Ordains as follows.

### 1. Name

This Ordinance is the Department of Evangelism and New Churches Ordinance 2010 Amendment Ordinance 2012.

### 5 2. Amendment of the Department of Evangelism and New Churches Ordinance 2010

Subclauses 15(2) and (3) of the Department of Evangelism and New Churches Ordinance 2010 are deleted and the following subclauses inserted instead –

“(2) A fellowship is not to be planted in any parish unless –

10 (a) the Board has presented to the parish council of the parish and the Regional Bishop a ministry plan for the fellowship, and

(b) the Regional Bishop gives his written approval to the Board for the fellowship to be planted in the parish.

(3) Subject to the requirements of subclause (2) being met, the fellowship is taken to be outside any parish.”

### 15 3. Transition

The amendment under clause 2 only applies to fellowships coming into existence on or after the date this Ordinance commences.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on \_\_\_\_\_ 2012.

Secretaries of Synod

I Assent to this Ordinance.

Archbishop of Sydney

/ /2012

## **Discipline Ordinance 2006 Amendment Ordinance 2012**

### **Explanatory Report**

1. The Discipline Ordinance 2006 (the Ordinance) has been in operation since 2007 and has served us well.
2. After the first two years of experience with the Ordinance, a number of amendments were made at Synod in 2009. The amendments mainly involved the situation where an unpaid lay person failed to respond to or did not accept the recommendations of the Professional Standards Committee (PSC) as a means of dealing with a complaint without the need to go to the Disciplinary Tribunal. In this case, the Ordinance mandated that the matter had to proceed to a Disciplinary Tribunal. This produced costly, prolonged and difficult outcomes in cases where this may otherwise have been avoided. By amending clauses 36(3) and (4), the Archbishop was given the option not to send the matter to the Disciplinary Tribunal but instead refer the matter back to the PSC under a new clause 37A. These amendments removed the necessity for tribunal hearings by “default”.
3. With the benefit of further experience, it is proposed that further amendments be made to the Ordinance.

### **Amendments to remove unpaid church workers from the jurisdiction of the Disciplinary Tribunal**

4. It is proposed that further amendments be made to the procedures in the Ordinance for dealing with complaints made against unpaid lay persons.
5. Under clause 34(1)(j), the PSC currently may recommend that the Archbishop appoint a person to promote a charge against an unpaid lay person if the PSC is of the opinion that there is a reasonable likelihood that the complaint will be sustained and will result in the Disciplinary Tribunal recommending that a prohibition order be issued against the person. In this situation the Archbishop must send the matter to the Tribunal.
6. In light of further experience with the Ordinance, it is considered that referring complaints made against unpaid lay persons to the Disciplinary Tribunal should be discontinued entirely, even in cases where the PSC is able to form the view that there is a reasonable likelihood that the complaint will be sustained by the Tribunal and will result in a prohibition order. The reasons for this are –
  - (a) any referral of a complaint to a tribunal has the potential to be very costly in terms of time and money for both the person concerned and the Diocese, and
  - (b) such costs cannot be justified in circumstances where issues of employment or livelihood are not at stake as is the case with clergy or employed church workers.
7. The proposed amendments in clause 2 of the bill remove unpaid lay persons from the jurisdiction of the Disciplinary Tribunal thereby removing the ability of the PSC to refer complaints made against unpaid lay persons to the Disciplinary Tribunal. This means that in the event that an unpaid church worker does not respond to or accept an initial recommendation of the PSC under clause 34(1), for example that the person undertakes not to engage in specific types of ministry and/or the person resign from his or her office (clauses 34(1)(h) and (ha)), the Archbishop would be required, pursuant to clause 36(3)(c), to refer the matter back to the PSC for determination under clause 37A.
8. The PSC would determine the matter by making recommendations to the relevant church authority, for example that a prohibition order be made against the person or that the person be removed from office. A review process, similar to the review process used for the Disciplinary Tribunal, would be available to the person (clause 37AA). However a review would only be available if the PSC recommends that a prohibition order be made which would prevent the person holding any paid position in the Diocese in the future.

### **Amendments in relation to the functions of the Director, Professional Standards Committee and the Disciplinary Tribunal**

#### *Director*

9. It is proposed to amend clause 13 to make it clear that the Director may decline to deal with a complaint if the person against whom the complaint is made is not a church worker.
10. Investigations have proved to be very costly. There are relatively minor or simple matters when an investigation by an external investigator is not necessary. The proposed inclusion of a new clause 20A would give the Director the authority to investigate the complaint him or herself instead of appointing a person to do so.

*Professional Standards Committee*

11. Under clause 34 the focus of the PSC is to make recommendations to a person about the action he or she should take to avoid further disciplinary steps being taken against them under the Ordinance. This is distinct from the recommendations that can be made to a relevant Church authority by the PSC under clause 37A in order to determine a matter involving an unpaid church worker. Clause 34(1)(h) is proposed to be amended to make this distinction clear and to closely parallel the matters covered in the definition of "prohibition order" in clause 2.

12. Currently a person against whom a complaint is made and who receives a recommendation of the PSC has 14 days in which to respond. This may not be long enough, and the proposed amendments to clauses 35(2) and 36 give the Director the ability to extend the period to longer than 14 days in certain circumstances.

13. It is proposed to amend clause 37A to give the PSC the express ability to recommend to a Church authority that an unpaid lay person be removed from a specified position or office. A corresponding amendment is proposed for clause 66 in respect of recommendations made by the Disciplinary Tribunal.

**Other amendments**

14. Clause 4 of the bill makes several miscellaneous minor amendments updating reference to child protection and other legislation in the Ordinance and the notes which describe the effect of this legislation.

15. It is also proposed to amend clauses 16(1) and (2) to reflect the fact that the Director may refer a complaint to the PSC under clause 19 as well as under clause 32.

**Recommendation**

16. The Standing Committee recommends that the Synod pass the bill as an Ordinance.

For and on behalf of the Standing Committee.

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

## Discipline Ordinance 2006 Amendment Ordinance 2012

No , 2012

### Long Title

An Ordinance to amend the disciplinary processes that apply to unpaid church workers who are not subject to the jurisdiction of the Diocesan Tribunal and for related purposes.

The Synod of the Diocese of Sydney Ordains as follows.

### 1. Name

This Ordinance is the Discipline Ordinance 2006 Amendment Ordinance 2012.

### 2. Amendments in relation to unpaid church workers not subject to the jurisdiction of the Diocesan Tribunal

The Discipline Ordinance 2006 is amended as follows –

- (a) insert after the third occurrence of the word “are” in the Note following subparagraph (j) in clause 34(1) the following –

“, at the time the Director refers the complaint to the PSC, entitled to be paid as a church worker and are”, and

- (b) in both clauses 36(3) and (4) –

(i) delete the matter “because of an office, role, appointment or position for which they are paid” in paragraph (b), and

(ii) delete paragraph (c) and insert instead the following –

“(c) in the case of any other person the Archbishop is to –

(i) refer the complaint to the PSC for determination under clause 37A, or

(ii) refer the complaint to a body in another diocese with jurisdiction to deal with the complaint.”, and

- (c) in clause 37A –

(i) delete the words “Further recommendation of PSC in relation to” in the heading and insert instead “Determination of certain complaints made against”, and

(ii) delete the matter “clause 36(3)(c)(ii) or 36(4)(c)(ii)” in subclause (1) and insert instead the matter “clause 36(3)(c)(i) or 36(4)(c)(i)”, and

(iii) insert a new paragraph (c) in subclause (1) (with relettering of existing paragraph (c)) as follows –

“(c) that the person be removed from a specified position or office.”, and

- (d) insert a new clause 37AA as follows –

#### **37AA. Application for review**

(1) If the PSC recommends that a prohibition order be made against a person under clause 37A(1) which, if acted on by the relevant church authority, would have the effect of preventing the person holding any paid office or position in the Diocese or being employed by any church body or church authority, the person may, if aggrieved by the recommendation, apply to the Registrar for a review of the decision.

(2) The application must be made within 14 days after the applicant has received the notice of the PSC’s recommendation under clause 37A(2).

(3) The application must be in writing and set out the grounds for the review.

(4) The provisions in clauses 74 to 78 otherwise apply to a review of a decision of the PSC as if the PSC were the Disciplinary Tribunal.”, and

- (e) in clause 44 insert after the words “church workers” the following –

“\_

(a) who are, at the time the Director refers the complaint to the PSC, entitled to be paid as a church worker, and

(b)", and

(f) in clause 73(1)(b) delete the matter "capacity of the person to gain income" and insert instead the following –

"person's entitlement to payment", and

(g) in Schedule 1, insert the following words after the words "who is" in the 6<sup>th</sup> dot point –

"; at the time the Director referred the complaint to the PSC, entitled to be paid as a church worker and is".

**3. Amendments in relation to the functions of the Director, Professional Standards Committee and the Disciplinary Tribunal**

The Discipline Ordinance 2006 is amended as follows –

(a) add the words "or church authority" to the end of the definition of "prohibition order" in clause 2, and

(b) delete "." at the end of clause 13(2)(d) and insert instead the following –

", or

(e) the person against whom the complaint is made is not a church worker.", and

(c) insert a new clause 20A after clause 20 as follows –

**"20A. Investigation of complaint by the Director**

The Director may, instead of appointing a person to investigate a complaint under clause 17 or 20, investigate the complaint him or herself. In this case, the Director is to be treated, as far as relevant, as the person appointed to investigate the complaint.", and

(d) in clause 34(1) –

(i) delete paragraph (h) and insert instead the following –

"(h) that the person undertake to the Director, in such terms as are specified by the PSC, that he or she will not hold a specified position or office in or be employed by a church body or church authority or exercise any specified functions in relation to any office or position in the Diocese or in relation to employment by a church body or church authority.", and

(ii) insert after the word "person" in subparagraph (j)(ii) the following –

"or the removal of the person from a specified position or office", and

(e) in clause 35(2) –

(i) insert after the second occurrence of the word "made" the following –

" –

(a)", and

(ii) delete the matter "." at the end of the clause and insert instead the following –

", and

(b) considers there are good reasons why the recommendation cannot be accepted within 14 days, the person may request that the Director determine a longer period in which the recommendation may be accepted under clause 36(1A).", and

(f) insert a new clause 36(1A) after clause 36(1) as follows –

"(1A) The Director may, in writing, determine a period longer than 14 days within which a recommendation under subclause (1) may be accepted if the Director considers there are good reasons why the recommendation cannot be accepted within 14 days. If the Director determines a longer period, he or she must, as soon as reasonably practicable after making the determination, inform the PSC of the determination together with the reasons for the determination.", and

(g) insert after the second occurrence of the word "recommendation" in clause 36(4) the matter "or such longer period as the Director may determine under subclause (1A)", and

(h) insert a new paragraph (c) in clause 66 (with relettering of existing paragraph (c)) as follows –

“(c) that the person be removed from a specified position or office,”.

**4. Other amendments**

The Discipline Ordinance 2006 is amended as follows –

- 5 (a) delete the matter “section 5 of the *Child Protection (Prohibited Employment) Act 1998*” in paragraph (a) of the definition of “serious offence” in clause 2 and insert instead the following –
  - “section 33B of the *Commission for Children and Young People Act 1998*”, and
- (b) delete the matter “clause 12 of the” in clause 4(c) and insert instead “section 12 of the Schedule to the”, and
- 10 (c) delete the matter “*clause 12 of the*” in paragraph (3) of the Notes following clause 4 and insert instead “*section 12 of the Schedule to the*”, and
- (d) delete the words “under clause 32” in clauses 16(1) and (2), and
- (e) delete paragraph (c) in clause 42(1) and reletter the existing paragraphs, and
- (f) delete the words “of child abuse” in clause 65(1) and insert instead the following –
  - 15 “which may give rise to a duty of notification under the *Commission for Children and Young People Act 1998*”, and
- (g) in clause 87 –
  - (i) delete the matter “– prohibited persons” in the heading, and
  - (ii) delete the words “*Child Protection (Prohibited Employment) Act 1998*” and insert instead “*Commission for Children and Young People Act 1998*”, and
- 20 (h) delete the Note following clause 87 and insert instead the following –
  - 25 “*Under section 33B of the Commission for Children and Young People Act 1998, a prohibited person is a person who, subject to certain qualifications, has been convicted or found guilty of a serious sex offence, the murder of a child or a child-related personal violence offence or a registrable person under Child Protection (Offenders Registration) Act 2000. In general, these are sex offences or offences involving children which are punishable by imprisonment of 12 months or more.*”, and
- 30 (i) delete the words “*Child Protection (Prohibited Employment) Act 1998*” in paragraph (b) in clause 89 and insert instead “*Commission for Children and Young People Act 1998*”.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 2012.

Secretaries of Synod

I Assent to this Ordinance.

Archbishop of Sydney

/ /2012

## Parish Relationships Amendment Ordinance 2012

### Explanatory Statement

#### Background

1. The Parish Relationships Ordinance 2001 (the “Principal Ordinance”) enables a regional council to direct a parish to participate in a licensing review if it considers that a serious breakdown may have occurred in the pastoral relationships between the minister and a substantial number of parishioners of a parish in its region. At present, a regional council may not direct a licensing review unless –

- the minister has served in the parish for at least 4 years from his institution, and
- it has received a certificate that a substantial number of parishioners are of the view that there is a serious breakdown of pastoral relationships between the minister and the parishioners (this occurs if at least 65% of parishioners vote for a motion to this effect at a general meeting of parishioners), and
- it is satisfied that, where appropriate, a preliminary dispute resolution process (such as that outlined in the Parish Disputes Ordinance 1999) has been undertaken.

2. The purpose of the bill for the Parish Relationships Amendment Ordinance 2012 is to make amendments to the Principal Ordinance which are complementary to the grievance policy and procedure which was adopted by the Synod in 2010.

3. An exposure draft of the bill was taken to Synod in 2009. The only feedback received from Synod members in response to the exposure draft was that the proposed reduction in the moratorium on initiating a licensing review, from 4 to 2 years, provided for a moratorium that was still too long at 2 years.

4. This bill was promoted to the Synod in 2010 “by request of the Standing Committee” with a view to its being considered immediately following the adoption of the grievance policy and procedure. However by reason of time constraints, the Synod decided not to consider the bill at that time and the bill was therefore withdrawn.

5. The bill was promoted again to the Synod in 2011 “by request of the Standing Committee” and was passed as an ordinance. However the Archbishop declined to assent to the ordinance. The Archbishop indicated that his hesitation in assenting to the ordinance was over the question of whether the moratorium on initiating a licensing review under the Parish Relationships Ordinance 2001 should be 2 or 4 years from the minister commencing in the parish. The Archbishop sensed that, given its importance, the matter was insufficiently debated at the 2011 session of the Synod.

6. In making his decision not to assent to the ordinance, the Archbishop invited the Standing Committee to promote the ordinance to the Synod in 2012 and, if passed by the Synod again, indicated he would assent to the ordinance.

#### Proposed amendments

7. The bill provides for the Principal Ordinance to be amended in three main respects.

8. Firstly, it reduces from 4 years to 2 years the period under clause 4(a) of the Principal Ordinance during which a regional council may not direct a licensing review for a parish with a newly appointed minister (clause 2(b)).

9. Secondly, it gives Regional Bishops the ability to convene a general meeting of parishioners to consider a motion as to whether a breakdown of relationships exists between the minister and a substantial number of parishioners if the minister and wardens of the principal church of the parish fail to convene such a meeting after being requested to do so under clause 6 of the Principal Ordinance (clause 2(c)).

10. Thirdly, the motion as to whether a breakdown of relationships exists between the minister and a substantial number of parishioners will be carried by a majority of the parishioners attending and voting at the meeting rather than at least 65% of such parishioners (clause 2(g)).

11. The bill also –

- (a) provides that if there is no Regional Bishop for a region, the functions of the Regional Bishop under the Principal Ordinance may be exercised by the Regional Archdeacon (clause 2(a)), and
- (b) provides that the period referred to in clause 4(a) of the Principal Ordinance during which a regional council may not direct a licensing review commences upon the minister being

licensed to the parish as the minister rather than from the institution of the minister (clause 2(b)),

- (c) in view of the proposed ability of Regional Bishops to convene a general meeting of parishioners, provides that the Chancellor rather than the area archdeacon is to appoint a person to chair the general meeting referred to in clause 6 of the Principal Ordinance at which parishioners are to consider whether there has been a serious breakdown of pastoral relationships and the general meeting referred to in clause 28 at which parishioners consider adopting the recommendations of the licensing review board (clause 2(e)), and
- (d) in accordance with the previously stated policy of the Synod, replaces the reference to "priest" in clause 15 of the Principal Ordinance with "presbyter" (clause 2(h)).

12. The bill only addresses matters regarding the initial triggering of a licensing review. The bill does not alter the existing approach for dealing with the outcomes of any licensing review. In particular, it does not reduce the threshold for the adoption of any final Report of the Licensing Review Board, from the current 65% majority level.

**Recommendation**

13. The Standing Committee recommends that the Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee

ROBERT WICKS  
*Diocesan Secretary*

21 August 2012

## Parish Relationships Amendment Ordinance 2012

No \_\_\_\_\_, 2012

### Long Title

An ordinance to amend the Parish Relationships Ordinance 2001.

The Synod of the Diocese of Sydney Ordains as follows.

### 1. Name of Ordinance

This Ordinance is the Parish Relationships Amendment Ordinance 2012.

### 2. Amendment

5 The Parish Relationships Ordinance 2001 is amended as follows –

(a) renumber clause 2 as clause 2(1) and insert a new clause 2(2) as follows –

“(2) If there is no Regional Bishop for a region, the functions of the Regional Bishop under this Ordinance may be exercised by the Regional Archdeacon.”,  
and

10 (b) delete clause 4(a) and insert instead the following –

“(a) the minister has been licensed to the parish for at least 2 years as the minister, and”, and

(c) in clause 6 –

15 (i) delete the first occurrence of the word “consider” and insert instead the words “or the Regional Bishop considers”, and

(ii) delete the word “substantial”, and

(iii) insert the words “or he” after the word “they”, and

(d) delete the words “who have requested the general meeting of parishioners may convene it” in clause 7 and insert instead the following –

20 “or the Regional Bishop who made the request may convene the meeting”, and

(e) delete the words “area archdeacon” in clause 8 and insert instead the word “Chancellor”, and

(f) in clause 9 –

(i) delete the word “leading” and insert instead the words “which has led”, and

(ii) insert the words “a substantial number of” before the words “the parishioners”, and

25 (g) delete the matter “at least 65%” in clause 12 and insert instead the words “a majority”, and

(h) delete the word “priest’s” in clause 15(d)(ii) and insert instead the word “presbyter’s”, and

(i) delete the words “area archdeacon” in clause 29 and insert instead “Regional Bishop”.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney  
on \_\_\_\_\_ 2012.

Secretaries of Synod

I Assent to this Ordinance.

Archbishop of Sydney

/ /2012