

**1st Ordinary Session
of the 49th Synod of the
Diocese of Sydney**

October 2011

***Synod
Proceedings***

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

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Presidential Address

Elijah could hear silence – the sound of sheer silence.

He thought he would hear more. He had travelled back to the birthplace of the nation, back to beginnings, back to Sinai where his people had their unforgettable encounter with the living God in tumultuous wind, and earthquake, and fire. He had complained to the Lord: of that great nation which had been created there, 'I, even I only I am left, and they seek to take my life'. The nation was finished. The Lord must either declare death or resurrection.

He thought that God was going to do a new thing that day. Just as with Moses, there was a great and strong wind, and there was an earthquake and there was fire. But the Lord was not in the wind, or the earthquake or the fire.

And now, Elijah could hear silence – the sound of sheer silence.

It signalled an end, an end to his hopes, his resources, his suggestions. The silence was a full stop. God was neither going to destroy the nation nor resurrect it.

Silence.

And then, 'What are you doing here, Elijah?' The silence is broken by the Word of the Lord. God remains in control. He is still promoting his kingdom. 'I reserve seven thousand in Israel, all the knees that have not bowed to Baal, and every mouth that has not kissed him.' 'Go, return on you way...anoint Hazael...anoint Jehu...anoint Elisha...' My Word stands: your job is to consult it, to believe it; to obey it.

Like Elijah, we sometimes feel alone. Like Elijah we have all sorts of plans and suggestions for God. Like Elijah we look for God in wind and earthquake and fire. Sometimes like Elijah we feel the silence of God.

But what we have is what Elijah was given – not God in earthquake, wind and fire, but the God in his Word. We live by faith, not by sight. Our business, whatever our situation, is to consult the Word of God, to trust it and to keep it.

There is silence from God because he has not been silent. We have his Word. And his Word shows that however invisible his work may be to us, still it goes forward and he is neither frustrated nor impotent. 'I reserve seven thousand in Israel who have not bowed the knee to Baal...'

What is this Word of God which we are called on to consult, believe and obey, no matter what? It is summed up for us in the gospel of Jesus Christ, 'the power of God for salvation to all who believe', the gospel of full assurance.

This gospel testifies that there is one Lord God who has made and owns all things.

This gospel testifies that God is righteous, with a dynamic righteousness which seeks to put all things to rights and establish his kingdom.

This gospel testifies that God is a God who reveals himself to us in words, words of promise and words of command, seeking our worship.

This gospel testifies that as a result of Adam's defection and by the standards of God's righteousness as revealed by his law, we have all sinned and come short of the glory of God.

This gospel testifies that the wages of our sin is death and that eternal judgement awaits those who have not been reconciled to God.

This gospel testifies to the grace of God who sent his unique Son into the world to be born as man, to announce the coming of his kingdom, to live fully under God's law, and to redeem his people from Satan, sin and death by his sacrificial death on their behalf and in their place.

This gospel promises that the free gift of God is eternal life through Jesus Christ our Lord, true God and true man.

This gospel promises that by the power of his Spirit, we are united to Christ, that we are brought to new birth, that we are justified by faith alone, sanctified and glorified.

This gospel promises adoption as the children of God, our fellowship with him and with each other, the forgiveness of sins, opposition from the world, the resurrection of the body and life everlasting.

This gospel promises the return of our king to be the judge of the living and the dead, and to usher in a new heaven and a new earth in which dwells righteousness.

In short, Jesus Christ as he is found in the biblical gospel is the one great Word of God for our day. Wherever we are located in history, our Christian business is to consult the Word of God, to trust the Word of God, to live by the Word of God, to proclaim the Word of God and to defend the Word of God.

We sometimes lose the assurance of the gospel and try to grow churches by other means, forgetting that it is he who builds the church by his appointed means. And we sometimes lose confidence in the churches and wonder whether they are much more than religious clubs for those who cannot find a proper hobby.

But true churches are a product of the gospel. The Word of God, blessed by the Spirit of God, produces the children of God and unites them in the Church of God.

There is only one true church of Jesus Christ, consisting of all who are united with Christ. In essence, this one true church is experienced whenever two or three are gathered together in the name of Christ. It finds a stable expression in the communities which are to be found all over the world. Each true church of Jesus Christ is made up of those who gather in order to meet Jesus Christ through his Word and in the power of his Spirit. Since these churches are founded on and shaped by the Gospel of Jesus Christ, they are marked by the great signs – the great human and humanising virtues - of faith, hope and love.

I want to say to you, as Elijah was emboldened by God's Word, so you too take heart. The gospel of Jesus Christ addresses the spiritual needs of our nation in a direct and potent way and Christ's churches constitute a powerful vindication of God's Word and a key resource for the good health of the community. We have a Word which in blessing individuals has the capacity to renew, revive and restore human community in an age damaged by selfish materialism and individualism.

Australia needs the gospel and churches which are the product of the gospel.

We have been doing a lot of quantitative research into our churches recently. But earlier this year I encountered a short book which reveals the qualitative, inner nature of one of our churches, St John's Asquith, and shows the impact of the gospel in transforming people and creating churches. The book consists of 90 testimonies from members of the church, bearing witness to the work of God in their lives, frequently relating how they came to Christ. Through this lens we can see God using the gospel to bring people together, to bond people together and to bless the community.

Let me mention some of the agencies God used to help bring people to himself as revealed by these 90 remarkable stories of ordinary people:

The Bible, John Chapman, Two Ways to Live, Christianity Explained, a Gideon Bible, preaching, talks, Sunday School lessons, fellowship groups, School scripture, prayer, personal evangelism, ISCF, Beach Missions, Crusaders, AFES, CEBS, Navigators, an Anglican Bishop, an Anglican Archbishop, Billy Graham, Katoomba Convention, Christian Endeavour, Year 13, Camp Howard, Christian schools, Open Air Campaigners, Know Your Bible, Bible Study Fellowship, Youth for Christ, Christian literature.

Usually, coming to know Christ was both a process and a commitment, and a number of agents were involved. Being born in a Christian family is obviously a huge blessing; many had that experience. For some, the wonder of the natural world was a key factor. Others report spiritual experiences which frightened or awakened them. Still others went through a personal loss or crisis and it was in those depths that they sought after the Lord. The local church mattered – sometimes faith was born through preaching; occasionally the liturgy; sometimes through the warmth of a community and the love which they found there. One person even mentions the messages she saw on church noticeboards as she was seeking the Lord! A number of these testimonies are profound narratives of how people have found the Lord to be their all sufficient one in time of need. He answers prayer and preserves his saints.

One thing I love about our churches is the fact that wherever you go our clergy are capable of leading a person to Christ. Thus there are mentions in the book of the role played by Les Vitnell, Gary Mulquiney, David White, Gordon Lincoln, Noel Pilcher Don Begbie, Brian Heath, Brian Wynn, Denis Wann and Marcus Loane. Never take the ministry of such servants for granted – their ministries reflect their commitment to the gospel and to the scriptures which is our identity.

Marcus Loane helped a senior member of the Unitarian religion to see Christ as both true God and true man – the matter was later settled by a study of a New Testament provided by the Gideons. David White showed a godly artfulness in writing a reference for a lady who only attended every second Sunday. She reports, 'he wrote a lovely reference which included saying we attended church every Sunday. I pointed out to him his error, to which he wisely replied he knew – but (now) we would! This indeed came true not long after as we came to know and love God more through his people, whom we now regard as our family.'

Because our clergy are so faithful, so are our lay people. Mrs Faye Keith tells us how she met a desperately sad young soldier named Sean on a train in America. She commented on his tats; he remarked how dangerous it was to get your wife's name tattooed; his marriage had only lasted two years. 'Because I am often on the lookout for an opportunity to share my faith, I asked the Lord to use me, if He would, in my present situation.' She used her own 45 year marriage as a bridge; Sean wanted to know the secret and so began a conversation in which the love of God was shared: 'After some time he said that he loved talking with me because in all his life he never had the chance to have such a meaningful conversation about important things in life.'

Two things impress me. The first is the priority of the Word for these Christians. Their experience of God is shaped by the gospel of redemption. Again and again there is reference to a consciousness of sin and guilt before a holy God and the wonder of the death of Christ in bringing forgiveness of sin through faith in him. They are assured of his love through the cross of Christ. It is a church Protestant and Reformed; bible and gospel. The deep confidence of our people is evident: they have tried God and found him to be their refuge and strength. We can see faith, hope and love in this church.

Secondly, the overwhelming sense is that coming to Christ is God's doing. He is the evangelist. He kindly takes our efforts, our activities and he employs them through the gospel, but in case after case we see that it was not

just one thing but a series of things for which no one person was responsible which led to commitment. We gladly acknowledge the sovereignty of God in evangelism. We do not ourselves have to do it all; instead, God is already working in people's lives all around us. We must be prayerfully alert to do our part.

Recently, Christine and I caught a city bus late at night. A young woman staggered on to the bus clearly having been in party mode, but now her face suffused with misery. She sat hunched over in great psychic pain. We could not speak to her, but we spoke to our heavenly Father about her. She will never know. But I have confidence in our God that he will not let those prayers go without an answer and that sometime she will find herself gripped by the love of Christ. As the testimony of one church in Asquith shows, God is constantly at work in myriad ways in calling his elect home. Like Elijah, our business is to consult the Word, trust it and obey it.

The misery of that young woman crystallised for me the serious spiritual malaise in our culture. The contrast to the church experience is plain. When fewer people have deep friendships, when more people are lonely, when vilification becomes a norm of communication, when volunteering is replaced by paid work, when the law is used to sustain social fabric, when the government is constantly looked to, to provide the works of love which create community – you have a society under stress. The penetration of the gambling culture into sport and the media bodes ill for the future of sport in this country. That which has brought us together and given us some of our most memorable moments, is now at the mercy of commercial interests appealing to our greed. The social capital created by sporting associations is being funded by the real capital of addicts. The Gillard government's moral leadership about gambling addiction is to be commended.

In the end, however, it is communities and families themselves which must have the resources and resilience to deal with this problem. Think of the great temple-like shopping centres where we attend to the worship of ourselves through the accumulation of possessions and possessions – endless possessions; the obesity epidemic, where we are sated with unhealthy food; the substance abuse which mars the lives of millions; the slaughter of unwanted infants in the womb – these travesties of human flourishing cannot be fixed by legislation; the harm cannot be repaired with mantras about individual rights.

When you look deeper you will see that these are spiritual problems. They go to our hearts. They testify to our alienation from the Creator. They require a new relationship with God and with others.

Professor Patrick Parkinson's analysis of the experience of children today is alarming. More than a quarter of young people aged between 16-24 years have a mental disorder. There is an increasing incidence of self-harming behaviour, especially amongst girls. Binge drinking and early teen sexual behaviour is becoming more prevalent. Foster care programs are stretched to the limit as children need to be rescued from abuse or neglect in their own homes. He remarks, 'The crisis in child protection is just part of a broader pattern of serious deterioration in the wellbeing of many children and young people, It is a warning sign that all is not well with society as a whole.' (7).

Close to the heart of what Parkinson is getting at is the state of families. He points to the fact that so many young people no longer live with their biological parents as one of the key reasons for the fragile state of our children and our homes. As Christians we have God's mind on marriage: a man and a woman, publicly promising exclusive and permanent fidelity to each other, in sickness and in health until death do us part. We do not need the statistics to tell us - and they do – that generally speaking such a union is best for the husband and wife and best by far for the children. But the remorseless libertarianism of modern society, the determination that each person chart their own course without regard to God or the law of God, has led to an astonishing collapse of confidence in marriage as good for most people. Not surprisingly cohabitation is notoriously fragile and unstable; it does not make for human happiness or well-being and it is not good for children.

The missing ingredient is commitment – a public commitment in the marriage vows. The strange spectacle of partners inventing their own marriage vows is yet another indication of the way in which we have lost our sense of transcendence, of public obligation, of family. Personal taste trumps what is needed and what is right. And yet without commitment clearly and publicly made, we continue to hold back a sovereign part of ourselves and enter marriage with an 'if', an 'as long as'. There is a cultural malaise here, a tsunami is beginning which, should it be unchecked, will engulf us. At the base of it the problem is spiritual – it is sin and evil, broken promises and broken hearts, our abandonment of God and our elevation of the individual self to the throne.

Our century is now a decade and more old. We may perhaps begin to understand this new era, not least the significance of the attack on the World Trade Centre and other targets. At first 9/11 seemed merely like an aberration, a slight check in the way of the unstoppable advance of western free civilisation to the mastery of the world. A great and semi-christianised nation was the one super-power; its response was an attempt to be all-powerful in theatres of war far beyond its boundaries. It could afford to do this because as the Dow Jones showed, its wealth continued to expand to astonishing levels. At first it seemed that our friends were still in charge of everything, that the sacred cause of free enterprise and individual liberty was going to triumph, carried by the power of the dollar and the military might which stemmed from that. Even the reality check of the GFC seemed merely an episode.

We are now beginning to fear the worst. The unimaginably huge accumulation of American debt; the inability of European nations to pay what they owe; the alarm clearly shown by economists and political leaders; the potential unravelling of a European settlement which has been the bedrock of peace on that continent for decades. These are the conditions for civil unrest and even more. Likewise, we face the anxious unknowns of climate change. We are entering a dangerous period, a period which is going to call for such virtues as integrity and compassion and courage. What the culture is giving us is the new fellowship of atheists, the science of evolution inflated to become a total explanatory mechanism and the source of all values and morals, and a hectoring wowsersism,

forever lecturing us about equal rights and personal freedoms. We don't need such moralism – we need the gospel. We need a gospel which reconciles us to God, identifies sin, brings forgiveness and meaning, transforms lives, sustains families and creates communities of faith, hope and love.

Two weeks ago I was speaking to a community leader who is not a Christian. He has a strong interest in the well-being of communities, in what is called 'social capital'. 'What are you doing to fill up your empty pews?' he wanted to know. He assumed that like most voluntary organisations we are in decline.

First, I had to put him straight on our Mission. I pointed out that in a time of unparalleled social change and a population growing by multi-cultural and non-Christian migration, active participation in our churches is more than holding its own. We are experiencing growth slightly greater than the surrounding population. The growth is not vast, but in a world where clubs, political parties and voluntary organisations are struggling to stay alive, it is significant.

Second, I said that we were committed to strong *identity* and strong *activity*. Our identity comes from an unshakeable, simple commitment to the biblical gospel of Jesus Christ. That is who we are. We have not yet halted between two opinions, we proclaim that the Lord he is God. We embrace counter-cultural beliefs which both set us apart from others, and also bind us together. We believe in miracles; we believe that the Bible is the word of God; we believe that Jesus Christ is the Son of God, true man and true God; we believe in husbands and wives and in marriage. We find these beliefs make sense of our human experience.

Furthermore, we are active. Our gospel promotes faith hope and love as integral to the good life and makes us better citizens of our nation. Our beliefs turn us toward our neighbours, not away from them; that is why we talk about 10% of the population, to remind us to look outward, to connect. Consequently we commit ourselves to the activity of sharing the faith energetically and imaginatively with those around us and drawing them into the fellowship of our churches. I could also have talked to him about the wonderful Kingsdene project being launched by Anglicare, to give practical help to the families of those with a disability.

Why was my guest interested to know about churches? He spoke about 'social capital'. This is a phrase made famous by Professor Robert Putnam, in his book *Bowling Alone*. Whereas in the US of some decades ago people belonged to bowling clubs and bridge clubs and athletic clubs and voluntary organisations, now they are more inclined to go 'bowling alone'. Active membership has declined dramatically. Informal connectedness has been replaced by formal institutions. We now constantly appeal to government and to law to make community. We pay for the things we used to do collectively ourselves.

Social capital arises from networks of trust and friendship in the community. According to Putnam, 'The performance of our democratic institutions depends in measurable ways upon social capital' (349), and 'civic connections help make us healthy wealthy and wise.' (287). He is extraordinarily positive about the role religion plays in increasing social capital: 'Churches provide an important incubator for civic skills, civic norms, community interests, and civic recruitment' (66). His more recent book, *American Grace*, points to research that says that religiously observant Americans are both happier and better neighbours than the non-observant. He attributes this in particular to the experience of belonging and so learning from others.

Dr Andrew Leigh an economist and Member of Parliament applies this to Australia, in his book, very tellingly entitled, *Disconnected*. He points to the serious decline in joining, in volunteering and in belonging in modern Australia. He points out that church-members are far more likely to be generous, to give blood, to have a larger number of friends, to be engaged in voluntary work outside of the church, to cross social divides and, 'more likely to report that they had someone on whom they could rely in the event of serious financial problems.'

My friend the community leader is not a believer. But he was keen that we grow more churches, fill more pews. His research showed the benefits of religious association to the community as a whole. He is interested in what constitutes 'the good life', and he agrees that the Christian message has shaped our understanding of the good life in this nation since the beginning, and nothing has as yet come to take its place. It is here that we come to learn what is right and wrong, what makes life worth living, the value of relationships and the hope of glory. It is in God's Word that we see the political leader, the King brought to book by the prophet, 'Have you found me, O my enemy?' said Ahab. 'I have found you,' said the prophet, 'because you have sold yourself to do evil in the sight of the Lord.' It is here that we learn the humanising virtues of faith, hope and love. And as testimony after testimony from Asquith shows, it is the gospel of sins forgiven through the death of Jesus which transforms and emboldens.

Listen: 'I got on to a bus at Bankstown feeling thoroughly miserable. It must have been pretty obvious, because the young driver asked me, "What's the matter?" I thought that my answer, "Nothing," was enough. But I must have looked as bad as I felt, because he followed up with, "Can I help you, sir?" I was in my late sixties at the time and wasn't in the mood to discuss my private life with a stranger in his early twenties. "Mind your own business!" finished that I thought. As I was getting off the bus, he tried again. "What are you doing on Sunday? I'll be going to church and if you would like I could come and take you with me..."

'This caring young man's boldness got to me and I agreed to go along with him. It was far out of his way. His church was Cherrybrook Baptist. It was there that I heard how much God loved me and what he had done for me in sending Jesus to die for my sins...

Later he had dropped off church going and moved to Hornsby. But another young man invited him to Asquith church. 'Church is now the highlight of my week. The young people have been so caring of me over the years I

have been coming here. Just recently I mentioned that I was having a cataract operation and wasn't sure how I would get on. In no time people were organising themselves to care for me – even staying with me overnight for the first two days. Amazing!' (60)

That is social capital! Where did it come from? From the Word of God.

I gave my guest *The Essential Jesus* as he left. I owed my copy to social capital: Connect 09 was an initiative of our Diocese as a whole. Our network co-operated. I am still handing them out, because I trust God through his Word to bring people to himself and in due course to lead them to a local church. Sydney Anglicans are of course part of a network of about 400 Anglican churches and organisations called a Diocese. We have already seen how much the local church is supported by all sorts of other ministries beyond itself, evangelistic Bishops, Evangelism Ministries, Youthworks, Crusaders, Katoomba and so on. In other words the local church, although central to our interests, is not an absolute. It too relies on the efforts of others and belongs to a bigger whole, the bigger whole largely represented by this Synod.

And so, to Synod...a dangerous place: The *Eagle and County Cork Advertiser*, of April 28th, 1894 carried the following melancholy tale: 'The funeral of the late Mr Ludlow Sealy, of Burren House, Kilbrittain, took place on Saturday, when the remains, which were conveyed from his residence, were interred in the family vault...The deceased gentleman attended at the General Synod of the Church of Ireland held recently in Dublin, the lengthened sittings of which rather over-taxed his strength. He died on Wednesday after a brief illness.'

The synod of our Diocese governs our network. It is served by Robert Wicks as the Diocesan Secretary and his staff from the SDS. Their work is excellent and indispensable. We all own the whole network and need to look to its best interests for the sake of the gospel. We need to carefully elect people to be on our boards and committees; we need to pass legislation; we need to arrange our financial affairs responsibly; we need to receive reports; we need to pass resolutions to indicate the mind of the Synod as it meets on that day and time. Unless the lengthened sittings of the synod overtax my strength in the meantime, it is likely that this synod will also meet in August 2013 to elect a new Archbishop.

These are heavy responsibilities, but past experience leads me to trust the Synod and to look to you to conduct our affairs under the eye of God with courtesy, wisdom, tact and skill and a deep underlying unity. When we disagree it is I trust over principle and not merely sectional interest. This Diocese is blessed by God especially in the quality of its lay leadership.

The last three years have been deeply challenging. It is never easy to have much less money, but it has made us think hard about priorities. We now know more clearly how much money there is to fund our operations and what those operations should be. The task of restructuring proceeded and our boards and committees are better for it. I am very grateful to the Glebe Administration Board, its chairman Canon Bruce Ballantine-Jones and the CEO Mr Mark Payne and his staff for the effort which has gone into renewing their part of the work in SDS and GAB.

We still needed to see the big picture, to enter our future better focused, better structured. I therefore transcended our usual boards and appointed an Archbishop's Commission to advise us. The key boards were directly represented on the Commission and could make their views known. I also asked certain people to pray for them specifically and this was faithfully done. The Commission has now reported with far-reaching recommendations. We will consider its Report in principle at this Synod and we will be asked to send its recommendations for further action to the Standing Committee. The Standing Committee will give the particular matters sustained debate with help from the responses of the Synod, the Glebe Board, the Property Trust and the EOS Committee and other interested parties. Large issues such as the possible sale of Bishops Court will be brought back to Synod.

I wish to place on public record my deepest thanks for the work of the Commission. As you can imagine, the people involved are all senior and all extremely busy in other spheres of life. They gave considerable time to this project and brought knowledge and skills of the highest order. We may have been able to draw together a different group equal to this one, but it is hard to imagine that we could have had a superior Commission. Their Report gives us a fresh start.

In particular I owe the chairman, Mr Peter Kell a personal and professional debt which is beyond any repayment. Only a few of us have an inkling of the sort of demands placed on him in the last twelve months and more, but they were astonishing. He did not quail; he did not grumble; he gave us all his very considerable best. I cannot think of anyone in the Synod with more authority to guide us through what now must be done and I hope that we take his advice. He has the interests of the whole on his heart; he will not speak sectionally, but he will speak for all.

I believe that it is right to be more confident than we were a year ago. Then it was hard to see how we would advance. We had more bad news than good. The provision of money through a one off assessment was a very welcome decision of the Synod. It saved the day. I know it caused heartache, but it acknowledged that we all belong to this network and need to support each other.

This year we have had more good news than bad. There are improved prospects for both our Endowments. The work done by St Andrews House Corporation and SDS to rehabilitate our income flow is a significant reason for this. For this we thank the Lord. Both Endowments are very dependent on St Andrew's House for their income streams. Although there remains a year or two of no distributions while essential expenses are incurred and debt is repaid, there is now the prospect of satisfactory returns. In the meantime with the Synod's goodwill we can manage the cash deficit.

We also have before us a preliminary funding principles document to guide our thinking in the next triennium. It is preliminary because it not been through the Mission Board and Standing Committee as yet. But it is placed before you like an exposure draft for your input. Peter Kell has chaired the group which has begun thinking about this, and he would welcome thoughtful responses. Once again we are called upon to have the same temper of clear thinking and mutual support as we have shown before.

The Diocesan Mission continues to galvanize and embolden us. It is the application of the Word of God to the needs of our community. Everywhere I come across evidences of it: new churches, cross cultural ministries, Mission Area initiatives in partnership, the Year 13 program, and more. Our Mission has no single front line. At St Andrew's Strathfield I met members of the old Anglo congregation delighted with the large numbers in the Korean Congregations under the leadership of the Reverend Kevin Kim. Then I met representatives of the forty or so sub-continental Christians who are nestled within the Korean church. Why are Koreans looking after Indians? Because when the Korean congregation began, it was looked after financially and pastorally by St Matthias Centennial Park. Now they want to do the same thing for sub-continental Christians.

Likewise I had a brilliant conversation with one young church planter, Stewart Witt about his work in Concord North with Chris Chardon. There is a well-known Pentecostal church nearby and I asked him whether this made life difficult for him. 'Not really', he replied, 'people come across suburbs to that church drawn by its reputation. But we are embedded in the suburb; we are seeking to reach the people here with the gospel.' And then he told me about a local couple who are coming to know the Lord through walking by his church and dropping in. 'Proximity creates opportunity,' was the way he put it. That is the Mission in action. In fact, as Stewart pointed out to me, that is the spirit of Anglican ministry. We are committed to the suburbs and everywhere in the suburbs.

We must grow with our city. That means looking for Koreans and Sri Lankans and Tibetans and the rest of our neighbors. But it also means planting in new places. The Mission Property Committee has done sterling work in identifying places where we need to plant churches by purchasing land and erecting new buildings. The next opportunity is at Oran Park, where through a special providence of God we have a great location, and have already appointed our commencement minister. We now need to raise five million dollars for our new church. We will hear more tonight about this initiative and the opportunity to give.

That's a local gospel vision.

What is our national gospel vision? Let me talk to you about part of it.

Wherever you go in Australia you will find other Anglicans. From the First Fleet, the Anglican network has been planted in every part of this nation. Australia is covered by parishes and every parish is networked into a Diocese. We are a connected national movement, not just a local one. And that imposes both opportunities and responsibilities.

I think a key distinction here is between the fellowship reality of a national church and the subsidiary legal and political structures which have emerged. In all sorts of ways we have gospel connections with Anglicans across the nation. We have expressed fellowship through financial support, for example and I trust we will continue do this. Many of our people are serving elsewhere; we support the Bush Church Aid Society; we gave for relief in bushfire, flood and drought; parishes have linked with others in other dioceses; Anglicans from elsewhere have trained at Moore and Youthworks colleges and done Moore's certificate in theology. I have high hopes for us to reach out even more in friendship and fellowship.

The National Church existed before it had a Constitution and is a reality with or without the Constitution. But, after years of patient negotiation, the national Anglican Church was given a new legal status in the Constitution of the Anglican Church of Australia in 1961. This Act became part of the secular Law of each State.

It was our deliberate choice to enter the constitutional arrangement. Your parish is bound to the Diocesan network, and we are all inescapably linked to the church of the Province of New South Wales. Then, we are just as inescapably linked to the national church. That is part of what it is to be Anglican in Australia. It is all more opportunity for social capital. Just as the States federated to become the nation of Australia in 1901, so we are in a federation. Some had their doubts and some still do – but federation under the 1961 Constitution is a reality, as much for Anglicans as for Australians.

We have obligations under the constitution. We meet in a General Synod every few years; we participate in electing a Standing Committee; we take part in the national commissions, such as legal and doctrine commissions; we pay for joint activities, not least for the General Synod Office here in Sydney. The national Church looks after such things as your clergy long service leave and military chaplains. We are obliged to keep the rules of the Church as applicable to this Diocese and we have financial obligations. As with all such arrangements, we both give and receive.

However, there are profound differences of opinion about how the national Church should work. These go back into history. When entering into the constitutional form of the national Church, our Diocese agreed to join on a particular view of the workings of the national Church. This is a view which we have held tenaciously and in a principled way. In part it arises from our view of what it takes to *defend* the gospel and in part it arises from our view of what it takes to *proclaim* the gospel.

The stance we have taken from the beginning has been one in which we have sought to defend and promote the gospel in the best interest of the churches and we believe in the best interests of the Anglican Church of Australia

as a whole. Let me now outline the traditional and grounded philosophy of our Diocese and the policy implications which flow from it.

We can sum up our philosophy in four basic principles:

First, it is best if the national church is committed in form and fact to orthodox doctrine and behavior. We adopted the Constitution because we saw that it commits Anglicans in the words of the Queen's Coronation vow, to the 'Protestant Reformed Religion'. If our behavior or that of other Anglicans is not orthodox, we can rightly be called back to the standards of the Constitution. In identity we are biblical Christians and we call on all Anglicans to be equally committed to the biblical standards and the doctrine of Christ. By this we help defend and promote the gospel.

Second, we labour to retain the integrity of the national church. In God's providence, Anglicanism is one of the chief denominational expressions of Christianity in Australia and its presence and voice remains significant in national life. The division or dismemberment of the Anglican Church of Australia is not in the best interests of Christianity in this country. We must be united in gospel truth, but the unity of Christians is also a truth of the gospel. That unity, as long as it is recognizably linked to the commitments of the constitution, defends and promotes the gospel.

Third, Sydney always insisted that the national federation be decentralized in ethos and diocesan in structure as it is under the Constitution. Sydney has always understood that the Constitution and the General Synod are helpful to, but not coterminous with, the national church. We think of the Constitution as a compact, an agreement between Australian Anglicans to behave within certain boundaries and where possible to leave each other to get on with local initiatives to defend and promote the gospel. The national church is best served when the decentralized, diocesan-focused constitution is observed in fact and in spirit. Not all Anglican national churches are organized like this. Thus, in some overseas Anglican Provinces the Primate is given great authority. Under our constitution the office of the Primate is largely formal and has little power. In our federation, it is the dioceses which matter most, just as in the diocese it is the parishes which matter most.

Fourth, our Diocese has a role to encourage and support the growth of evangelical ministries throughout the national church. Our own diocese is not monochrome – we continue to honor and respect other expressions of Anglicanism within our immediate fellowship. But, in the history of Anglicanism in Australia, Sydney has virtually always been overwhelmingly evangelical and we are acutely conscious of the way in which evangelicals elsewhere have struggled to maintain their place. Dioceses which began as evangelical, even more so than Sydney, have been changed, with evangelicals becoming a small and sometime harassed minority. I am glad to say that there seems to have been a greater acceptance of evangelicals in some dioceses, although in others it remains a struggle. Our commitment to national evangelicalism is part of a commitment to defend and proclaim the gospel.

These are our principles. How do they translate into policies? We are for fellowship in the gospel, we are for the individual diocese, and we are against institutional expansion.

First, our policy is always to encourage the orthodoxy and mission of the fellowship of Anglican Christians around Australia, rather than to commit all our time and energy to the political and legal processes of General Synod. Synods are important of course, but some people seem to think that they make the denomination what it is. Our interest is in fellowship in the truth and service of the gospel. We will do what promotes and defends the gospel amongst the fellowship of Anglican Christians.

Thus, New South Wales Anglicans are having a conference in Canberra at the end of next January. This is deliberately not a synod. We want to meet each other and offer and receive encouragement in mission and fellowship. There is great need for this. If your vision extends to the world outside of Sydney, and you would like to be part of this event, please aim to attend. See Philip Selden for details.

Second, we will continue to uphold the significant constitutional autonomy of individual dioceses. In a country as large as Australia the gospel is best served if the relevant decisions are taken as locally as possible. Not all can be, of course. When it comes to such matters as child protection, the reputation of the whole is affected and we all must take an interest. But our interest is in local decision-making for as long as it is consistent with the orthodox commitment of the whole body.

Third, our policy is to pay our share of the money needed, but to resist the expansion of the activities of the General Synod and in particular the growth of the activities of the Primate beyond those stipulated in the Constitution. Thus we would prefer General Synod to be held every four or even five years instead of three and we have definitely not supported the provision made as a charge on us all of a research assistant for the Primate. His is not that sort of role. On the other hand we do offer financial and human support to other dioceses and ministries beyond Sydney.

What does all this mean in our present context? A number of things hearten me about Australian Anglicanism apart from the potential we have to do much good around the nation. To mention only two things of a number, several times now the General Synod has formally rejected the moral libertarianism of so much western Anglicanism. Furthermore I value my personal links with other Diocesan Bishops, and in my experience they are well aware of the need for evangelistic mission, and many are working vigorously in their dioceses for growth.

On the other hand, there are a number of factors making the relationship with some of our fellow Anglicans as fraught as it has been for some time. These include:

First, consistent, long-term misunderstanding of and even overt hostility to Sydney, given some credibility because of our failure to explain ourselves, by mistakes we have made and because our size makes us appear threatening. This antagonism is especially powerful in the General Synod Standing Committee and in the General Synod electoral system. It is exacerbated by the publication of prejudicial material intended to damage our standing in the broader Anglican world.

Second, the loosening of the structure of the national church caused by the ordination of women. By ordaining women to the presbyterate and even more so to the episcopate, those responsible changed for all time the nature of the fellowship we enjoy. For the first time our church has been formally committed to an unscriptural principle and for the first time some parts of our church find it impossible to recognize the orders of some clergy. People do not seem to realize that once such a basic matter has changed, many other changes became inevitable and many new changes become possible.

Third, the shock to the system caused by the use of the Appellate Tribunal to win a political battle over the consecration of woman bishops. This was followed by the decision by members of the General Synod to take our diocesan practice of diaconal administration to the Appellate Tribunal, once more trying to solve a political problem by legal means, in a context where other matters of practice around the national church could be challenged even more pointedly. This put the Appellate Tribunal in an impossible situation and harmed its standing.

Fourth, what I regard as poor policy and practice by the General Synod Standing Committee over such matters as the primatial research assistant, the exaggerated growth in general assessments, interference in diocesan questions of order and good government, episcopal standards, the holding of the General Synod a year earlier than it was needed and the wrong use of confidential material.

I am sorry to say that all this means that we have reached a more than usual difficult point in our relationship, especially within the Standing Committee of General Synod. However, I am a believer in conversation and prayer together, and am hoping that there will be a greater willingness to come to the table and talk about some of these issues. We want to establish the point that the ready appeal to the law to solve relational and political problems is unfruitful and to ensure that there is minimum interference with the life of the dioceses, in line with the spirit and intent of the Constitution. At the same time we want to affirm our strong commitment to the national church and its usefulness under God as an instrument for the defense and proclamation of the gospel.

Policy 1

The Word which has been given to us to defend and proclaim is powerful. In saving sinners and creating churches, it confronts the social and spiritual problems of our day with God's vision for the good life as well as his promises for eternal life. We have a Word which in blessing individuals has the capacity to renew, revive and restore human community in an age corrupted by selfish materialism and individualism.

2012 is the tenth year of our Diocesan Mission as solemnly undertaken by the Synod at its meeting in 2002. What should I personally give myself to in the year ahead? To the Word.

The first policy of our Mission is the crucial one 'To call upon God for such an outpouring of his Spirit that his people will be assured of his love through his word, seek to please the Saviour in all things, manifest the godly life and be filled with prayerful and sacrificial compassion for the lost in all the world.' My major task for 2012 is to challenge us all to call on God for his Spirit blessed Word to possess our hearts and then to look for the transforming consequences.

When we receive the gospel, we receive by the work of the Spirit an assurance that although we are sinful and undeserving, God loves us. Listen to this testimony from Asquith. 'I experienced very personally and deeply how much he loved me, unconditionally. I was deeply loved (still mystifies me – why?) by the great I AM!' (51)

Our assurance is not a rootless emotion; it is carefully and specifically linked to the cross of Christ. And our growth in grace, our maturity as Christians, depends on us going back again and again to the truth of Word and sacrament, that 'while we were enemies we were reconciled to God by the death of his Son...' We cannot graduate beyond the cross.

Assurance is another name for Christian faith. Christian faith is trust in Jesus Christ and him alone for salvation. It is called assurance because by the power of the cross alone we may be sure of our salvation, and it is therefore a powerhouse of good works. Christian faith repents and crowns Christ as its only Lord. Since Christ is Lord, faith becomes active to please him; not to win salvation, but because salvation has been won. As the Spirit imprints the word of the cross more and more in our hearts, so we are set free and emboldened to serve the Lord, to seek to please the Saviour in all things.

Am I 'growing as a Christian?' I am not sure what that question means or how to answer it. What interests me is not self improvement, but obedience. Am I more obedient than I was at first, more godly, more possessed by the fruit of the Spirit, more able to control my temper, speak a loving word, be generous and hospitable? Do I give myself in sacrificial compassion for the lost in all the world? The deep things of the Spirit come from the old, old story of Jesus and his love. In the immortal words of John Newton, 'I have learned this: I am a great sinner but Christ is a great Saviour.'

The test for our Diocese is always this: Will we remain completely committed to the scriptural Gospel, the one Word of God? Will we consult it, believe it, obey it? Will we be gospel people, or will our confidence and our passion ebb away?

It will only be by God's grace that we do stand. The lethargy of too much busyness may engulf us. Or it may be the hunger for new things, so that we can be different from our fathers. We may demand that God does mighty works or we won't believe in him. Scorn and opposition may erode our confidence. Elijah's challenge, 'how long do you halt between two opinions?' may come on us with surprising force, not least as the culture moves further from its Christian roots and biblical teaching seems more and more discordant.

Let me ask you: Why do we not pray, weeping over the lostness of our sick society? Why are our prayer meetings so poorly attended, our prayers perfunctory and our attention so weak? Is it because like ancient Israel we worship the Lord with our lips and the Baals with our hearts? Are the gods of this world so beguiling to us that we have become worldly Christians slaves of fashion and gadgetry and possessions, indistinguishable from our neighbours in the houses we own and the holidays we take and the bling we acquire? Where are our hearts fixed?

For our Mission is not about technique. It is about the heart, your heart and mine. It is about whether the Spirit blessed Word of the cross has so assured your heart that you have been set free to serve the Lord with every power you possess. It is about how seriously the gospel of Jesus Christ has impacted on your life and whether you are prepared to give all to him. It is about a young bus driver who challenged an older man, and a mature woman who cared for a young man on a train. We will never transform the world unless our own hearts are transformed first.

Stand with Elijah. He had seen a powerful exhibition of the power of God at Mt Carmel. But, even so, the people had not turned to God with all their heart. Now he challenged the Lord to do another mighty work, for he thought that he alone was left. But the Lord was not in the earthquake or in the storm or in the wind and in fact there were 7000 stout-hearted servants left. We have before us not the flash and flame of Carmel, but the man of shame at Calvary. In that cross we have been given the greatest possible testimony to the majesty and love and the glory of God. This cannot be surpassed; this cannot be exhausted. And with assurance imprinted in our hearts by the Spirit of God, we see that God has not ceased from the work of bringing in his kingdom and it is for us simply to be assured by his Word, to rest in his Word, to consult, to believe and to obey the Word and to pray that this great Word will capture the lost in all the world for Christ.

Peter F Jensen
Archbishop

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 Mr Justice Peter Young AO
4. Elections and Qualifications Committee: Mr Ian Miller, Dr Karin Sowada and Dr Philip Selden
5. Order of Business Committee: The Rev Diane 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 Church Property Trust Diocese of Sydney
3. Anglican Education Commission
4. Anglican Media Council
5. Anglican Retirement Villages: Diocese of Sydney
6. Anglican Youth and Education Division
7. Arden Anglican School Council
8. Arundel House Council
9. Barker College, The Council of
10. Campbelltown Anglican Schools Council
11. Continuing Education for Ministers, Council of
12. Department of Evangelism and New Churches
13. Georges River Regional Council
14. Glebe Administration Board
15. Illawarra Grammar School, Council of The
16. Kings School, The Council of the
17. Macarthur Anglican Church School Council (The)
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 John's Provisional Cathedral Chapter, Parramatta
25. St Michael's Provisional Cathedral Chapter Wollongong
26. South Sydney Regional Council
27. Sydney Anglican Home Mission Society Council (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 Educational and Book Committee
33. Sydney Diocesan Secretariat
34. Tara Anglican School for Girls, Council of
35. Trinity Grammar School Grammar Council
36. Western Sydney Regional Council
37. William Branwhite Clarke College Council
38. Wollongong Regional Council

Standing Committee Reports and Synod Fund Accounts etc

39. 2011 Annual Report
40. Synod Funds Amalgamated Annual Financial Report for 2010
41. Parish Funds Amalgamated Annual Financial Report for 2010
42. Access to Standing Committee Minutes
43. Anglican Communion Covenant (19/10)
44. Archbishop's Strategic Commission on Structure, Funding and Governance – Final Report
45. Draft Statement of Funding Principles and Priorities for 2013-2015
46. Future requirements and roles of the Archbishop's staff and 5 year budget of EOS costs (37/10)
47. General Synod Assessments (12/10) / Consultation with the General Synod Standing Committee
48. General Synod 2010 Legislation
49. General Synod 2010 Session
50. GAB Annual Report to the Synod for 2010
51. GAB as trustee for the Diocesan Endowment Annual Financial Report for 2010
52. Glebe Board Charter (3/10)
53. Governance Policy for Diocesan Organisations (43/10)
54. Mission Property Greenfield and Brownfield projects
55. Ordinances passed by the Standing Committee
56. Safe Ministry Board and Professional Standards Unit Annual Report
57. Stipends, Allowances and Benefits for 2012 (2/05)
58. SDS Annual Report for the Synod for 2010
59. SDS Annual Financial Report for 2010
60. Synod Appropriations and Allocations for 2012
61. Tertiary Education Ministry Oversight Committee (35/09)
62. Towards 2050 (2/10)
63. Work of the Archbishop's Strategic Commission (7/10 and financial sustainability for the Endowment of the See (37/10)
64. Georges River Regional Council – Annual Report for 2010
65. Northern Regional Council – Annual Report for 2010
66. Kirribilli, Proposal to reclassify as a parish
67. South Sydney Regional Council – Annual Report for 2010
68. Malabar, Proposal to reclassify as a parish
69. Western Sydney Regional Council – Annual Report for 2010
70. Wollongong Regional Council – Annual Report for 2010
71. Eagle Vale, Proposal to reclassify as a parish
72. Wollondilly, Proposal to reclassify as a parish
73. Explanatory Statements and reports on Bills

Other reports etc

66. Archbishop of Sydney's Overseas and Relief Fund (The) (ORAF)
67. Archbishop of Sydney's Overseas Ministry Fund (The) (OMF)
68. Archbishop of Sydney's Community Care and Development Program (The)

Actions taken under the Parishes Ordinance 1979

The Synod assented to the following –

- (a) reclassification of Eagle Vale as a parish
- (b) reclassification of Kirribilli as a parish
- (c) reclassification of Malabar as a parish
- (d) reclassification of Wollondilly as a parish

Questions under business rule 6.3

1. The Rev Craig Roberts – 1.14% parish levy
2. Mrs Susan Hooke – Surpluses held by Synod funded organisations
3. Canon Warwick de Jersey – St Andrew's House parking
4. Ms Lyn Bannerman – Availability of annual reports
5. Ms Lyn Bannerman – Surpluses and acquittal process
6. Ms Lyn Bannerman – Access to Standing Committee minutes
7. The Rev Philip Griffin – Diocesan Archives
8. The Rev Philip Griffin – Resignation and appointment of Mission Area Leaders

9. The Rev Philip Griffin – Partnership between Moore Theological College and Youthworks College
10. Dr Robert Mackay – St Andrew's House retail assets
11. The Rev David Clarke – Mission Area funding
12. Miss Jennifer Flower – Christian teachers
13. Canon Sandy Grant – Parish donations
14. Archdeacon Deryck Howell – New Churches and Oran Park town
15. The Rev Gary Haddon – Payment of parish levy by others
16. Mr Andrew Frank – Restorative justice
17. Canon Warwick de Jersey – Cathedral parking in St Andrew's House
18. Mr Robert Tong – Membership of Long Service Leave Fund
19. Mr Garry Allen – Churches planted by the Department of Evangelism and New Churches
20. The Rev Craig Schafer – Complaints against clergy and church workers
21. The Rev Andrew Sempell – Paid assistance for the Primate
22. Ms Janice Liddiard – Benefit of risk management program
23. The Rev Simon Elliott – Financing the construction of new churches in greenfield areas
24. The Rev Peter Chung – Provisional Recognised Churches
25. Mr Warren Irwin – Youthworks Outdoors Division
26. Mr Warren Irwin – Youthworks unfair dismissal claim
27. Archdeacon Deryck Howell – Regional bishops and new fellowships
28. Mr Neville Voges – Relocation of staff to Bishops court
29. The Rev Antony Barraclough – Finance and Loans Board
30. Mrs Pamela Shaw – Sydney Anglican Schools Corporation
31. Mr Peter Wilson – Distributions from St Andrew's House Corporation
32. Associate Professor Alan Watson – Donations to ORAF
33. Ms Caroline Bowyer – Complaints of abuse or misconduct by clergy or church workers
34. Mr Michael Toul – Property Trust's management fee
35. Mr Hans Norved – Teaching Christianity in line with Diocesan Education Policy
36. The Rev Michael Williamson – Authority of Archbishop to plant new parishes
37. The Rev Andrew Sempell – Membership of and attendance at General Synod Standing Committee
38. Professor John Clark – Third party risk assessment
39. Mr Peter Hanson – Access to minutes of the Standing Committee
40. Mr Peter Hanson – Availability of annual reports of diocesan organisations
41. Mr Peter Hanson – Circulation of printed material
42. Mr Raymond Minniecon – Strategies for responding to growing Indigenous population

Petitions

There were no petitions.

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. STANDING COMMITTEE – Persons Elected by Synod

(Standing Committee Ordinance 1897)

4 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the members of the Synod

The Rev Nigel E J Fortescue
The Rev Chris J Moroney
The Rev Dr Mark D Thompson
The Rev Zac Veron

2. STANDING COMMITTEE – Persons from the Georges River Region elected by regional electors of the Georges River Region

(Standing Committee Ordinance 1897)

2 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the regional electors of the Georges River Region

Canon Phillip J Colgan
The Rev Peter R Lin

4 qualified lay persons to be elected for 3 years by the regional electors of the Georges River Region

Dr Bryan S Cowling
Mr Clive G Ellis
Mr James W Flavin
Mr Stephen A Mitchell

3. STANDING COMMITTEE – Persons from the Northern Region elected by regional electors of the Northern Region

(Standing Committee Ordinance 1897)

2 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the regional electors of the Northern Region

Canon Richard J Smith
The Rev Philip J H Wheeler

4 qualified lay persons to be elected for 3 years by the regional electors of the Northern Region

Miss Jennifer S Flower
Mr Michael K Meek
Ms Simone J Sietsma
Mr Bruce York

4. STANDING COMMITTEE – Persons from the South Sydney Region elected by regional electors of the South Sydney Region

(Standing Committee Ordinance 1897)

2 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the regional electors of the South Sydney Region

The Rev Andrew P Katay
The Rev Dominic Steele

5. STANDING COMMITTEE – Persons from the Western Sydney Region elected by regional electors of the Western Sydney Region

(Standing Committee Ordinance 1897)

2 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the regional electors of the Western Sydney Region

The Rev Rajeev Gupta
The Rev Gavin M Poole

4 qualified lay persons to be elected for 3 years by the regional electors of the Western Sydney Region

Mr Andrew Frank
Mr Malcolm J Purvis
Ms Janette Thambyrajah
Mr Lyall A Wood

6. STANDING COMMITTEE – Persons from the Wollongong Region elected by regional electors of the Wollongong Region

(Standing Committee Ordinance 1897)

2 qualified ministers, who are not ex-officio members of Standing Committee, to be elected for 3 years by the regional electors of the Wollongong Region

Canon Sandy R Grant
The Rev Stephen C Semenchuk

4 qualified lay persons to be elected for 3 years by the regional electors of the Wollongong Region

Mr Peter J Evans
Mr Peter G Kell
Mr Geoff R S Kyngdon
Mr Tony J Willis

7. ST ANDREW'S CATHEDRAL CHAPTER

(Cathedral Ordinance 1969)

1 clerical canon to be elected for 4 years by the clerical members of the Synod

Canon Warwick A de Jersey

1 lay canon to be elected for 4 years by the lay members of the Synod

Mrs Elizabeth George

8. THE COUNCIL OF ABBOTSLEIGH

(Abbotsleigh Ordinance 1924)

1 layman to be elected for 3 years

Mr Ewan F Campbell

9. ANGLICAN CHURCH PROPERTY TRUST DIOCESE OF SYDNEY

(Anglican Church Property Trust Diocese of Sydney Ordinance 1965)

2 members of the clergy to be elected for 6 years

The Rev Christopher A Allan
The Rev Craig W Roberts

1 member of the clergy to be elected for 3 years

The Rev Andrew R Bruce

1 person to be elected for 3 years

Mr Roger Z A Collison

1 person to be elected for 2 years

Mrs Melinda West

10. ANGLICAN EDUCATION COMMISSION

(Anglican Education Commission Ordinance 2006)

2 persons to be elected for 3 years

Dr Michael J Anderson
Miss Wendy Philpott

11. 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 Dr Andrew L Ford

2 persons to be elected for 3 years

Mr Malcolm J Beard
Mr William D Wallace

1 person to be elected for 1 year

Mr Martyn Mitchell

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- 12. ANGLICAN RETIREMENT VILLAGES DIOCESE OF SYDNEY**
(Anglican Retirement Villages Diocese of Sydney Constitution Ordinance 1961)
2 persons to be elected for 3 years
Mrs Anita Barnett
Mr Ian J Steward
- 13. 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
Canon Phillip J Colgan
1 lay person to be elected for 3 years
Mrs Naomi Wilkins
- 14. ARDEN ANGLICAN SCHOOL COUNCIL**
(Arden Anglican School Council Ordinance 1962)
4 persons to be elected for 3 years
Mr Ross W Lamb
Mr Lachlan May
Mr David Sietsma
Mr Robert I Whitson
- 15. THE COUNCIL OF BARKER COLLEGE**
(The Barker College Ordinance 1978)
1 member of the clergy to be elected for 3 years
The Rev Kara L Gilbert
2 lay persons to be elected for 3 years
Ms Catherine M Crouch
Mr James L Grainger
- 16. BOARD OF ENQUIRY**
(Discipline Ordinance 2006)
1 member of the clergy to be elected for 3 years
Canon Phillip J Colgan
2 lay persons to be elected for 3 years
Mr Ian C Miller
Dr Laurie A Scandrett
- 17. COUNCIL FOR CONTINUING EDUCATION FOR MINISTERS**
(Continuing Education for Ministers Ordinance 1989)
1 clergyman, being an incumbent of an ecclesiastical unit, to be elected for 3 years
The Rev Gary O'Brien
1 clergyman, being an incumbent of an ecclesiastical unit, to be elected for 1 year
The Rev Antony G E Barraclough
1 lay person to be elected for 3 years
Mr Allan M Dodd
- 18. DIOCESAN REPRESENTATIVES ON COUNCIL OF CHURCHES IN NSW**
(Constitution of the Council)
17 persons to be elected for 3 years
The Rev Marshall S Ballantine-Jones
The Rev Gordon C M Boughton

The Rev Roger S Fitzhardinge
The Rev Dr Andrew L Ford
Mrs Lesley K Hicks
Miss Delma H Porter
The Rev Dr Margaret A Powell
The Rev Michael G Robinson
The Rev Michael G Turner
Mr Eric C Wallis

19. DEPARTMENT OF EVANGELISM AND NEW CHURCHES BOARD

(Department of Evangelism and New Churches Ordinance 2010)

1 member of the clergy to be elected for 3 years

The Rev Sarie M King

20. DIOCESAN TRIBUNAL

(Discipline Ordinance 2006)

5 members of the clergy, being clergy for not less than 10 years, to be elected for 3 years

The Rev Mark D Charleston
Archdeacon Ian W Cox
Archdeacon Narelle Jarrett
The Rev Richard A Lewers
The Rev Dr Mark D Thompson

5 lay persons to be elected for 3 years

Mr Tim Breakspear
Mrs Victoria Brigden
Miss Stephanie M Cole
Dr Cassandra Sharp
Mr Robert Tong

Members elected by the Synod to the Diocesan Tribunal must include at least 2 men, at least 2 women and at least 2 experienced lawyers.

21. GEORGES RIVER REGIONAL COUNCIL

(Regions Ordinance 1995)

7 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the Georges River Region

Bankstown

The Rev Dr Margaret A Powell
The Rev Raymond M P Vassallo

Canterbury

The Rev Steven Christoforidis

Liverpool

The Rev Manoj J Chacko
The Rev Peter R Lin

St George

The Rev James C H Lewis

Salt Pan Creek

The Rev Denis G Oliver

9 lay persons from the Region (at least 1 lay person from each Area Deanery) to be elected for 3 years by the regional electors of the Georges River Region

Bankstown

Mr Clive G Ellis
Mr Andrew Koulyras

Canterbury

Dr David G Power

Liverpool
Miss Norma E Esler
Mr Michael J Toull

St George
Ms Wei Hsien Heng

Salt Pan Creek
Mr Richard F Graves

22. THE COUNCIL OF THE ILLAWARRA GRAMMAR SCHOOL

(The Illawarra Grammar School Ordinance 1958)

1 clergyman to be elected for 4 years

The Rev Murray D E Wale

2 lay persons to be elected for 4 years

Mr Robert McIntosh
Ms Naomi M Spencer

23. THE COUNCIL OF THE KING'S SCHOOL

(The King's School Council Constitution Ordinance 1922)

2 clergymen to be elected as Governors for 6 years

The Rev Ken P Allen
The Rev Martin B Robinson

2 lay members of the Anglican Church of Australia to be elected as Governors for 6 years

Mrs Barbara E R Gordon
Mr Tony E D Mobbs

24. MACARTHUR ANGLICAN SCHOOL COUNCIL

(Macarthur Anglican School Ordinance 1982)

2 persons to be elected for 3 years

Mrs Annabel L Michie
Mrs Catherine A Rich

25. THE MISSION TO SEAFARERS, SYDNEY PORT COMMITTEE

(Synod Resolution 10/63)

5 persons to be elected for 3 years

The Rev Philip J Bradford
The Rev Bob C Cameron
The Rev Ernest C S Chau
Commodore Nicholas F Helyer
The Rev Andrew E C Nixon

26. MOORE THEOLOGICAL COLLEGE COUNCIL

(Moore Theological College Ordinance 2009)

2 members of the clergy, who are incumbents, to be elected for 3 years

Canon Stephen R Gibson
The Rev Jason L Ramsay

1 lay person to be elected for 3 years

Dr William J Hurditch

1 lay person to be elected for 1 year

Mr Robert Tong

27. NORTHERN REGIONAL COUNCIL

(Regions Ordinance 1995)

8 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the Northern Region

Gordon

The Rev Keith W Dalby

Hornsby

The Rev Ian A Millican

North Sydney

The Rev Peter M Tong

Ryde

The Rev Roger J Bray

Willoughby

The Rev Ernest C S Chau

The Rev Michael L Kellahan

10 lay persons from the Region (at least 1 lay person from each Area Deanery) to be elected for 3 years by the regional electors of the Northern Region

Gordon

Dr Robert Mackay

Mr James C Peet

Mr Stephen N Tong

Hornsby

Dr Andrew R Tong

Mr Ian J Steward

Ryde

Miss Stephanie M Cole

Willoughby

Mr Frederick J Chilton

Ms Jayne McNamara

28. PARISH RELATIONSHIPS ORDINANCE PANELS

(Parish Relationships Ordinance 2001)

Appeal Group

5 members of the clergy, who are or have been incumbents, to be elected for 3 years

The Rev Neil A Flower

The Rev Chris J Moroney

The Rev Stuart G E Smith

5 lay persons, who are or have been wardens for at least 2 years, to be elected for 3 years

Mr Frederick J Chilton

Mr Clive G Ellis

Mr Peter C Hayward

Mr Stephen W Hodgkinson

Miss Alicia J Watson

Licensing Review Group

6 persons, including at least 4 lay persons, to be elected for 3 years

Miss Stephanie M Cole

Mr Ian C Miller

Ms Naomi M Spencer

29. NOMINATION BOARD

(Nomination Ordinance 2006)

2 members of the clergy, being members of the Synod, to be elected for 3 years

The Rev Chris J Moroney
The Rev Philip J H Wheeler

2 lay persons, being members of the Synod, to be elected for 3 years

Mr John E Creelman
Mr Robert Tong

1 member of the clergy, being a member of the Synod, to be elected as an alternate for 3 years

The Rev Mark D Charleston

1 lay person, being a member of the Synod, to be elected as an alternate for 3 years

Dr Barry C Newman

30. DIOCESAN REPRESENTATIVES ON PROVINCIAL SYNOD

(Provincial Synod Representation Ordinance 1986)

12 members of the clergy to be elected for 3 years

The Rev Marshall S Ballantine-Jones
The Rev Scott M Blackwell
The Rev Dane H Courtney
The Rev Nigel E J Fortescue
The Rev Rajeev Gupta
Archdeacon Deryck K Howell
Bishop Ivan Y Lee
The Rev David Ould
The Rev Baden P Stace
The Rev Dr Mark D Thompson
The Rev Peter M Tong
The Rev Matthew A B Whitfield

12 lay persons to be elected for 3 years

Mr Brett W Hall
Dr Rodney K James
Mr Grant Millard
Mr Ian C Miller
Mr Glenn R Murray
Mr Mark A Payne
Dr Laurie A Scandrett
Dr Philip A Selden
Dr Karin N Sowada
Mr Robert Tong
Mr Robert J Wicks
Mr Justice Peter W Young

31. SOUTH SYDNEY REGIONAL COUNCIL

(Regional Ordinance 1995)

8 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the South Sydney Region

Leichhardt
The Rev Dominic Steele

Randwick
The Rev David J Rogers

Strathfield
The Rev Chris S Braga
The Rev Andrew P Katay

10 lay persons from the Region (at least 1 lay person from each Area Deanery) to be elected for 3 years by the regional electors of the South Sydney Region

Leichhardt

Mrs Christine Crump
Mr Gilbert van der Jagt

Randwick

Mr Kenneth C Breakspear

Strathfield

Mrs Elisabeth A Boyce
Dr Robert C Claxton

Sydney South

Mr Robert J Freeman
Mr Mark Wormell

32. 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 Richard A Lane

2 lay persons to be elected for 3 years

Mr Roger Z A Collison
Mrs Jacqui Guy

**33. 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 David Ould

2 lay persons to be elected for 3 years

Mr Michael D Jones

34. SYDNEY ANGLICAN SCHOOLS CORPORATION

(Sydney Anglican Schools Corporation Ordinance 1947)

8 persons to be elected for 3 years

Canon Donald G Anderson
The Rev John F Chappell
Mr Vanda R Gould
Mr Ron Hockey
Mrs Julie Pearson
The Rev Ian G Rienits
Mr Bill J Shields
Mr Tony J Willis

35. SYDNEY CHURCH OF ENGLAND GRAMMAR SCHOOL COUNCIL (SHORE)

(The Sydney Church of England Grammar School Constitution Consolidation and Amendment Ordinance 1923)

3 licensed clergymen, in presbyters orders, to be elected for 6 years

The Rev Matthew P Heazlewood
The Rev Michael L Kellahan
The Rev Stuart G E Smith

1 licensed clergyman, in presbyters order, to be elected for 3 years

The Rev Stuart J Holman

3 lay members of the Anglican Church of Australia to be elected for 6 years

Mrs Eve Bagnall
 Mr Roger Z A Collison
 Dr Ian C Hargreaves

1 lay member of the Anglican Church of Australia to be elected for 3 years

Mr Adrian J Blake

36. BOARD OF SYDNEY DIOCESAN SUPERANNUATION FUND

(Sydney Diocesan Superannuation Fund Ordinance 1961)

3 persons, as directors representing employers, to be elected for 6 years

Mr Paul M Larby
 Mr Mark A Robinson

3 persons, as directors representing employees, to be elected for 6 years

Mr Doug S Marr
 The Rev David Ould
 Mrs Juliet Wenden

37. COUNCIL OF TARA ANGLICAN SCHOOL FOR GIRLS

(Tara Anglican Girls' School Ordinance 1956)

2 members of the clergy to be elected for 3 years

The Rev Alan J M Lukabyo

2 lay persons to be elected for 3 years

Mrs Bronwyn Hubbard
 Mr Gavin Starr

1 lay person to be elected for 1 year

Mr David H Braga

38. COUNCIL OF TRINITY GRAMMAR SCHOOL

(Trinity Grammar School Constitution Ordinance 1928)

2 clergymen to be elected for 3 years

The Rev Christopher S Braga
 The Rev Hugh R J Scott

2 lay persons to be elected for 3 years

Dr Robert C Claxton
 Mr John C Rudd

1 lay person to be elected for 2 years

Mr Matthew R Bradfield

39. WESTERN SYDNEY REGIONAL COUNCIL

(Regions Ordinance 1995)

8 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the Western Sydney Region

The Penrith Valley
 The Rev Roger J Cunningham

10 lay persons from the Region (at least 1 lay person from each Area Deanery) to be elected for 3 years by the regional electors of the Western Sydney Region

The Blue Mountains
 Mrs Vicky A Brasington

The Hawkesbury
 Mr Ken Fairfax

The Hills
Mr Andrew Frank
Mr Ross W A Pendlebury

Parramatta
Mr Andrew J McLachlan
Mr Malcolm J Purvis

The Penrith Valley
Dr Rodney K James
Mrs Jean O Marlow

Prospect
Mr Allan R Dowthwaite
Mr Graeme B Tuckwell

40. 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 Nathan S Walter

1 lay person to be elected for 3 years

Mrs Bronwyn A Wake

41. WOLLONGONG REGIONAL COUNCIL

(Regions Ordinance 1995)

9 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the Wollongong Region

Camden
Canon Michael R Blake

Campbelltown
The Rev Stephen A Swanepoel

Shoalhaven
The Rev Neil A Percival
The Rev Anthony W Douglas

Southern Highlands
The Rev Stephen S Fifer

Wollongong
The Rev Robert J Copland

11 lay persons from the Region (at least 1 lay person from each Area Deanery) to be elected for 3 years by the regional electors of the Wollongong Region

Camden
Dr Stuart Quarmby

Campbelltown
Mr Ronald A Webb

Lake Illawarra
Mr Gregory W Holmes
Mr Geoff R S Kyngdon

Shoalhaven
Mr Andrew C Guile

Southern Hightlands
Mr Peter J Evans

Sutherland
Mrs Amanda Garlato

Wollongong
 Mr Paul W Burns
 Mr Glenn R Murray
 Mr Douglas R Philpott
 Mr Peter G Kell

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

PETER F JENSEN
 Archbishop of Sydney
 10 October 2011

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.

	Ballot Papers	Votes Recorded
1. STANDING COMMITTEE – Persons from the South Sydney Region elected by regional electors of the South Sydney Region		
(Standing Committee Ordinance 1897)		
Formal	105	
Informal	1	
Total	106	
<i>4 qualified lay persons to be elected for 3 years by the regional electors of the South Sydney Region</i>		
Mrs Elisabeth A Boyce		49
Mrs Gillian Davidson		58
Dr Karin N Sowada		78
Miss Jane M Tooher		66
<i>Not elected</i>		
Ms Lynette M Bannerman		33
Mr Robert J Freeman		39
Mr Gilbert J van der Jagt		13
2. DIOCESAN REPRESENTATIVES ON GENERAL SYNOD		
(General Synod Representation Ordinance 1986)		
Formal	509	
Informal	2	
Total	511	
<i>30 members of the clergy to be elected for 3 years</i>		
Canon Bruce A Ballantine-Jones		411
The Rev Scott M Blackwell		409
The Rev Dr Peter G Bolt		435
The Rev John F Chappell		395
The Rev Dane H Courtney		429
Bishop Glenn N Davies		471
Bishop Robert C Forsyth		473
The Rev Nigel E J Fortescue		437
The Rev Stephen R Gibson		417
The Rev Kara L Gilbert		420
Canon Sandy R Grant		445
The Rev Philip T Griffin		378
The Rev Rajeev Gupta		432
Bishop Peter L Hayward		444
Archdeacon Narelle Jarrett		440
Canon Warwick A de Jersey		422
The Rev Sarie M King		401

	Ballot Papers	Votes Recorded
Bishop Ivan Y Lee		453
The Rev Rick A Lewers		426
The Rev Peter R Lin		428
The Rev David Ould		396
The Rev Gavin E Parsons		403
The Rev Gavin M Poole		412
The Rev Craig W Roberts		420
The Rev Dr Michael R Stead		413
The Rev Allison E Street		416
The Rev Dr Mark D Thompson		431
The Rev Danielle E Treweek		396
The Rev Zac Veron		425
The Rev James C B Warren		390

Not elected

The Rev Philip J Bradford	194
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3. DIOCESAN REPRESENTATIVES ON GENERAL SYNOD

(General Synod Representation Ordinance 1986)

Formal	501
Informal	<u>9</u>
Total	510

30 lay persons to be elected for 3 years

Dr Marcia H Cameron	387
Mr Neil M Cameron	395
Mrs Gillian Davidson	375
Mrs Kathy Driver	337
Miss Deborah J Earnshaw	389
Mr Clive G Ellis	379
Miss Jenny S Flower	403
Miss Caitlin R Hurley	371
Mr Geoff R S Kyngdon	407
Mr Doug S Marr	401
Mr Michael K Meek	383
Mr Ian C Miller	401
Mr Glenn R Murray	366
Dr Barry C Newman	407
Mr Mark A Payne	431
Mr Malcolm J Purvis	377
Dr Laurie A Scandrett	421
Mr Luke Scandrett	366
Dr Philip A Selden	431
Ms Simone J Sietsma	371
Mrs Fiona E Smark	337
Dr Claire Smith	428
Dr Karin N Sowada	438
Mr Andrew R Tong	389
Mr Robert Tong	423
Mr Stephen N Tong	374
Miss Jane M Tooher	393
Mr Robert J Wicks	439
Miss Michele Willsmore	352
Mr Justice Peter W Young	444

Not elected

Ms Lynette M Bannerman	135
Mr Garth O Blake	188
Mr Kenneth C Breakspear	150
Mrs Susan E Hooke	150

	Ballot Papers	Votes Recorded
4. WESTERN SYDNEY REGIONAL COUNCIL		
(Regions Ordinance 1995)		
Formal	104	
Informal	4	
Total	108	
<i>4 ministers from the Region (at least 1 minister from each Area Deanery) to be elected for 3 years by the regional electors of the Western Sydney Region</i>		
<i>The Hills</i>		
The Rev Graeme C Howells		65
The Rev Neil R Macken		73
<i>Prospect</i>		
The Rev Michael G Robinson		75
Canon Mark H Williamson		70
<i>Not elected</i>		
The Rev Ruth E Mahaffey		57
The Rev Ian J Wood		55

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

PETER F JENSEN
Archbishop of Sydney

12 October 2011

Resolutions passed

1/11 Federal Government support of Anglican Aid

Synod welcomes the decision by the Federal Government and Foreign Affairs Minister, the Hon Kevin Rudd to match dollar for dollar the gifts of Australian people to famine relief in the most severe crisis to hit the Horn of Africa in 60 years.

And further that Synod expresses its thanks to the Federal Government through AUSAID for including The Archbishop of Sydney's Anglican Aid in the NGO's who are able to participate in the dollar matching programme for October and November.

(Dr Karin Sowada 10/10/11)

2/11 General Synod 2010 Legislation

Synod receives the report on General Synod 2010 Legislation and adopts the recommendations made in that report.

(Mr Neil Cameron 10/10/11)

3/11 Towards 2050

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."

(The Rev Andrew Katay 10/10/11)

4/11 Disability Sunday

Synod, mindful of Christ's clear call in Luke 14 that those who follow Him will be socially inclusive of the vulnerable and people with a disability, and in line with Synod Resolution 34/09 which commits the Diocese to advocate to Government on behalf of people with a disability, strongly supports the establishment of a National

Disability Insurance Scheme (NDIS) and calls on parishes to participate in Disability Sunday on October 30, 2011 as a way of encouraging social inclusion in church life of people with a disability and their carers.

Therefore Synod –

- (a) affirms Christ's teaching in Luke 14 that all believers should make every effort to care for and be socially inclusive of those who are vulnerable and have a disability;
- (b) supports the establishment of a NDIS as a key way to improve the wellbeing of people with a disability and their carers;
- (c) encourages churches to participate in Disability Sunday – to pray for people with a disability, their carers and government reforms that will improve their wellbeing, and to send letters of support for a NDIS to Government;
- (d) urges churches to ensure they are fostering an attitude of inclusion and care for people who have a disability and carers; and
- (e) calls parishes to proactively reach out to their communities in loving service to people with disabilities, noting that ANGLICARE can assist parishes to do this.

(Mr Grant Millard 10/10/11)

5/11 Threatened execution of Yousef Nadarkhani

This Synod –

- (i) requests that the Diocesan Secretary ask the Minister for Foreign Affairs and the Shadow Minister for Foreign Affairs to express publicly and privately to the Iranian Government, our nation's opposition to the imprisonment and threatened execution of the evangelical pastor: Yousef Nadarkhani;
- (ii) asks that clergy make this a matter of public prayer, especially praying for pastor Nadarkhani, his wife Fatemah, their sons Daniel and Joel, and their church as well as praying for all Christians in Iran, and
- (iii) calls upon the representatives of the media to bring the plight of this man who refuses to recant his conversion to Christ to the attention of our nation.

(Dean Phillip Jensen 10/10/11)

6/11 Eagle Vale: Reclassification as a Parish

Synod assents to the reclassification of Eagle Vale as a parish with effect from 1 January 2012.

(The Rev Craig Hooper 10/10/11)

7/11 English Bible Translation Options

This Synod notes –

- (i) that the 1984 edition of the NIV Bible translation has been the preferred 'pew Bible' in a majority of our churches, and
- (ii) the publisher's stated intention to withdraw from publication the 1984 edition of the NIV.

Synod therefore thanks God for several more recently published English versions (both revised and fresh translations) of the Bible and encourages their careful study by those Ministers and other church leaders who will need to make a decision about which option to select as their preferred Bible translation for the public reading and preaching of Scripture.

(Canon Sandy Grant 11/10/11)

8/11 Restorative justice

Synod requests that Standing Committee prepare a report for consideration at the Second Session of Synod –

- (i) 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,
- (ii) promoting recommendations for change if any, by bringing to Synod for consideration suggested amendments to existing ordinances.

(Mr Andrew Frank 11/10/11)

9/11 Anglican Communion Covenant

Synod, noting the report on the Anglican Communion Covenant provided in response to resolution 19/10 –

- (a) opposes the adoption of the Anglican Communion Covenant by the Anglican Church of Australia, and
- (b) adopts the report and requests that a suitable form of the report be sent to the Standing Committee of the General Synod.

(The Rev Dr Mark Thompson 11/10/11)

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

Synod welcomes the report of the Archbishop's Strategic Commission on Structure, Funding and Governance together with the responses thereto of the GAB/SDS, the ACPT and 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 ACPT 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.

(Mr Peter Kell 11/10/11)

11/11 Priscilla and Aquila Centre

Synod –

- (a) welcomes the establishment of the Priscilla and Aquila Centre, an initiative of Moore College promoting the ministry of men and women in partnership,
- (b) encourages Ms Jane Tooher, Centre Director, to continue publishing resources and arranging conferences to help the Diocese explore and understand such ministry,
- (c) assures those involved of its continued prayerful support, and
- (d) gives thanks to God for the godly vision, stewardship and ministry of the deaconesses which saw the purchase and establishment of Deaconess House at 28 Carillon Avenue in 1916, for how their ministry and foresight secured facilities thus enabling the training of women in gospel work, and have now provided the foundation for the creation and development of the Priscilla and Aquila Centre and the continued ministry to women at Moore Theological College.

(The Rev Nigel Fortescue 12/10/11)

12/11 New Perspectives on Anglican Education

Synod –

- (a) thanks the Archbishop for establishing an Education Think Tank subsequent to his Presidential Address to Synod in 2009
- (b) acknowledges with gratitude the deliberations of the Think Tank over the past eighteen months
- (c) welcomes the imminent publication of the first instalment of its work: '*New Perspectives on Anglican Education*' and
- (d) expresses its hope that this and subsequent publications will contribute to robust discussion and increased awareness of the distinctives of Anglican education which we pray will continue to shape and strengthen Anglican schools within and beyond the Diocese.

(Dr Bryan Cowling 12/10/11)

13/11 Supply of Christian Teachers

Synod gives thanks to God for the ministry of Ian Keast (Director of the Christians in Teaching Project) and the Anglican Education Commission for its valiant efforts in recruiting committed Christians into teaching and acknowledges the challenge to find 4,000 Christians to replace those expected to retire over the next few years and urges all Anglican schools and parishes to pray for and support by taking concrete action the achievement of this goal.

(Mr Hans Norved 12/10/11)

14/11 Humanity and rights of unborn children

In light of the San Jose Articles, launched on 6 October 2011 at the United Nations, which defend the humanity and rights of unborn children and clarify that access to abortion is not a right under international instruments, this Synod –

- (a) affirms that all human life is a gift from God, and, irrespective of race, gender, ability, and socio-economic circumstances, is created in his image, with inherent dignity and value, and accordingly, that ending the life of an unborn child is to be avoided unless the mother's own life is genuinely at risk; and
- (b) declares that the gospel of Jesus Christ offers complete forgiveness, healing and hope to all those who have knowingly ended the life of an unborn child; and
- (c) thanks God for the efforts of those responsible for the San Jose Articles, in their attempts to defend the rights of unborn children; and
- (d) asks the Diocesan Secretary to write to all federal and state members of Parliament informing them of this motion, and commending the San Jose Articles.

(Dr Claire Smith 12/10/11)

15/11 Harbour Church

Synod acknowledges the far reaching significance of Policy 2 of the Diocesan Mission and therefore welcomes to our fellowship the new Recognised Church of Harbour Church, Shellharbour with its first rector the Rev Rob Sharp and Synod representatives.

In welcoming this new parish without property, Synod gives thanks to God –

- (a) for the missionary outreach initiative of the parish of Shellharbour City Centre to plant a new congregation in 2007 into Shellharbour Anglican College, along with their sacrificial concern to nurture and grow that congregational plant until it would stand alone as a separate church within our Diocese;
- (b) for the courage and conviction of the lay planting team originally led by the Rev Mal York who stepped up to the mark, counted the cost and moved their families to plant a new congregation, in a new place, for the sake of the lost;
- (c) for the provision in 2010 of the Rev Rob Sharp and his family to take charge of the congregational plant and skillfully grow it into an evangelistic force in the Shellharbour Anglican College and in the local community along with the growth of the Harbour Church community and their strong partnership in the gospel;
- (d) for the external financial partners who generously contributed resources in partnership with Shellharbour City Centre and for the generosity of the Anglican Schools Corporation, through Shellharbour Anglican College with its head Tony Cummings and School Council, for their mission mindedness in placing the resources of the College at the ongoing disposal of Harbour Church;
- (e) for the global financial crisis which resulted in the government stimulus plan, whereby a new multi purpose hall was built at the college in 2010. This has given an enormous boost to Harbour Church which is now free to grow and fill that hall with more than 500 believers and their children to the glory and praise of God.

(The Rev Michael Williamson 12/10/11)

16/11 REAP Journals

Synod –

- (a) congratulates the Rev John Gray and Youthworks upon the development of the REAP journals,
- (b) commends their use by all Anglicans, and
- (c) agrees with the Archbishop's endorsement –

'Let's get back to basics! Daily, disciplined study of God's word personally, and in families, is indispensable for Christian knowledge and obedience. With the REAP journals, Youthworks has given us a great tool to help achieve this.'

(The Rev Rick Lewers 12/10/11)

17/11 Funding Principles and Priorities

Synod –

- (a) notes the draft Statement of Funding Principles and Priorities, and
- (b) requests Standing Committee 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 the expenditure and a review of the reserves currently held by that body, and

- (c) requests that Synod members provide comments about the draft Statement to the Diocesan Secretary by 1 March 2012 with a view to the Statement being finalised by the Mission Board and the Standing Committee 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.

(Bishop Peter Hayward 12/10/11)

18/11 Gambling in Australia

This Synod again notes the Productivity Commission's report into gambling which reports that –

- (i) there are between 80,000 – 160,000 problem gamblers in Australia, with another 230,000 – 350,000 vulnerable to problem gambling;
- (ii) poker machine users are disproportionately represented among the ranks of Australia's problem gamblers;
- (iii) 41% of the \$11.9 billion that Australians lose annually on poker machines comes from problem gamblers.

Therefore Synod again endorses efforts being proposed in Australia's Federal Parliament to reduce the impact and incidence of problem gambling, for example, by the introduction of a compulsory pre-commitment system for poker machine use.

In addition, Synod calls on the NSW Government to reduce its reliance on taxation on gambling.

Synod encourages ministers, synod representatives and other church members to continue to write to their parliamentary representatives in support of such harm minimisation measures and commends to Synod members and ministers the Social Issues Executive Briefings 33 and 91 (available on-line) for sound biblical arguments for why gambling is both wrong for Christian believers and damaging to our community.

(Canon Sandy Grant 17/10/11)

19/11 Indefinite term of membership on diocesan bodies

Synod asks Standing Committee 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.

(Mr Doug Marr 17/10/11)

20/11 Publication of Synod proceedings in electronic form

Synod asks Standing Committee to consider, and if feasible, to publish this year's Synod proceedings in electronic form.

(Mr Robert Tong 17/10/11)

21/11 Prayers and support for St John's Vancouver and others

Synod requests that the following message be sent to the following four churches in Vancouver, British Columbia Canada: St. John's Vancouver (comprising the congregations formerly known as St John's Shaughnessy); Good Shepherd, Vancouver; St. Matthias & St. Luke's Vancouver; and St. Matthews, Abbotsford –

"The Synod of the Anglican Diocese of Sydney wish to extend our prayers and support to you in this time of transition and change. We praise God for your commitment to upholding Scripture and your willingness to contend and suffer for the faith. You have been a great example in grace, wisdom and humility to Bible-believing Christians, both here in Australia, and around the world. We pray the Lord's richest blessings on your fellowship as you continue to proclaim, rejoice and grow in the gospel of our Lord Jesus Christ, and that the grace of God will ring out from you in the great city of Vancouver, to the glory of God."

(The Rev Nigel Parker 17/10/11)

22/11 Parish contribution to the Work Outside the Diocese fund

In an effort to maintain using 5% of the allocations for the Work Outside the Diocese fund, Synod requests Standing Committee to consider asking each parish to pay \$172 voluntary contribution toward the Work Outside the Diocese fund when they pay their first PCR instalment for 2012.

(The Rev Gavin Poole 17/10/11)

23/11 Dr Patricia Brennan

Synod gives thanks to God for the life and work of Dr Patricia Brennan AM; medical missionary, advocate for women's ordination, commentator, breast cancer and forensic physician, sexual assault councillor and member of this Synod.

(Professor Bernard Stewart 17/10/11)

24/11 The Venerable Narelle Jarrett

Synod gives thanks to God for the ministry of the Venerable Narelle Jarrett, who retires from the Synod at the end of this year, and in particular –

- (a) her encouragement and support of women in ministry in the Diocese for over forty years;
- (b) her faithful ministry as Archdeacon of Women's Ministry from 2002; and
- (c) her outstanding leadership as Principal of Mary Andrews College from 1985-2007 (previously known as Deaconess House until 1997);
- (d) her initiatives in providing training for laywomen in Bible knowledge and ministry skills throughout the Diocese; and
- (e) her inspiration to both men and women as a godly and humble servant of Christ.

Synod expresses its gratitude to Narelle and wishes her God's blessing upon her future life and ministry.

(Bishop Glenn Davies 17/10/11)

25/11 Mr Steve McKerihan

Synod learns with sadness of the death of Steve McKerihan, former CEO of the Sydney Diocesan Secretariat and the Glebe Administration Board. It places on record its deep appreciation of the dedicated and expert contribution he made to the work of the SDS, the GAB and the Diocese as a whole, especially in the events surrounding the recent financial crisis.

We recall with gratitude his deep commitment to Jesus Christ, demonstrated by a life of humble and dedicated service to his family and friends, his local church and in recent years, to our churches.

Synod extends its deep sympathy to his wife, Margaret and their family at their loss and prays that they will be comforted by the promise of eternal life for all who believe in Christ, the sure and certain hope of the resurrection of the dead and the joyful reunion in his presence of all who believe.

(Canon Bruce Ballantine-Jones 17/10/11)

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

This Synod commends the work of Anglican Aid, particularly ORAF (the Archbishop's Overseas Relief and Aid Fund) in seeking to reduce extreme poverty by supporting development projects particularly in and through Anglican congregations in third world countries.

The Synod requests that Diocesan Education Policy recognises that a Christian approach to education will foster 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.

(Associate Professor Alan Watson 17/10/11)

27/11 Kirribilli: Reclassification as a Parish

Synod assents to the reclassification of Kirribilli as a parish with effect from 1 January 2012.

(The Rev Paul Dale 17/10/11)

28/11 General Synod assessments and consultation

Synod, noting the report on 12/10 General Synod Assessments and Consultation with the General Synod Standing Committee –

- (a) in light of –
 - (i) page 4-084 of Book 4 – General Synod Standing Committee Financial Report, The Fifteenth General Synod, 2010, that records –

- the General Synod forecast surplus from its business activities in 2012 is \$143,360,
 - the General Synod forecast revenue that leads to that surplus is \$522,000, being \$294,000 from the Long Service Leave Fund and \$228,000 from Telstra Commissions, and
- (ii) the contribution that will be made to that surplus by –
- Sydney diocesan clergy, who make up approximately 33% of the active membership of the Long Service Leave Fund, and
 - the hundreds of Sydney parishes and parishioners and the dozens of Sydney diocesan schools, or organisations and associated individuals who are contracted to Telstra via the Telstra Anglican Plan,
- requests that the General Synod Standing Committee –
- grants relief to Sydney's 2011 general assessment charge proportionate to Sydney's contribution to the surplus from the General Synod's business activities, and
 - sets future budgets for the general assessment aware of Sydney's contribution to the surplus from the General Synod's business activities, and
- (b) supports the adoption of the following principles in respect of the finances of the General Synod –
- (i) 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,
 - (ii) no surpluses should be accumulated in the Special Fund in the future,
 - (iii) income from the General Synod reserve should be used to fund the General Secretary's office,
 - (iv) royalties should be paid from the sale of liturgical resources back to the General Synod reserve, and
- (c) notes that 3 bills for canons promoted by representatives of this Diocese at the last session of the General Synod with the support of the Standing Committee, namely –
- (i) the bill to amend section 30 of the Constitution so as to make a declaration by the synod of a diocese that a canon affects the order and good government of the church within a diocese or the church trust property of the diocese conclusive, and
 - (ii) the bill to amend section 32(2) of the Constitution so as to ensure a financial liability imposed on a diocese is limited to the costs, charges and expenses necessary to maintain the Constitution, and
 - (iii) the bill to amend section 63 of the Constitution so as to bring to an end the advisory opinion jurisdiction of the Appellate Tribunal,
- were not debated or considered by the General Synod, and
- (iv) records its view that these amendments are critical to the maintenance of harmonious relationships within the Anglican Church of Australia, and
 - (v) requests the Diocesan Secretary to pass these views on to the Standing Committee of the General Synod and to the National Unity Task Force established by that body, and
 - (vi) further requests 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.

(Mr Neil Cameron 17/10/11)

29/11 Efficiency and transparency of Synod election process

Synod asks the Standing Committee 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.

(Mr Doug Marr 18/10/11)

30/11 International Chinese Christian School

Synod –

- (a) notes the proposed commencement of the International Chinese Christian School (ICCS) in January 2012,
- (b) gives thanks to God for this gospel initiative,
- (c) prays that God will use ICCS for the evangelisation of Sydney and equipping of Christians for ministry to the Chinese in Sydney and around the world, and
- (d) encourages parishes and Diocesan organisations to pray for and otherwise support ICCS.

(The Rev Brian Tung 18/10/11)

31/11 Sir Marcus Loane

On the 100th anniversary of his birth, Synod thanks God for the life and ministry of Sir Marcus Loane; Moore College Principal (1953-1966), Australian Army Chaplain (Kokoda Track, 1942-1945) the first Australian born Archbishop of Sydney (1966-1982) and Primate of Australia (1978).

We thank God for Sir Marcus' contribution to the evangelical identity of our Diocese. He served us by providing a model of godly leadership and leaving a legacy of published works. In particular those biographical books bringing to life heroes of the faith will ensure that our evangelical heritage is not easily lost.

With fondness we remember the clarity of his preaching, the strength of his convictions, the warmth of his pastoral care and his faithfulness in prayer.

In passing this motion, Synod thanks God for Lady Loane and her partnership in Sir Marcus' ministry. We send her greetings, love and God's comfort.

(Canon Rick Smith 18/10/11)

32/11 Deaconess Margaret Rodgers

Synod gives thanks to God for the ministry of Deaconess Margaret Rodgers, who retired from Synod last year, and in particular –

- (a) her distinguished presence on the floor of Synod for over thirty years;
- (b) her longstanding membership of Standing Committee (since 1982);
- (c) her service to the General Synod as a diocesan representative since 1979, serving on both its Standing Committee and international committees, including her time as General Synod Research Officer (1985-1993);
- (d) her commitment to the training of women in ministry through Deaconess House, as Tutor, Vice-Principal and finally Principal from 1976-1985;
- (e) her professional expertise in media relations, becoming the first CEO of Anglican Media (1994-2003) and then the Archbishop's Media Officer (2004-07); and
- (f) her unwavering commitment to Christ in the service of others for over forty years as a Deaconess.

Synod expresses its gratitude to Margaret and wishes her God's blessing upon her future life and ministry.

(Dr Karin Sowada 18/10/11)

33/11 Unfilled vacancies on regional councils

Synod, pursuant to clause 7.2(4)(b) of the Schedule to the Synod Elections Ordinance 2000, determines that any vacancy in the office of member of a regional council which is not filled at or during the first ordinary session of Synod may be filled by resolution of the regional council as if the vacancy were a casual vacancy occurring under clause 5(1) of the Regions Ordinance 1995.

(Mr Robert Wicks 18/10/11)

34/11 Wollondilly: Reclassification as a Parish

Synod assents to the reclassification of Wollondilly as a parish with effect from 1 January 2012.

(The Rev Kevin Flanagan 18/10/11)

35/11 Malabar: Reclassification as a Parish

Synod assents to the reclassification of Malabar as a parish with effect from 1 January 2012.

(Mr Greg Bergan 18/10/11)

36/11 Common Prayer: Resources for Gospel-Shaped Gatherings

Synod –

- (a) receives Common Prayer: Resources for Gospel-Shaped Gatherings development version, and
- (b) commends its use and study by the parishes of the Diocese during the next year, and
- (c) requests that comments and suggestions be made to the Archbishop's Liturgical Panel, if possible by March 31st, and at the latest by June 30th 2012, and

- (d) notes that services can be downloaded and feedback given at www.commonprayer.org.au, and
- (e) requests 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 appendix of services recognised under the Authorised Services Ordinance.

(Bishop Robert Forsyth 18/10/11)

37/11 Legal definition of marriage

In light of recent continued debate, this Synod again urges the Federal Parliament to retain the current definition of marriage at law, namely as 'the union of a man and a woman to the exclusion of all others, voluntarily entered into for life', in the Marriage Act. This definition not only reflects biblical teaching, but widespread and longstanding practice which has served the good of human societies independent of religious affiliation.

And Synod encourages ministers, Synod representatives, and other church members to write to their parliamentary representatives affirming the current legislative definition for marriage.

(Canon Sandy Grant/Mr Lachlan Bryant)

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.

(The Rev Joseph Wiltshire 18/10/11)

Ordinances considered

Ordinances passed and assented to

Archbishop of Sydney (Solemn Promises) Amendment Ordinance 2011
General Synod - Constitution Amendment (Chapter V) Canon 2010 Assenting Ordinance 2011
General Synod - Special Tribunal Canon 2007 Amendment (No 2) Canon 2010 Adopting Ordinance 2011
Parochial Cost Recoveries Ordinance 2009 Amendment Ordinance 2011
Provincial Synod Constitution Amendment Ordinance 2011 Assenting Ordinance 2011
Relinquishment of Holy Orders (Exclusion and Reinstatement) Ordinance 2011
St John's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011
St Michael's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011
Solemnisation of Marriage Ordinance 2011
Solemn Promises Ordinance 2011

Ordinances passed but not assented to

Authorised Services Ordinance 2011
Parish Relationships Amendment Ordinance 2011

2011 Report of the Standing Committee

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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, and
- (b) acting as a council of advice to the Archbishop (the "Archbishop-in-Council"), and
- (c) considering and reporting upon matters referred to it by the Synod and carrying out the Synod's resolutions, and
- (d) deliberating and conferring upon all matters affecting the interests of the Church, and
- (e) making ordinances under delegated powers, and
- (f) preparing and administering parochial cost recoveries and Synod appropriations and allocations, and
- (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 Q 190, QVB Post Office NSW 1230" (telephone (02) 9265 1555; fax (02) 9261 4485; email 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.

1.3 Meetings and members

Since October 2010 we have met 10 times. The names of the members will be listed in the 2011 Diocesan Year Book and on the Secretariat's website at www.sds.asn.au.

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

- Mr Mark Payne became a member *ex-officio* upon his appointment as CEO of the Sydney Diocesan Secretariat and Glebe Administration Board.
- A vacancy arose in the position of a lay person elected by the whole Synod upon the resignation of Mrs Nicky Fortescue. The Standing Committee elected Ms Simone Sietsma to fill the vacancy.
- A vacancy arose in the position of a lay person elected by the Georges River Region upon the resignation of Mr James Jack. The Georges River Region elected Mr Stephen Mitchell to fill the vacancy.
- Mr Peter Kell ceased being a member *ex-officio* upon his retirement as CEO of Anglicare. Mr Grant Millard became a member *ex-officio* upon his appointment as the new CEO of Anglicare.
- A vacancy arose in the position of a lay person elected by the Wollongong Region upon the resignation of Mr Peter White. The Wollongong Region elected Mr Peter Kell 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

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 Appointment of Mr Mark Payne as CEO

We congratulated Mr Mark Payne on his appointment as CEO of the Sydney Diocesan Secretariat and Glebe Administration Board and extended our prayers and best wishes to Mark as he commenced in this role.

1.6 Special session of the Synod in 2013 to elect the next Archbishop of Sydney

Under the Archbishop of Sydney Election Ordinance 1982, a meeting of the Synod summoned to fill a vacancy in the office of Archbishop of Sydney when the date of the vacancy is known in advance shall be held within the period of not less than 3 weeks and not more than 6 weeks after the occurrence of the vacancy.

The current Archbishop of Sydney, Dr Peter Jensen, reaches his retirement age on 11 July 2013. In the expectation that this will be the date on which a vacancy in the office of the Archbishop arises, the Wesley Theatre in Pitt Street has been booked for 5 days commencing in the fourth week after the occurrence of the vacancy.

Dates for the Election Synod have therefore been set for 5, 6, 7, 8 and 9 August 2013.

1.7 Access to Standing Committee minutes for Synod Members

A report about this matter is printed separately.

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 continues to direct much of the work we have undertaken during the year.

2.2 Mission Areas

Under the Synod Appropriations and Allocations Ordinance 2010 an amount of \$2,000,000 was allocated for support and assistance for Mission Areas. We confirmed that during 2011 quarterly payments of \$2,500 should be made to each of the 18 parishes whose senior minister had been appointed as a Mission Area Leader in recognition of the work they undertake.

We approved a change of name of the Connect09 Fund to the Mission Areas Fund. We also asked for an ordinance to be prepared to –

- (a) transfer the unspent portion of allocations to Mission Areas in 2010 to the new Mission Areas Fund, and
- (b) vary the trusts of the Fund to enable the existing balance in the Fund to be used for the purposes of Mission Areas.

2.3 Mission Property Fund

We received quarterly reports from the Mission Property Committee concerning progress in implementing the prioritised "greenfield" and "brownfield" projects that received funding from the Mission Property Fund.

We agreed to the Mission Property Committee making a 15 minute presentation to the Synod about these projects.

A report about this matter is printed separately.

2.4 Funding principles and priorities

We amended the Synod Estimates Ordinance 1998 by replacing the references to "Strategic Plan" with "statement of funding principles and priorities" as the document used to guide triennial Synod funding.

We made this change because of the impracticality of preparing a Strategic Plan for the whole Diocese and because a statement of funding principles and priorities is the most tangible way for the Synod to express the activities which it believes have strategic importance for the Diocese.

We circulated to Synod members an exposure draft of a statement of funding principles and priorities for the next triennium 2013-2015 for the purposes of pre-Synod briefings. We subsequently agreed to a revised draft of the

statement being printed for the Synod and requested that a motion be moved at Synod to enable members to provide comment on the revised draft.

The revised draft of the statement of funding principles and priorities is printed separately.

2.5 Minutes of the Mission Board

We agreed that members of the Standing Committee may have access to all Mission Board minutes and any attachments referred to in those minutes except for attachments which the Archbishop has identified as confidential –

- (a) by reason of commercial or pastoral sensitivity, or
- (b) because they are working or discussion papers of the Mission Board.

3. Actions with the Archbishop

3.1 Archbishop's Strategic Commission on Structure, Funding and Governance

We received the final report of the Archbishop's Strategic Commission on Structure, Funding and Governance. The report is printed separately.

See item 8.9.

3.2 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.

3.3 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. A distribution of \$3,039 was made in December 2010 and a further distribution of \$9,044 made in September 2011 to reimburse the Endowment of the See for the costs for 3 Sydney Bishops to attend the March 2010 Australian Bishops' Conference held in Perth and for 5 Sydney Bishops to attend the March 2011 Australian Bishops' Conference held in Newcastle.

3.4 Extension of retirement age of Archdeacon Ian Cox

Acting with the Archbishop, we extended the retirement age of Archdeacon Ian Cox until his 70th birthday on 14 April 2013 under clause 5(1)(b) of the Retirements Ordinance 1993.

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 two organisations, Anglicare and Anglican Retirement Villages, 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.

We agreed that a copy of the annual report and annual audited financial statements of each diocesan organisation should be made available for a reasonable fee to any member of the Synod on request made to the Diocesan Secretary. However copies would only be made available after review by the Finance Committee and on condition that the member of Synod agrees to treat all such information as confidential unless the relevant diocesan organisation has itself made the information publicly available.

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 reformatted to provide more useful information about the performance and financial status of each fund. Additionally, the auditors reported according to an agreed review of procedures instead of an audit.

These reports are printed separately.

4.3 Borrowing limits for organisations

In April the borrowing limit for one organisation was extended until the annual audited financial statements were available.

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 \$186,000 were paid in 2010 (\$222,000 in 2009).

4.5 Ordinances

The following table shows the number of ordinances passed and assented to in 2005 to 2010 and in 2011 to 21 September.

	2005	2006	2007	2008	2009	2010	2011
Standing Committee	50	48	45	38	27	36	31
Synod	8	5	3	6	13	4	0
	58	53	48	44	40	40	31

A separate report lists the ordinances passed by us since the 2010 session of the Synod. There are 14 ordinances of particular interest.

The Parish Cost Recoveries (Return of Capital) Ordinance 2010 authorised the repayment of \$1 million of seed capital from the Parish Cost Recoveries Fund to the Diocesan Endowment as an addition to the capital of that fund.

The Cathedral Ordinance 1969 Amendment Ordinance 2010 gave the Council of St Andrew's Cathedral School power to operate schools other than St Andrew's Cathedral School and made changes to the governance of the Council which reflected the Diocesan Education Policy.

The Endowment of the See (Funding) Ordinance 2010 made provision for an assessment on parochial units in 2011 for the purposes of contributing to the financial needs of the Endowment of the See during 2011.

The St Andrew's House Income Ordinance 2011 re-declared the trusts of the land on which the building known as St Andrew's House is situated and revised the provisions for the distribution of the income from the land in order to ensure that those distributions are financially sustainable.

The Sydney Diocesan Educational and Book Committee Variation of Trusts and Repeal Ordinance 2011 varied the trusts of certain funds held under the Sydney Diocesan Educational and Book Committee Ordinance 1986 to enable the distribution of those funds to Moore Theological College and Anglican Youthworks in equal shares and to repeal that ordinance upon the distribution of the funds.

The St James' Sydney Phillip Street Property Amendment Ordinance 2011 provided for the distribution of net income from the building known as St James' Hall during the years 2010 to 2014 inclusive with 80% of such income being paid to the wardens of the parish and 20% being paid to the Synod for the purposes of the Diocese.

The Synod Appropriations and Allocations Amendment Ordinance 2011 enabled disbursements incurred on behalf of the Synod and Standing Committee up to \$76,000 per annum to be paid directly from funds held for the Synod.

The Diocesan Endowment (Special Distribution) Amendment Ordinance 2011 provided for the payment of \$3.642 million by the Glebe Administration Board to the Standing Committee from property held under the Diocesan Endowment Ordinance 1984 for spending by the Synod in 2012.

The Synod (National Church Life Survey) Special Application Ordinance 2011 authorised an amount of up to \$100,000 to be paid from the Synod Fund for the purposes of the 2011 NCLS survey.

The Synod Appropriation and Allocations Ordinance 2011 provided for Synod appropriations and allocations in 2012. A report about this matter is printed separately.

The Sydney Estimates Ordinance 1998 Amendment Ordinance 2011 provided for a statement of funding principles and priorities to be provided to the 1st session of the Synod to guide triennial Synod funding rather than a Strategic Plan.

The Cost Recoveries (Parochial Network) Amendment Ordinance 2011 updated the terminology used to describe the costs recovered under the variable component of the parochial cost recoveries charge from "property costs" to "parochial network costs".

The Synod Funds (Variation of Trusts) Ordinance 2011 authorised the repayment of the balance of seed capital, being \$300,000, from the Parish Cost Recoveries Fund to the Diocesan Endowment and the payment of the balance in the Social Issues Executive Fund to Moore Theological College for the purposes of the Social Issues Executive.

The Auditing Amendment Ordinance 2011 provided for a review and report by an independent assurance practitioner instead of an "audit" of financial statements prepared by wardens and special purpose financial statements prepared for diocesan organisations.

4.6 Parochial cost recoveries - arrears

As at 30 June 2011, there were no arrears of cost recovery charges for any parochial unit.

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 2011, 100 parochial units (37%) had not lodged a set of prescribed financial statements. By 11 August this had improved so that only 2 parochial units (0.7%) 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 Glenquarie and the parish of Concord and Burwood had local revenues below the requisite amount in 2010. The parishes have been advised of the importance of ensuring their 2011 and future revenues meet the relevant threshold figures in order to retain their parish status.

4.9 Methodology for making distributions from the Diocesan Endowment

We received a report from the Glebe Administration Board which recommended a methodology for determining distributions from the Diocesan Endowment which has regard to 3 distinct revenue sources, namely –

- investments which are managed externally
- revenue from banking activity
- the interest in the St Andrew's House trust

Based on this methodology the Glebe Administration Board recommended that the total amount to be distributed in 2011 for spending by the Synod in 2012 should be \$3.642 million. We subsequently passed the Diocesan Endowment (Special Distribution) Amendment Ordinance 2011 to give effect to this recommendation.

We also requested that an ordinance be promoted early in 2012 to replace the current formula in the Diocesan Endowment Ordinance 1984 with a formula which reflects the new methodology.

4.10 Synod Appropriations and Allocations for 2012

Under clause 5(6) of the Synod Appropriations and Allocations Ordinance 2009 we are required to report to the 2011 session of the Synod about the appropriations and allocations for 2012.

A report about this matter is printed separately.

4.11 Parochial cost recoveries for 2012

Under clause 3(2) of the Parochial Cost Recoveries Ordinance 2009 we are required to report to the 2011 session of the Synod about the cost recoveries charge for 2012. However in view of the proposed inclusion of a number of new items in the variable component for the cost recoveries charge for 2012, we requested that a bill for the parish cost recoveries charge in 2012 be prepared for promotion to and consideration by the Synod.

A bill and explanatory statement for this purpose are printed separately.

4.12 Funding principles and priorities for triennium 2013-2015

See item 2.4.

4.13 Stipends, allowances and benefits for 2012

A report on stipends, allowances and benefits for 2012 is printed separately.

4.14 Work Outside the Diocese

In the 6 months to 30 June 2011, the Work Outside the Diocese Committee had applied \$215,278 from a total Synod allocation in 2011 of \$288,000. It is expected that the balance of the 2011 allocation together with further amounts from reserves will be applied during the 6 months to 31 December 2011.

4.15 Allocation of Synod funds to regional councils

Under the Synod Appropriations and Allocations Ordinance 2010 an amount of \$600,000 was provided as a general allocation to regional councils for 2011, including for the support of ethnic and cross cultural ministry and administration support. With the agreement of the 5 Regional Bishops and regional councils, we allocated this amount as follows –

Georges River Regional Council	\$85,000
Northern Regional Council	\$195,000
South Sydney Regional Council	\$125,000
Western Sydney Regional Council	\$195,000

Wollongong Regional Council	\$0
Total	<u>\$600,000</u>

4.16 Greenoaks Apartments

By clause 9 of the Bishopscourt Back Block Development and Land Sale Ordinance 2004, 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.

Eight of the apartments have been sold. One apartment is the residence of the Bishop of South Sydney. The remaining apartment is currently on the market for sale.

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 Bishopscourt. Although the final balance of the sale of the apartments is not yet known, the major roof repair and renovation project undertaken at Bishopscourt in 2009 will be taken into account in determining the appropriate sum.

4.17 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 been actively pursuing camping and conferencing centre options north of Sydney, although has not yet been successful in acquiring another conference site. Youthworks is not in a rush to secure another property and remains particular about the requirements for a suitable property.

4.18 Services provided by the Sydney Diocesan Secretariat

During the year we approved a service level standards document for services provided by the Secretariat to the Synod and the Standing Committee. In relation to the costs incurred by the Secretariat in providing such services, we –

- (a) endorsed the principle that the Secretariat should recover from each diocesan organisation it serves, including the Synod and the Standing Committee but excluding parishes, the cost of serving that organisation, and
- (b) noted that the costs of the services set out in the service level standards document for the provision of services to the Synod, the Standing Committee and their subcommittees exceeds the amount of the grant to be made to the Secretariat in 2011, and that the Secretariat proposes further discussions with us about the action which can be taken to enable the Secretariat to recover the costs of the services it provides.

We are reviewing the services provided by the Secretariat under the service level standards document and any changes that should be made to the document for services provided in 2012.

4.19 Synod disbursements

We agreed that from 2011, disbursements of up to \$76,000 per annum incurred on behalf of the Synod and the Standing Committee be paid directly from the Synod fund, on the basis the Finance Committee maintains an appropriate oversight as to the nature and quantum of such disbursements.

4.20 Diocesan financial policies

At our request, the Glebe Administration Board provided us with a paper to facilitate policy discussions on the following matters –

- raising additional capital to expand the size of the Diocesan Endowment
- investment of equity investments in index funds rather than actively managed funds
- the parameters of the Diocesan ethical investment policy

We intend to consider these matters after reviewing the report of the Archbishop’s Strategic Commission.

4.21 Estate of the Late Thomas Moore

Until December 2010, the Trustees in the Estate of the Late Thomas Moore were required to distribute the net income earned each year on the investment of the corpus of the Estate in four equal parts. One part of the income was to be distributed to the Sydney Diocesan Educational and Book Committee, the second part applied to the support of Anglican clergy in the Province, the third part applied to support clergy widows in the Province

and the fourth part applied to support needy members of the Church in the Province. The net income in respect of the second, third and fourth parts was distributed between the dioceses in the Province in proportion to their General Synod representation.

In recent years, the Trustees had become concerned about the high on-going administrative costs of the Estate in comparison to the returns being received. After due consideration, the Trustees determined that the charitable purposes of the Estate would be most effectively fulfilled if the capital of the Estate was distributed in the same manner and proportions as the net income.

On 8 March 2010, the Trustees made an application to the Attorney General under section 12 of the Charitable Trust Act 1993 for a *cy pres* scheme to enable the capital of the Estate to be distributed in this manner. The scheme came into effect on 24 December 2010. The Trustees of the Estate subsequently authorised the final distribution of capital and accumulated income in the amount of \$1 922,419 in accordance with the scheme. Following this final distribution, the property of the Estate was exhausted and its trusts terminated.

As a consequence of the termination of the trusts, the persons previously holding office as Trustee under the Will also ceased to hold office *ex officio* as members of the Moore Theological College Council.

We noted with appreciation the following resolution passed by the Trustees of the Estate of the Late Thomas Moore at their final meeting on 9 December 2010 –

“With thanksgiving to Almighty God for His manifest blessings through the munificent bequest of Thomas Moore, blessings much further multiplied over the 170 years since his death, the present Trustees of Thomas Moore’s Estate, aware that the corpus is rapidly diminishing in real value, hereby lay aside our responsibilities, confident that all reasonable efforts have been made to discharge our obligations and to discover whether there remain any further assets of the Trust, praying that the work begun by Thomas Moore, Bishop Barker and so many others, through the Anglican Church, notably through Moore College, will continue to flourish and be a blessing to untold numbers of people, and so resolve to distribute the corpus in accordance with the approved *cy pres* scheme and to Terminate the trusts”.

4.22 Moore College campus development

We were informed that the NSW Department of Planning had approved the Moore College Concept Plan and Project Application. The Concept Plan covers most of the College’s Newtown campus while the Project Application is for a library building on the corner of Carillon Avenue and King Street.

The next stage of the process is for the College to prepare detailed plans for the new library building.

4.23 Review of diocesan funds

We reviewed all funds that come directly under our responsibility including the adequacy of the relevant funds for their purpose and especially whether there are any surpluses in the funds which we may consider using for other diocesan requirements.

As a result of the review, we passed the Synod Funds (Variation of Trusts) Ordinance 2011 to –

- (a) return to the Diocesan Endowment the balance of \$300,000 provided to the PCR Fund in 2005 as seed capital, and
- (b) transfer the balance of funds held in the Social Issues Executive Fund to Moore Theological College for the purpose of supporting the work of the SIE, and close the SIE Fund.

We also agreed to retain other amounts in the PCR group of funds pending consideration of how these amounts can be most appropriately returned to parishes, possibly by way of a partial offset to the PCR charges proposed for the 2013-2015 triennium.

4.24 Christmas Eve Service in the Cathedral

We agreed to contribute \$30,000 of Synod Contingencies to fund the ABC recording of a Christmas Eve Service in the Cathedral.

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 2010 to June 2011, 72 such positions were filled (61 for the same period in 2009 – 2010).

5.2 Membership of the Synod

Under part 7 of the Synod Membership Ordinance 1995, the Archbishop is entitled to nominate a number of ministers to be members of the 49th Synod. The maximum number of ministers who may be nominated cannot exceed 10% of the total number of “parochial ministers” (as defined in the ordinance) determined on 1 January 2011. The Registrar has advised that this number is 24.

The Archbishop advised that he intended nominating 24 ministers as members of the 49th Synod under part 7.

For every nominated minister proposed to be nominated by the Archbishop, we can elect a lay person to be a member of the 49th Synod under part 8 of the Ordinance. We have elected 24 lay persons to be members of the 49th Synod.

In addition, under part 6 of the Ordinance, we may declare up to 7 Diocesan Boards, departments or organisations to be “nominated organisations” for the purposes of the 49th Synod. The effect of such a declaration is the Chief Executive Officer of the nominated organisation is a member of the 49th Synod. We have declared the following organisations to be “nominated organisations” –

Anglican Media
Anglican Retirement Villages Diocese of Sydney
Anglican Youth and Education Diocese of Sydney (Youthworks)
Moore Theological College
Sydney Anglican Home Mission Society (Anglicare)
Sydney Diocesan Secretariat
Sydney Anglican Schools Corporation.

5.3 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.

5.4 Declaration of Harbour Church as a Recognised Church

During the year we received a notification for the purposes of clause 8(2)(a)(iv) of the Recognised Churches Ordinance 2000 that Harbour Church had been declared to be a recognised church. The church will meet at Shellharbour Anglican College. We extended our prayers and best wishes to the Rev Robert Sharp and the members of the church as they continue their ministry in the fellowship of the Diocese.

5.5 Sydney Diocesan Educational and Book Committee

In 2006 we agreed in principle that the Sydney Diocesan Educational and Book Committee should be disbanded and its assets allocated equally between Anglican Youthworks and Moore Theological College.

Following the winding up of the Estate of the Late Thomas Moore (see item 4.19) we passed an ordinance to disband the Committee and allocate its assets as agreed in 2006.

5.6 National Church Life Survey 2011

Last year we approved the payment of \$90,000 from Synod Fund Contingencies in 2010 and 2011 in equal proportions, being the cost of the Diocese participating in the National Church Life Survey (NCLS). We noted that no payment was made for NCLS in 2010 which, in part, led to Synod Fund Contingencies in 2010 being underspent by \$110,000. Accordingly, in order to confirm our participation in the NCLS 2011 survey, we passed an ordinance to make a special application from the Synod Fund of up to \$100,000 to meet this cost. We also asked parishes to consider whether they could contribute to the costs of their own NCLS survey in 2011.

5.7 Diocesan policy on Education

Under the Diocesan Policy Statement on Education, we have authority to amend the policy provided that any such amendments are reported to the Synod.

During the year we amended the policy by replacing paragraph 2 of the statement of personal faith set out in the annexure to the Policy with the following –

“In particular I believe –

- (a) There is only one way to be reconciled to God which is through his Son, Jesus Christ, who died for our sins and was raised for our justification; and
- (b) That we are justified before God by faith only.
- (c) That God's word written, the canonical Scriptures of the Old and New Testaments, is the supreme authority in all matters of faith and conduct.”

5.8 Decommissioning of Area Deans and Area Deaneries

We requested the Ordinance Reform Group to report to us about the legislative changes that are needed to implement the decommissioning of Area Deans and Area Deaneries in the Diocese. We asked that consideration of possible legislative changes regarding Area Deaneries should also consider how the elected membership of Regional Councils might still be drawn from across the entire region.

The Ordinance Reform Group has provided us with a report which we are still considering.

5.9 Diocesan Ministers' Assistance Scheme

Last year we agreed in principle to undertake a pilot for a Diocesan Ministers' Assistance Scheme during 2011 in response to a recommendation from the Safe Ministry Board. Before agreeing to fund the pilot, we asked the Director of Professional Standards to confirm that suitable arrangements can be made for the provision of assistance by Christian counsellors under the pilot.

In response to a recommendation from the Director of Professional Standards, we agreed to defer this matter indefinitely on the basis that there is insufficient time and funding at this time to proceed with the matter.

5.10 Review of the status of St John's and St Michael's Provisional Cathedrals

Under clause 9 of the Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995, St John's Provisional Cathedral Parramatta and St Michael's Provisional Cathedral Wollongong cease being provisional cathedrals on 1 January 2012.

In view of this deadline, we –

- (a) agreed in principle that St John's Provisional Cathedral Parramatta and St Michael's Provisional Cathedral Wollongong should become regional cathedrals, and
- (b) requested that bills to give effect to this change be promoted to the Synod.

Bills for amending ordinances and an explanatory report are printed separately.

5.11 Proposed amendments to the Constitution of SCEGGS Darlinghurst Limited

During the year we endorsed proposed changes to the constitution of SCEGGS Darlinghurst Limited. The intention of the changes was to bring the constitution into line with changes in the Corporations Act together with a number of other miscellaneous matters.

5.12 Review of the School Chapels and Chaplains Ordinance 1975

Last year we appointed a committee to review the School Chapels and Chaplains Ordinance 1975 and report back to us with its recommendations.

The committee has not yet provided us with its report.

5.13 Relinquishment of Holy Orders

We noted that under the General Synod – Holy Orders, Relinquishment and Deposition Canon 2004 Adopting Ordinance 2005, it is not possible for a member of the clergy to voluntarily relinquish or voluntarily accept deposition from Holy Orders unless the Archbishop is satisfied that the person is not currently the subject of any information, complaint or charge in any diocese concerning his or her fitness to hold office. However it may sometimes be appropriate to permit voluntary relinquishment in such circumstances.

In order to address this matter we requested that a bill for the Relinquishment of Holy Orders (Exclusion and Reinstatement) Ordinance 2011 be promoted to the Synod.

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

5.14 Common Prayer: Resources for Gospel-Shaped Gathering

We agreed to a n a mount of up to \$9,000 from the Publishing Reserve being used for the publication and distribution to Synod members of *Common Prayer: Resources for Gospel-Shaped Gathering*. We requested that a motion be moved at the Synod to commend this resource for use and study by parishes with a view to including the services in the Schedule to the Authorised Services Ordinance.

5.15 Employment Relations Guidelines for Parishes

We noted a new edition of the *Employment Relations Guidelines for Parishes*, updated to reflect changes under Fair Work legislation. The Guidelines include standard letters of appointment and other resources for effective employment practices in parishes.

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. In this capacity, since October 2010 it has run public forums on euthanasia and maintains a web-based resource portal on the subject. It has also produced eleven briefings on various topics including euthanasia, marriage, freedom of religion, gambling reform, and alcohol related violence (available at www.sie.org.au).

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

- July 2011: Joint Select Committee on Gambling Reform Inquiry into the *Interactive Gambling and Broadcasting Amendment 2011*
- June 2011: Joint Select Committee on Gambling Reform Inquiry into Online Gambling Reform
- May 2011: Senate Legal and Constitutional Committee Inquiry into the *Migration Amendment Bill 2011*
- March 2011: National Health and Medical Research Council (NHMRC) Review of the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*

- March 2011: Senate Committee on Legal and Constitutional Affairs Committee Inquiry into the *Australian Capital Territory (Self-Government) Amendment (Disallowance and Amendment Power of the Commonwealth) Bill 2011*
- February 2011: Joint Select Committee on Gambling Reform Inquiry on Gambling Reform (mandatory precommitment scheme for electronic gaming machines)
- November 2010: Consultation by the Australian Human Rights Commission (AHRC) into *Protection from discrimination on the basis of sexual orientation and sex and/or gender identity*

It has also participated in an interdenominational reply to proposals to extend marriage to same sex couples and has raised Diocesan awareness of, and facilitated church accessibility for, persons with disability (as contemplated by resolution 34/09).

6.2 National Charities and Not-for-Profit Commission

In January this year, the Assistant Treasurer released a Consultation Paper – *Scoping Study for a National Not-for-Profit Regulator*. In response to the Consultation Paper we –

- Called on the Federal Government to commit to and clearly identify a program of harmonisation and simplification of the regulatory environment in which the not-for-profit (NFP) sector operates and to ensure that this is effectively implemented by Commonwealth agencies which interact with the sector.
- Cautioned that unless a level of commitment to a clearly defined program of broader reform is achieved, the Government would be ill-advised to proceed down the path of establishing an NFP regulator.
- Suggested that the role of a NFP regulator should be fairly limited if duplication of regulatory oversight is to be avoided.
- Opposed any proposal which would require the NFP regulator to develop mandatory governance standards
- Called for the NFP regulator to be established as a new independent body rather than as a structurally separate body within the ATO or a new body established within ASIC.
- Indicated that if there is a need to clarify the status of an expanded range of purposes as charitable, then this should be done by way of legislation as an extension to the common law rather than a replacement of it.
- Expressed the view that recent calls to remove the public benefit presumption which currently applies to religious and other charitable purposes would be a retrograde step, however well intended.

The Government announced the establishment of a regulator for the sector, the Australian Charities and Not-For-Profit Commission, in its 2011 budget in May.

A full copy of the submission is available at www.sds.asn.au.

6.3 Taxation of unrelated commercial activities of charities and not-for-profit entities

As part of its 2011 budget announcement in May, the Government also issued a consultation paper – *Better Targeting of Not-for-Profit Tax Concessions* outlining proposals for the removal of tax concessions for unrelated commercial activities undertaken by NFPs.

We made a submission in response to the consultation paper. In summary –

- We welcomed the Government's intention to reform the regulation of the charities and not-for-profit (NFP) sector, and broadly support the package of reforms recently announced by the Government.
- While supporting initiatives to deal with abuses in the sector, we indicated it would clearly be inadvisable for the Government to pursue reforms to prevent the possible abuse of tax concessions without first establishing that such abuses are an increasing problem in the sector and without properly characterising and quantifying such abuses.
- We indicated that our principal concern is that the costs to Government and the sector in imposing, complying with, and regulating the reforms will outweigh the benefits of the reforms.
- We submitted that any review of the tax concessions provided to charities and NFPs must therefore be conducted within the context of the broader reform process and, in particular, after the Australian Charities and Not-for-profits Commission (ACNC) has sourced appropriate data to correctly characterise and quantify the extent of potential abuses and after questions surrounding the definition of charity have been resolved.
- We submitted that unless the Government approaches the review of the tax concessions in this way, the broader reforms may not only fail to deliver a cohesive and effective package to make it easier for charities and NFPs to help those who need it but will risk making it harder for them to do so if the costs of complying with the new arrangements prove to be considerable and unjustified.
- We requested the Government to clarify the repeated use of the terms 'altruism' and 'altruistic purpose' throughout the Consultation Paper so organisations can better understand whether such

use is in general terms or whether these terms are intended to be defined and formulated as a separate test for determining access to tax concessions.

- We submitted that in light of the findings of numerous government reviews and reports to the contrary, the policy aim of 'levelling the playing field' should not be a primary driver for the proposed reforms.
- We requested assurances from Government that further and real consultation about the reforms will be undertaken with the whole sector.

A full copy of the submission is available at www.sds.asn.au.

6.4 Meaning of charity in Draft Taxation Ruling TR 2011/D2

We made a submission to the Australian Taxation Office (ATO) on its Draft Taxation Ruling TR 2011/D2 concerning the meaning of charity. In particular we –

- Requested that the draft ruling refer to the presumption of public benefit which applies in respect of charities for the advancement of education and the advancement of religion.
- Commented on the approach that should be taken in determining whether an institution's sole purpose (as that term is used in the draft ruling) is charitable.

A full copy of the submission is available at www.sds.asn.au.

6.5 Changes to the “In Australia” and other requirements for tax concession status

During the year, the Government released an exposure draft for legislation proposing changes to the “In Australia” and other special conditions that apply to tax exempt or deductible gift recipient entities.

We made a submission in response to the exposure draft. In summary –

- While broadly supporting the policy considerations of the Government in the exposure draft, we expressed concern that the means proposed for achieving these policy outcomes are not appropriate and will result in bona fide Australian organisations losing their entitlement to endorsement as tax exempt or deductible gift recipient entities.
- We expressed deep concern that, as presently drafted, the exposure draft will result in Australian resident overseas mission organisations losing their income tax exempt status.
- We noted a number of problems with proposed restrictions on making donations and recommended that they be withdrawn at this time and reconsidered after the Australian Charities and Not-for-Profit Commission has been established and given the opportunity to form a view about the restrictions.
- We submitted that distributions of gifts or government grants which are currently disregarded in determining whether an organisation is “in Australia” should continue to be disregarded.
- We submitted that the proposed requirement that an organisation comply with all the requirements of its governing rules, without limitation to the objects, non-profit and dissolution clauses, is unworkable and may be unnecessary.
- We submitted that the proposed requirement that an organisation use its income and assets solely to pursue the purposes for which it was established is unnecessary and may be inconsistent with the proposed removal of tax concessions in respect of retained profits from the unrelated commercial activities of not-for-profit entities.
- We submitted that the proposed statutory definition of “not-for-profit entity” may preclude a full charitable funds and some charitable institutions from being income tax exempt entities and recommended that the Common Law definition be retained.

A full copy of the submission is available at www.sds.asn.au.

6.6 Changes to the requirements for public ancillary funds

During the year, the Government released an exposure draft for legislation and guidelines about proposed changes in respect of public ancillary funds. In particular the draft legislation proposes that the trustee of newly established public ancillary funds must be a “constitutional corporation”.

In view of the impact that this change would have on parish public ancillary funds with trustees who are typically individual wardens, we made a submission requesting that the Government not proceed with this change or, alternatively, that suitable exemptions from the requirement to have a constitutional corporation as trustee are provided for church funds and funds with small amounts of capital.

A full copy of the submission is available at www.sds.asn.au.

6.7 Discrimination on the basis of sexual orientation and sex/gender identity

During the year the Australian Human Rights Commission (AHRC) launched a consultation addressing the adequacy of the protections at the Federal level from discrimination on the basis of sexual orientation and sex/gender identity. To this end the AHRC issued a discussion paper – *Protection from discrimination on the basis of sexual orientation and sex and/or gender identity* and called for written submissions in response to the discussion paper.

In response to the discussion paper, we expressed in principle support for the extension of Federal anti-discrimination law to cover sexual orientation and sex and/or gender identity but indicated there was a need to balance any such extension with the right to religious freedom.

A full copy of the submission is available at www.sds.asn.au.

6.8 Euthanasia

We noted that debates on euthanasia are expected to take place before the end of November in the New South Wales, South Australian and Tasmanian State parliaments. There is also a bill before the Federal Parliament which seeks to curtail the exercise of Federal Executive power in the oversight of Northern Territory and Australian Capital Territory legislation. This may have implications for the euthanasia debate in the medium to long term.

The Social Issues Executive is keeping a watching brief on this matter and indicated it will keep us informed of developments.

6.9 Freedom of Religion and Belief Project

In 2008, the Australian Human Rights Commission (AHRC) launched the *Freedom of Religion and Belief Project* (FRB). The FRB's terms of reference were to address the experiences and place in civil society of every religious and secular belief. However the initial impetus for the FRB was a concern about the treatment of Muslims within the broader Australian community, exemptions to anti-discrimination law and the value of religious anti-vilification law.

We made a submission to the FRB in early 2009 and coordinated the preparation of 9 related submissions from various organisations and individuals within the Diocese. By the closing date for submissions, the FRB had received almost 2,000 submissions.

The initial expectation was that the final FRB report would be released in early 2010. However the report was ultimately launched in Canberra in March 2011. There was a concern that the report would include recommendations which, if implemented, would detrimentally impact religious freedom in Australia. In the end, the report did not include any recommendations. Instead it sought to capture the conversation around religion and belief in Australia.

6.10 Revising marriage

We noted an update from the Social Issues Executive about an inter-denominational document called "Revising Marriage?" which has been endorsed by senior Anglican clergy and leaders in other denominations. The document presents the arguments for not revising marriage to include same-sex relationships. It will be the subject of a Media Release in late August.

7. The International, National and Provincial Church

7.1 General Synod session in 2010

A report about this matter is printed separately.

7.2 General Synod legislation in 2010

A report about this matter is printed separately.

7.3 General Synod Financial Statements

By resolution 11/10, the Synod noted that the annual financial statements of the General Synod and its related bodies are not usually provided to each Australian diocese. The Synod requested that the General Synod Standing Committee (GSSC) send copies of the audited financial statements of General Synod bodies to each Australian diocese each year, or alternatively make them available on the General Synod's website.

The GSSC informed us that it had adopted a communications policy which provided for relevant financial statements (incorporating the Trust Fund, the Statutory Fund, the Special Fund, the Indigenous Endowment Fund, the Reserve Fund and any other fund established by the GSSC) to be published on the General Synod website. The GSSC indicated that further consideration was being given to Synod's request that the financial statements of other General Synod bodies also be made available.

7.4 General Synod Assessments

By resolution 12/10, the Synod noted with concern certain financial decisions of the General Synod and the General Synod Standing Committee (GSSC), including a 23% increase in the rate of Statutory Fund assessment between the 2010 and 2011 financial years and the implementation of changes in policy in the use of General Synod reserves without the issue being discussed by the General Synod.

The Synod asked us to enter into urgent negotiations with the GSSC to negotiate a more equitable financial outcome for the dioceses of the Australian Church. The Synod further asked us to consider reporting on these matters to the 2011 session of Synod before arranging for payments to the General Synod in 2011.

A report about this matter is printed separately.

7.5 Exchange of views between members of the General Synod

By resolution 17/10, the Synod asked the Diocesan Secretary, upon our agreement, to forward to all members of the 2010 General Synod, a copy of the Synod's resolution concerning the Appellate Tribunal's opinion on the administration of Holy Communion by persons other than a presbyter and a copy of the publication *The Lord's Supper in Human Hands Epilogue* (the resolution and publication).

We agreed to forward to all members of the 2010 General Synod a copy of the resolution and publication. In order to facilitate distribution, we requested the General Synod Standing Committee (GSSC) to consider an appropriate means by which the views of General Synod members, including the views expressed in the resolution and publication, can be exchanged with other members of the General Synod.

In response, the GSSC indicated that they had considered the feasibility of using the General Synod website for this purpose but had identified a number of impediments, both legal and practical, which prevented this from being implemented.

In light of this response, we requested the Diocesan Secretary to use his best endeavours to send directly to members of the General Synod a copy of the resolution and publication.

To date, copies have been sent to all clerical members of the General Synod.

7.6 Policy debate on participating in proceedings of the Appellate Tribunal

We confirmed our position that, although it is unlikely that we will in the future participate in the consideration of questions on the Constitution put to the Appellate Tribunal, we will nonetheless consider each reference to the Tribunal on its merits.

7.7 Public Affairs Commission's submission to the National Inquiry into Sustainable Population

We expressed disappointment with the views of the General Synod Public Affairs Commission made in its submission to the National Inquiry into Sustainable Population. Our disappointment related to the failure of the Commission to make sufficiently clear that the General Synod did not call for the abolition of the Baby Bonus or other incentives, which might encourage the birth of children. We indicated that the Public Affairs Commission's submission should have reflected the General Synod's position on this matter.

7.8 Election of Bishop Hector "Tito" Zavala of Chile as Primate of the Southern Cone

We offered our congratulations to Bishop Hector "Tito" Zavala of Chile on his election as Primate of the Southern Cone and assured him of our prayers as he continues to serve Christ and his people in his new capacity and at this crucial time in the life of the Anglican Communion.

7.9 Hosting the 16th Session of General Synod

We received tender documentation from the General Secretary seeking expressions of interest from dioceses for hosting the 16th Session of the General Synod in 2013-2014. We thanked the General Secretary for the documentation but informed him that we are not able to host the next session of the General Synod in this Diocese.

7.10 Amendments to Provincial Synod Constitution

We requested that a bill be promoted to the Synod to enable the Synod to assent to amendments to the Provincial Synod Constitution which would reduce the size of the Provincial Synod and make provision for Provincial Conferences.

The bill and an explanatory report are printed separately.

8. Sydney Synod Matters

8.1 Review of Synod procedures

We agreed to propose that the Synod trial a suspension of business rules this year which, at the time of giving notice of questions, would prevent members reading out the question in full but instead enable them to make a brief statement informing the Synod about the subject matter of the question. The full text of the question would then be handed to the Synod Secretaries and printed in full in the Business Paper for the following day. As is currently the case, the question would not be read out on the day that the question is answered, usually the following day.

We also agreed to move a procedural motion on the first day by which the Synod can ask the Order of Business Committee to preserve as much time as is practicable for the purposes of considering private members' motions, having regard to the need to ensure sufficient time for dealing with scheduled business.

8.2 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.

8.3 Solemn promises made by clergy

Last year the Synod commenced consideration of a bill for the Solemn Promises Ordinance 2010. The bill proposed that the current forms of oath, declaration, assent and undertaking be replaced by corresponding forms of solemn promise. The bill also proposed that the language used in the current forms be updated to reflect more contemporary language and recent developments, for example, in the forms of divine service that may lawfully be conducted in this Diocese.

Before concluding its consideration of the bill, the Synod referred it back to us with a request that a revised form of bill be brought to the Synod in 2011.

A revised form of the bill and an explanatory statement for the bill are printed separately.

8.3A Parish Relationships Ordinance

Last year a bill was promoted to the Synod at our request to amend the Parish Relationships Ordinance 2001. However, due to time constraints, the bill was not considered.

We requested that the bill be promoted again to the Synod this year. The bill and an explanatory statement for the bill are printed separately.

8.4 25/03 Freemasonry

By resolution 25/03, the Synod, noting the 1988 report to Synod entitled "Freemasonry Examined" and subsequent resolution 9/88 –

- (a) affirmed that Freemasonry and Christianity are fundamentally and irreconcilably incompatible, and
- (b) affirmed that Freemasonry teaches and upholds a system of false religious and spiritual beliefs that are contrary to biblical Christianity.

By that resolution, the Synod also requested that we prepare and distribute a clear and unambiguous booklet suitable for wide distribution, examining the key rites, teachings and beliefs of Freemasonry and explaining why they differ from biblical Christianity and why it is wrong for a Christian to belong to the Lodge.

In 2009 we requested Moore Theological College to prepare, in consultation with the Archbishop, the booklet referred to Synod resolution 25/03. However the booklet has not been prepared.

In view of the significantly diminished number of Masons in recent years compared to the increasing size of other groups that arguably pose a greater challenge to our mission, we agreed that work in producing a booklet in response to the request in resolution 25/03 should be discontinued. In reaching this view we reaffirmed that the belief systems of Freemasonry and biblical Christianity are contrary to one another and drew attention to the 1988 report to Synod "Freemasonry Examined" on the Secretariat's website www.sds.asn.au.

8.5 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.

8.6 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 have not yet considered this matter.

8.7 2/10 Towards 2050

By resolution 2/10, the Synod noted that by the year 2050, projected population studies anticipate 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.

The Synod requested that we explore, and report back to Synod next year on 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. Synod also requested that we consider the name or names that our Church uses as we present our mission objectives across the Church and also the "logos" of our Church.

A report about this matter is printed separately.

8.8 3/10 Glebe Board charter

By resolution 3/10, the Synod requested that we produce a detailed report for the 2011 session of Synod regarding the operational application of the charter supplied to the Glebe Administration Board for its management of the Diocesan Endowment under clause 2 of the Glebe Administration Ordinance 1930.

A report about this matter is printed separately.

8.9 7/10 Work of the Archbishop's Strategic Commission for Structure, Funding and Governance**37/10 Financial sustainability of the Endowment of the See**

By resolution 7/10, the Synod expressed its thanks to the Archbishop for establishing the Archbishop's Strategic Commission for Structure, Funding and Governance (the Commission) and –

- (a) noting the ongoing work of the Commission in bringing recommendations to the Archbishop and the Standing Committee about ensuring the sustainability of the Endowment of the See and changes that need to be made to the operation and inter-dependence of diocesan bodies to ensure that the essential work and services of the Diocese are maintained while living within our means, and
- (b) noting that the Standing Committee has endorsed the general direction proposed by the Commission in an interim report provided to the Archbishop and Standing Committee and requested that the Commission progress its work with relevant diocesan agencies,

requested that –

- (i) Synod members be afforded the opportunity to provide comments to the Commission by 31 December 2010, and
- (ii) we provide a report to the Synod in 2011 about the steps that have or still need to be taken to ensure that diocesan finances are placed on a sustainable footing and the implications such steps will have on the funding of diocesan infrastructure and activities in 2012 and beyond.

By resolution 37/10, the Synod requested that we report to the Synod in 2011 about the options that exist to place the Endowment of the See (EOS) on a financially sustainable footing, together with a recommendation. Synod requested that this report should be prepared in consultation with the EOS, the Archbishop's Strategic Commission and the Anglican Church Property Trust.

A report about these matters is printed separately.

8.10 11/10 General Synod Financial Statements

See item 7.3.

8.11 12/10 General Synod Assessments

See item 7.4.

8.12 14/10 Scepticism with respect to the Gospel

By resolution 14/10, the Synod recognised that in our society a profound scepticism exists with respect to the gospel and the fundamentals upon which it rests and that this scepticism entails, among other things, matters of an historical, scientific, philosophical and moral nature and commitment to other beliefs. The Synod requested that we appoint a committee to consider theological perspectives on the issue and to investigate resources and consider strategies likely to assist parishes, Anglican organisations and individuals in the Diocese in the proclamation of the gospel in this atmosphere of scepticism and that such a report should be brought to the next session of Synod.

We agreed that, in view of existing priorities, no further action should be taken in relation to this matter.

8.13 15/10 Regulation of Holy Matrimony

By resolution 15/10, the Synod requested that we bring to the first session of the next Synod either an ordinance which would repeal the Holy Matrimony Canon 1981 and an ordinance or regulations that would then govern the solemnization of holy matrimony in the Diocese of Sydney or any viable alternative to produce the same result.

We requested that a bill for the Solemnisation of Marriage Ordinance 2011 be promoted to the Synod. The bill and an explanatory report for the bill are printed separately.

8.14 17/10 The Lord's Supper in Human Hands Epilogue

See item 7.5.

8.15 19/10 Anglican Communion Covenant

By resolution 19/10, the Synod noted that General Synod 2010 received the text of the Anglican Communion Covenant and resolved to request that the synods of all dioceses to consider the question of the Anglican Church of Australia adopting the Covenant by resolution and report the results of their consideration to the General Synod Standing Committee by December 2012. Synod asked us to take any necessary steps to enable Synod to consider the question at its 2011 session.

A report about this matter is printed separately.

8.16 25/10 Printing of Synod proceedings in Diocesan Yearbook

By resolution 25/10, the Synod requested us to print the Proceedings of Synod for each year in the Diocesan Yearbook, or as some alternative form of hard copy, and to set aside sufficient funds annually for this purpose. The Synod also requested that we print the proceedings for the 2009 and 2010 sessions of the Synod and, if thought fit, examine other ways of funding such annual printing.

Having considered this matter, we decided that, in view of the current financial constraints, we are not in favour of recommencing hard copy printing of Synod proceedings.

8.17 26/10 Environmental initiatives in the Diocese

By resolution 26/10, the Synod noted that a number of parishes had installed solar panels to generate electricity back to the grid and also noted the rapid rate in which Government policy in this area is changing. The Synod asked the Property Trust as a matter of priority to provide an accessible guide for parishes on how they can easily sign up to participate in Government schemes to encourage renewable energy and asked the Finance and Loans Board to work with the Property Trust to develop some guidelines to facilitate parishes installing solar panels.

We received a report from the Property Trust indicating that it had declined to agree to take any further action in relation to Synod's request in relation to these matters. We noted that due to the short period of time between the Synod and the recalibration of State Government policy in October 2010, it was not possible for the Property Trust to serve parishes in the way envisaged by the Synod. We –

- (a) expressed regret that as a result many parishes have now missed the opportunity, but congratulated those parishes who did manage to apply to take advantage of the Government's scheme before the change in Government policy, and
- (b) requested the Property Trust to keep a watching brief on how parishes and diocesan organisations might take advantage of future Government environmental programs and to think creatively about how it might encourage diocesan bodies to take advantage of such programs.

8.18 37/10 Parish assessment towards the funding needs of the Endowment of the See

By resolution 37/10, the Synod approved an assessment on parishes at a rate of 1.14% for the purposes of contributing to the EOS funding needs during 2011. The assessment was approved on the proviso that it was determined that by 1 January 2011 it was not reasonable to expect that there is a way of realising part or all of the EOS's interest in St Andrew's House or any other sources of funds to inject adequate and long term cash into the EOS while maintaining the real value of the investment when completed.

Having made this determination, we passed the Endowment of the See (Funding) Ordinance 2010 to put this levy in place.

8.19 37/10 Future requirements and roles of the Archbishop's staff and 5 year budget of Endowment of the See projected costs

By resolution 37/10, the Synod requested the EOS Committee to bring to Synod in 2011 a report on the future requirements and roles of the Archbishop's staff and a 5 year budget of projected costs.

A report about this matter is printed separately.

8.20 40/10 Implementation of Grievance Policy and Procedure

By resolution 40/10, the Synod –

- (a) determined the Grievance Policy and Procedure adopted by the Synod last year is to commence on 1 July 2011, and
- (b) requested the Standing Committee to approve up to 15 persons as the initial pool of diocesan conciliators for the purposes of the policy and procedure, and
- (c) authorised us to make amendments to the procedure which are consistent with the terms of the policy, and
- (d) requested the Parish Risk Management Program address issues of abusive behaviour in the parish context, with a particular focus on responsibilities for providing a safe workplace for parish staff.

We appointed a committee to undertake the work of implementing the policy and procedure contemplated by this resolution. On the recommendation of this committee, we approved 12 persons as diocesan conciliators and made a number of amendments to the procedure.

In June we noted the preparations which had been undertaken in readiness for the commencement of the Policy and Procedure on 1 July 2011, including conflict resolution training for diocesan conciliators and the preparation of various documents to assist senior ministers, regional bishops and conciliators discharge their responsibilities under the policy should the need arise.

8.21 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. The proposed amendments are currently with the Attorney General for his consideration.

8.22 43/10 Corporate Governance Policy for diocesan organisations

By resolution 43/10, the Synod –

- (a) referred the draft Diocesan Corporate Governance Policy which it considered last year back to the Standing Committee to be revised in a manner which reflected the in-principle decisions made by the Synod at its session last year, and
- (b) requested that a copy of the revised form of the draft Policy together with any explanatory report be sent to each member of the Synod and to the board of each diocesan organisation for comment, and
- (c) requested that a further revised form of the Policy be brought back to the Synod this year incorporating, as appropriate, comments made by Synod members and the boards of diocesan organisations, and the work of the Archbishop's Strategic Commission, and
- (d) requested the draft guidelines in the role and function of boards of diocesan organisations also be brought to the Synod in 2011.

We agreed to make a number of changes to the draft policy considered by Synod last year which were included in a revised draft sent to Synod members and the boards and committees of diocesan organisations for comment.

In view of the number and substantive nature of submissions received in response to the revised draft and the likely focus on recommendations of the Archbishop's Strategic Commission leading up to and during the Synod this year, we encouraged the Governance Committee to continue its work in preparing a final draft of the policy for the Synod but agreed that a brief progress report be provided to the Synod this year rather than a final draft of the policy with a view to bringing the policy to the Synod in 2012.

A brief progress report about this matter is printed separately.

8.23 Resolutions made by the Synod in 2010 and not mentioned in this report

Circulars were sent to parishes and organisations about the matters arising from the 2010 Synod session. Copies of Synod resolutions were sent to appropriate persons and organisations.

8.24 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

21 September 2011

**Standing Committee of Synod - Synod Funds
Income Statement for the 12 months ended 31 December 2010**

	Fund 127	Fund 128	Fund 129	Fund 153	Fund 156	Fund 187	Fund 188	Fund 189	Elimination	Total	Actual 12 months ending 31 Dec 2009
	Work Outside the Diocese	Connect09	Sydney Diocesan Synod	ABP's Professional Standards Unit	College of Preachers	St Andrews House Rent Subsidies	Social Issues Executive	Ordination Training			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income											
Interest	11,000	5,212	58,928	11,514	93	451	2,276	14,672	-	104,146	90,860
PCR Contributions	-	100,174	-	495,061	-	-	-	-	-	595,235	770,800
Synod Grants	288,000	191,000	-	197,000	-	-	-	176,000	(852,000)	-	-
Other Income	15,965	223	6,720,619	241,083	-	-	-	10,000	(188,082)	6,799,808	12,345,060
Total income	314,965	296,609	6,779,547	944,658	93	451	2,276	200,672	(1,040,082)	7,499,189	13,206,720
Expenses											
Interest	-	-	-	-	-	-	-	-	-	-	156
Staff & Related	-	232,600	-	286,061	-	-	2,842	-	-	521,503	774,198
Professional Fees	-	-	11,139	190,771	-	-	-	-	-	201,910	136,468
SDS Fees	-	-	654,996	8,808	-	2,832	1,800	2,736	-	671,172	991,044
Computer & Software	-	-	-	-	-	-	9	-	-	9	531
Insurance	-	-	-	-	-	-	246	-	-	246	240
Rent & Occupancy	-	64	-	24,926	-	-	-	-	-	24,990	31,879
Printing & Stationery	-	-	-	7,309	-	-	3,330	-	-	10,639	9,900
Entertainment & Travel	-	-	-	11,977	-	-	561	-	-	12,538	13,762
Depreciation	-	-	-	725	-	-	562	-	-	1,287	1,703
Marketing	-	-	-	9,147	-	-	-	-	-	9,147	8,985
Office	-	2,227	-	5,464	-	-	67	-	-	7,758	13,488
Miscellaneous	-	-	-	36,702	-	-	225	-	-	36,927	28,164
Grants and Subsidies	338,167	14,554	6,176,649	291,200	6,905	13,082	-	245,000	(1,040,082)	6,045,475	10,561,780
Total Expenses	338,167	249,445	6,842,784	873,090	6,905	15,914	9,642	247,736	(1,040,082)	7,543,601	12,572,298
Net Surplus/(Deficit)	(23,202)	47,164	(63,237)	71,568	(6,812)	(15,463)	(7,366)	(47,064)	-	(44,412)	634,422

Standing Committee of Synod - Synod Funds

Balance Sheet for the 12 months ended 31 December 2010

	Fund 127	Fund 128	Fund 129	Fund 153	Fund 156	Fund 187	Fund 188	Fund 189	Elimination	Total	Actual 31 December 2009
	Work Outside the Diocese	Connect09	Sydney Diocesan Synod	ABP's Professional Standards Unit	College of Preachers	St Andrews House Rent Subsidies	Social Issues Executive	Ordination Training			
Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash	226,420	89,276	1,792,090	284,086	-	-	47,044	272,674	-	2,711,590	2,794,820
Receivables	-	-	-	31,586	-	-	276	-	-	31,862	18,180
Fixed Assets	-	-	-	2,597	-	-	1,687	-	-	4,284	2,555
Other	74	16	207	724	-	-	16	-	-	1,037	2,661
Total assets	226,494	89,292	1,792,297	318,993	-	-	49,023	272,674	-	2,748,773	2,818,216
Liabilities											
Payables	-	-	10,000	100	-	-	-	-	-	10,100	14,483
Provisions	-	-	44,411	19,316	-	-	-	-	-	63,727	84,375
Total liabilities	-	-	54,411	19,416	-	-	-	-	-	73,827	98,858
Net assets	226,494	89,292	1,737,886	299,577	-	-	49,023	272,674	-	2,674,946	2,719,358
Equity											
Accumulated Funds	249,696	42,128	1,801,123	228,009	6,812	15,463	56,389	319,738	-	2,719,358	2,084,936
Current year	(23,202)	47,164	(63,237)	71,568	(6,812)	(15,463)	(7,366)	(47,064)	-	(44,412)	634,422
Total Equity	226,494	89,292	1,737,886	299,577	-	-	49,023	272,674	-	2,674,946	2,719,358

Amalgamated statement of cash flows for the year ended 31 December 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Interest received		103,352	90,969
Dividends and distributions		6,501,374	12,226,143
Grants and donations		1,401,883	2,451,627
Other income		518,979	452,277
Borrowing costs		-	(156)
Payments in respect of the operations		(8,605,802)	(14,604,490)
Net cash inflow from operating activities	6	(80,214)	616,370
Cash flows from investing activities			
Payments for plant and equipment		(3,015)	-
Net cash flows (outflow)/inflow from investing activities		(3,015)	-
Net increase/(decrease) in cash held		(83,229)	616,370
Cash and cash equivalents at the beginning of the year		2,794,819	2,178,449
Cash and cash equivalents at the end of the year		2,711,590	2,794,819

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

1. Purpose

This financial report is an amalgamation of individual funds listed below. At 31 December 2010 the Synod Funds comprised of 6 funds (2009: 8 funds):

Fund 127	Sydney Diocesan Synod Fund - Work Outside the Diocese
Fund 128	Sydney Diocesan Synod Fund - Connect09
Fund 129	Sydney Diocesan Synod Fund
Fund 153	The Archbishop's Professional Standards Unit
Fund 188	Social Issues Executive Fund
Fund 189	Sydney Diocesan Ordination Training Fund

During 2010 the College of Preachers Fund (Fund 0156) and the Rent Subsidies Fund (Fund 0187) ceased operations and were 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.

(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 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 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) 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 re-valued amounts, net of their residual values, over their estimated useful lives as follows:

- Furniture and effects	10 years
- Computer hardware and printers	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(i) 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.

(j) 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.

(k) Employee benefits

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 reporting date are recognised either in payables or current provisions in respect of employees’ services up to the reporting date 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 in additional costs.

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

	2010	2009
	\$	\$
Accrued expenses and accounts payable	10,100	14,483

4. Current liabilities – Provisions

	2010	2009
	\$	\$
Current		
Provision for General Synod Representatives (unpaid grants)	44,411	62,195
Employee benefits - annual leave	9,648	14,474
	<u>54,059</u>	<u>76,669</u>
	2010	2009
	\$	\$
Movements in provision:		
Provision for General Synod Representatives		
Balance 1 January	62,195	37,195
Transfer to General Synod Representatives	25,000	25,000
Payment of General Synod expenses	(42,784)	-
Balance 31 December	<u>44,411</u>	<u>62,195</u>

5. Non-current liabilities – Provisions

	2010	2009
Non-current	\$	\$
Employee benefits - long service leave	9,668	7,706
	2010	2009
Provisions	\$	\$
Provisions - Current	54,059	76,669
Provisions - Non-current	9,668	7,706
Balance 31 December	63,727	84,375

6. Reconciliation of surplus from the income statement to the net cash flows from operating activities

	2010	2009
	\$	\$
Surplus from ordinary activities	(44,412)	634,422
Non-cash depreciation expense	1,287	1,703
Changes in assets and liabilities		
(Increase) in receivables	(12,058)	(14,997)
(Decrease) in provisions	(20,648)	(3,958)
(Decrease) in payables	(4,383)	(800)
Net cash inflow from operating activities	(80,214)	616,370

Members Declaration

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 37 to 45:

- (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 2010 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.

JAMES FLAVIN
RODNEY COSIER
Members

19 May 2011

**Synod Funds Amalgamated
Report on Agreed Upon Procedures for 2010**

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 2011 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.

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

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

KRISTIN STUBBINS

Partner

Sydney

12 April 2011

Parish Funds – Amalgamated

Annual financial report – 31 December 2010

Incorporating –

- Parish Funds Funds 951 – 955 (unaudited)

Standing Committee of Synod – Parish Funds
Consolidated income and expenditure statement for the period ending 31 December 2010

	YTD	YTD	YTD	YTD	YTD		YTD	Dec-09
	Actual	Actual	Actual	Actual	Actual		Actual	YTD
	Fund 951	Fund 952	Fund 953	Fund 954	Fund 955	Eliminations	TOTAL	TOTAL
	Parish	Clergy	Long	Sickness	Clergy			
	Costs	Benefits	Service	&	Removals			
	Recovery		Leave	Accident				
	\$	\$	\$	\$	\$	\$	\$	\$
INCOME								
AXA Stipend Continuance receipts	-	343,183	-	-	-	-	343,183	458,027
Interest on cash	49,992	22,446	10,309	18,145	2,608	-	103,500	77,480
LSL - Buy-backs	-	-	21,759	-	-	-	21,759	50,841
LSL - Claims - Anglican LSL Fund	-	-	817,594	-	-	-	817,594	899,281
LSL - Organisations	-	-	84,127	-	-	-	84,127	88,033
LSL - Organisations - Admin Fees	-	-	6,124	-	-	-	6,124	6,758
Moorebank Estate - Distribution	-	-	-	-	45,620	-	45,620	53,919
Asbestos Inspection Program	327,547	-	-	-	-	-	327,547	314,834
Connect09	100,108	-	-	-	-	-	100,108	370,808
PCR Variable Charge Recovery	3,550,000	-	-	-	-	-	3,550,000	3,109,083
PCR Superannuation Recovery	3,851,151	-	-	-	-	-	3,851,151	3,604,361
PCR LSL Recovery	510,166	-	475,549	-	-	(510,166)	475,549	443,751
PCR LSL - Admin Fees	-	-	34,617	-	-	-	34,617	34,033
PCR S&A Recovery	36,569	-	-	36,569	-	(36,569)	36,569	51,194
PCR Stipend Continuance Recovery	451,668	414,259	-	-	-	(451,668)	414,259	384,076
PCR Stipend Continuance Admin Fees	-	37,409	-	-	-	-	37,409	34,715
Stipend Continuance Organisations	-	56,115	-	-	-	-	56,115	56,612
Stipend Continuance Orgs - Admin Fees	-	5,068	-	-	-	-	5,068	7,508
TOTAL INCOME	8,877,201	878,480	1,450,079	54,714	48,228	(998,403)	10,310,299	10,045,313

continued...

continued...

	YTD Actual Fund 951 Parish Costs Recovery \$	YTD Actual Fund 952 Clergy Benefits \$	YTD Actual Fund 953 Long Service Leave \$	YTD Actual Fund 954 Sickness & Accident \$	YTD Actual Fund 955 Clergy Removals \$	Eliminations \$	YTD Actual TOTAL \$	Dec-09 YTD TOTAL \$
EXPENSES								
Accounting, Audit & Secretarial Fees	165,000	39,996	39,996	9,996	9,996	-	264,984	282,000
Audit Fees	10,245	-	-	-	-	-	10,245	14,658
Bad Debts Expense	-	-	-	-	-	-	-	-
Claims Paid	-	343,183	817,594	5,782	35,272	-	1,201,831	1,410,446
Consulting Costs	1,380	-	-	-	-	-	1,380	-
LSL - Buy-backs to the Anglican LSL Fund	-	-	22,962	-	-	-	22,962	51,400
LSL - Payments to the Anglican LSL Fund	-	-	559,676	-	-	-	559,676	532,683
Moorebank Estate - Management Fees	-	-	-	-	7,858	-	7,858	7,388
PCR Insurance	2,660,257	-	-	-	-	-	2,660,257	2,376,054
Asbestos Inspection Program	327,547	-	-	-	-	-	327,547	314,834
Connect09	100,174	-	-	-	-	-	100,174	370,808
PCR Superannuation	3,851,151	-	-	-	-	-	3,851,151	3,604,361
PCR LSL	510,166	-	-	-	-	(510,166)	-	-
PCR S&A	36,569	-	-	-	-	(36,569)	-	-
PCR Stipend Continuance	451,668	-	-	-	-	(451,668)	-	-
Printing Costs - Parish publications	9,032	-	-	-	-	-	9,032	882
Professional Standards Unit	395,000	-	-	-	-	-	395,000	395,000
Parish Risk Management Program	215,116	-	-	-	-	-	215,116	-
Return of funds to Diocesan Endowment	1,000,000	-	-	-	-	-	1,000,000	-
Safe Ministry Training Program	100,061	-	-	-	-	-	100,061	-
Stipend Continuance Insurance Expense	-	432,531	-	-	-	-	432,531	427,441
TOTAL EXPENSES	9,833,366	815,710	1,440,228	15,778	53,126	(998,403)	11,159,805	9,787,955
NET SURPLUS/(DEFICIT)	(956,165)	62,770	9,851	38,936	(4,898)	-	(849,506)	257,358

Consolidated Balance Sheet as at 31 December 2010

	Fund 951 Parish Costs Recovery \$	Fund 952 Clergy Benefits \$	Fund 953 Long Service Leave \$	Fund 954 Sickness & Accident \$	Fund 955 Clergy Removals \$	Eliminations \$	Total \$	Dec-09 Total \$
Assets								
Cash	1,597,278	727,562	329,186	408,513	75,503	-	3,138,042	3,840,482
PCR Receivables - Parishes	16,096	-	-	-	-	-	16,096	6,334
Organisations Receivable	-	-	1,916	-	-	-	1,916	2,243
Prepayments	-	-	-	-	-	-	-	141,000
Other receivables	-	16,306	-	4,264	8,182	-	28,752	39,955
TOTAL Assets	1,613,374	743,868	331,102	412,777	83,685	-	3,184,806	4,030,016
Liabilities								
LSL Fund Payable	-	-	140,315	-	-	-	140,315	-
S&A Fund Payable	-	-	-	-	-	-	-	-
Stipend Continuance Fund Payable	-	-	-	-	-	-	-	-
Superannuation Clearing Account	-	-	-	-	-	-	-	9,433
Other Payables	10,000	51,317	20,544	-	-	-	81,861	208,448
TOTAL Liabilities	10,000	51,317	160,859	-	-	-	222,176	217,881
Net Assets	1,603,374	692,551	170,243	412,777	83,685	-	2,962,630	3,812,135
Equity								
Accumulated Surplus - Prior Year	2,559,539	629,781	160,392	373,841	88,583	-	3,812,136	3,554,777
Net Surplus/(Deficit) - Current Year	(956,165)	62,770	9,851	38,936	(4,898)	-	(849,506)	257,358
TOTAL Equity	1,603,374	692,551	170,243	412,777	83,685	-	2,962,630	3,812,135

Amalgamated statement of cash flows for the year ended 31 December 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Recoveries from parochial units		9,390,909	8,645,330
Recoveries from non-parochial units		579,447	834,667
Long service leave parish buy-backs		21,759	50,841
Interest		94,337	77,479
Dividends and distributions		37,762	46,531
Other income		1,178,397	1,345,930
Interest and finance charges paid		(12,077)	(16,685)
Payments in respect of the operations		(11,992,974)	(10,689,106)
Net cash inflow from operating activities	3	(702,440)	294,987
Net increase in cash held		(702,440)	294,987
Cash at the beginning of the period		3,840,482	3,545,495
Cash at the end of the period		3,138,042	3,840,482

The above cash flow statement should be read in conjunction with the accompanying notes.

1. Purpose

The Parish Funds is a group of funds amalgamated in 2006 to administer clergy entitlements.

At 31 December 2010 the Parish Funds is comprised of 5 funds (2009: 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 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 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.

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.

(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

	2010 \$	2009 \$
(Deficit)/surplus from ordinary activities	(849,506)	257,357
Changes in assets and liabilities		
Receivables Decrease in receivables	142,768	177,385
Payables Increase/(Decrease) in payables	4,298	(136,018)
Net cash flows from operating activities	(702,440)	298,724

Members Declaration

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 49 to 56:

- (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 2010 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.

JAMES FLAVIN
RODNEY COSIER
Members

19 May 2011

**Parish Funds Amalgamated
Report on Agreed Upon Procedures for 2010**

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 2011 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.

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

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

KRISTIN STUBBINS
Partner

Sydney
12 April 2011

Access to Standing Committee Minutes

(A report from the Standing Committee.)

1. During the year the Standing Committee received a request to provide Synod members with access to the minutes of the Standing Committee.
2. Having considered this matter, the Standing Committee reached the view that there is currently an appropriate balance between the provision of information to Synod members about the decisions made by the Standing Committee and the need for confidentiality in certain circumstances as a key requisite for effective management.
3. The Standing Committee therefore considered that there is no reason to provide Synod members with further access to its minutes.
4. In reaching this view the Standing Committee had regard to –
 - the duties exercised by the Standing Committee pursuant to clause 4 of the Standing Committee Ordinance 1897 and, in particular, the significant management responsibilities exercised under clause 4(3)
 - the tabling of the minutes of the Standing Committee at the commencement of each session of the Synod pursuant to clause 7 of the Standing Committee Ordinance 1897
 - the Annual Report of the proceedings of the Standing Committee presented to the Synod pursuant to clause 8 of the Standing Committee Ordinance 1897
 - the publication of on-line monthly reports by the Diocesan Secretary about the meetings of the Standing Committee
 - the practices adopted in other dioceses concerning the availability of the minutes of diocesan council meetings.
5. A report setting out the information provided by other dioceses about the extent to which the minutes of their diocesan council meetings are made available is set out in Attachment 1. A reprint of a 1993 report to the Synod concerning the Standing Committee minute book is set out in Attachment 2.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

22 August 2011

Access to diocesan council minutes in other dioceses

1. At its meeting on 6 December 2010, the Standing Committee commenced its consideration as to whether it is appropriate to give members of the Synod access to the minutes of the Standing Committee and, if so, on what basis.

2. Following this meeting, I forwarded an email to all diocesan registrars in the following terms –

“We are currently considering the extent to which the minutes of meetings of our Standing Committee (ie, diocesan council) should be made available. In particular we are considering whether, in view of increased calls for transparency in governance, greater access to the minutes should be given to members of our diocesan synod and, if so, on what basis.

I note that Martin Drevikovsky has recently circulated the General Synod's communications policy in relation to GS Standing Committee business. This is helpful however it does not seem to distinguish between members of the General Synod and members of the general public in terms of providing access to the resolutions and reports of the GS Standing Committee.

Could you let me know whether you have any policy or practice on this matter in place for your diocesan council, and in particular how this would be applied for the purposes of giving members of your diocesan synod access to the minutes of your diocesan council.”

3. Responses were received from 15 (out of a potential 22) diocesan registrars. Twelve of these responses were given by email and are set out in full in the following table (in no particular order). Three responses (Melbourne, Adelaide, Perth) were provided by the Diocesan Registrar by telephone.

Name of diocese	Response given
Bathurst	Bathurst's Bishop-in-Council proceedings are summarised in a report contained in the Synod business papers; the report includes copies of legislation passed.
	Bishop-in-Council business papers are labelled confidential. Bishop-in-Council's minutes are tabled at Synod. I have not seen anyone thumb through them, though I did see that happen at Newcastle's Synod many years back.
Riverina	In Riverina, an annual summary is prepared and presented at the Diocesan Synod, also after each council Meeting a précis of the meeting is written and distributed to each parishes.
Wangaratta	Wangaratta has the provision in its Standing Orders that the Minutes of the Bishop in Council are tabled at the Synod – along with a report from the Council of the Diocese.
Tasmania	Our relevant ordinance provides that any member of Synod may attend meetings of Diocesan Council to observe (which none do, however) and therefore we regard it as appropriate that the Minutes be regarded as in the public domain. Accordingly, we upload them to our website, but only after the next meeting ratifies them as accurate.
Ballarat	In Ballarat we circulate a copy of the minutes with certain parts deleted to all parishes.
Bunbury	Bunbury publishes a report of the proceedings of Council in the synod papers and synod members are allowed to ask questions on any matters that are in the report.
North West Australia	We distribute it to DC Members only. I do a summary in a Report to Synod.
Armidale	Armidale also does not have a policy on the matter and neither have we had a request for access in my time! It is diocesan practice for a report to be sent to parishes after each DC outlining any material relevant to parishes – not particularly appreciated by the recipients I gather!
Rockhampton	Rockhampton publishes a summary report of Bishop-in-Council deliberations in a Synod report, but that is as far as it goes.
Brisbane	Access to Diocesan Council minutes (and other committees of the Diocese) is governed by our Records and Archives Canon. Regulation 1 to that Canon provides that the minutes are “closed for 30 years”.
Gippsland	Gippsland is a policy free zone on this matter.
North Queensland	In North Queensland, we publish the resolutions of the Diocesan Council in the annual report book tabled at Synod. Synods members may query and/or ask for explanation of any of the resolutions. We also send out a letter to each new DC member outlining their responsibilities. The following two paragraphs contained in that letter are relevant to your query:

Name of diocese	Response given
	<p>3. Information Dissemination</p> <p>Where information has been provided or decisions made that relate to parishes and clergy and it is disseminated to members or general information and broadcast, it is the responsibility of the member to take this information back to their region and share and update parishes and clergy on these issues.</p> <p>Protocol for Confidential Information</p> <p>Information forwarded prior and discussed at the meeting is to be kept confidential unless advised otherwise. Confidential information could be seen as 'commercial in confidence' or of a 'personal nature' and therefore should not be disclosed to another party without prior approval from the Bishop.</p> <p>I hope this helps your policy development.</p>
Melbourne	<p>There is no formal policy in Melbourne on who is entitled to access Diocesan Council minutes. However the "standard operating procedure" is that the minutes are not made available to anyone except to members of the Diocesan Council in respect of minutes corresponding to the duration of their membership.</p> <p>An annual summary of the Diocesan Council business is prepared for the Synod.</p> <p>In addition the Diocesan Council minutes are tabled at the Synod. However, unlike Sydney, the minutes (including those tabled) do not include the business papers of the Diocesan Council which are kept separately (ie, they are referred to in the minutes but not as attachments).</p>
Adelaide	<p>In principle, the Registrar in Adelaide would like to make the minutes of their Diocesan Council publicly available on the website. However there remains some concern about potential abuse by "non-church people". Therefore the current practice is to limit access to members of the Diocesan Council. A version of the minutes (with confidential matters excluded) is made available to archdeacons (who</p>
	<p>are not members of the Diocesan Council) and also to members of the four Ministry Units of the Diocese. The Ministry Units are separate diocesan bodies, however they exercise delegated authority from the Diocesan Council.</p> <p>The Diocesan Council minutes are not tabled at Synod. Instead the Synod is provided with a list of the resolutions of the Diocesan Council made during the year.</p> <p>A report summarising the work of the Diocesan Council is also provided to the Synod.</p>
Perth	<p>As a general rule, Diocesan Council minutes are not made available to anyone other than Diocesan Council members. However the extent to which the minutes of the Diocesan Council may be accessed has not been recently tested.</p> <p>Synod members are entitled to attend Diocesan Council meetings. Further, Perth is looking to move towards a policy similar to the General Synod Standing Committee's "Communications Policy".</p> <p>Most confidential/commercial matters are dealt with by the Trustees. The minutes of the Trustees are not shown to anyone.</p>

4. I trust that this information is a useful input for the purpose of deciding whether it is appropriate to give members of the Synod access to the minutes of the Standing Committee and, if so, on what basis.

ROBERT WICKS
Diocesan Secretary

31 March 2011

Standing Committee Minute Book

(A report from the Standing Committee.)

1. This report is based on advice from the Legal Committee of the Standing Committee and responds to the following notice of motion, referred to the Standing Committee by the Synod at the close of business on 16 October 1992 -

"That the minute book of the Standing Committee from time to time shall be made available by the Diocesan Secretary upon requests for inspection by any member of Synod during normal business hours upon reasonable notice."

2. It is useful to have regard to the relationship between the Synod and the Standing Committee, which was summarised by the Standing Committee in its report to the Synod in 1976 as follows -

"The Standing Committee is elected by the Synod but its function and purpose is not merely to be an extension of Synod. The relationship between the Synod and the Standing Committee is analogous to that between, say, the Archbishop and the Synod. The Archbishop is elected by the Synod but Synod fully recognises that his office and ministry touches upon many matters to be considered, and calls for many decisions to be made, in camera. So, although the Standing Committee continues the business of Synod when Synod is not in session, much of its business is of a far more detailed and confidential nature."

3. Clause 4 of the Standing Committee Ordinance 1897 sets out the functions of the Standing Committee and subclause (3) indicates that the Standing Committee has a significant management function. The law recognises that confidentiality is a key requisite for effective management and, accordingly, does not impose a general duty on management to make minutes of its proceedings available to outsiders. For example, trustees of a trust are generally not obliged to make minutes of their meetings available to beneficiaries: *In re Londonderry's Settlement [1965] 1 Ch 191*. In addition, a shareholder has no general right to inspect minutes of a meeting of the board of directors: *R v Mariquita & New Granada Mining Co (1858) 120 ER 917*. While the relationship between the Synod and the Standing Committee is not the same as the relationship which exists between trustees and beneficiaries or a board of directors and shareholders, the functions of the Standing Committee are such that the confidentiality of its proceedings would generally be protected by the law.

4. Thus, subject to one qualification, there is no legal obligation on the Standing Committee to make its minutes generally available for inspection by Synod members. The qualification arises by reason of clause 7 of the Standing Committee Ordinance 1897 which requires that the Standing Committee keep minutes of its proceedings and cause its minute book to be laid before the Synod at the commencement of each session. Under clause 9 of the Standing Orders Ordinance 1968 the laying of the minute book on the table is part of the business of the first day of each session of Synod.

5. Whether the minute book of the proceedings of the Standing Committee is made available to members of the Synod other than during sessions of the Synod is a matter of policy to be determined by the Standing Committee. There are good reasons why the minute book should not be available for inspection by Synod members generally. These include the need to keep certain deliberations of the Standing Committee confidential while the matters to which those deliberations relate are current. In addition, not all matters are decided in the course of one meeting and it may not be desirable to permit Synod members to have regard to the deliberations at one meeting which form part only of all deliberations in relation to a matter. A less significant reason, but nevertheless one which should be borne in mind, is that there is likely to be a cost to the Standing Committee (in terms of staff time etc) incurred in making the minute book available.

6. If the Standing Committee does permit Synod members to inspect the minutes during normal business hours and upon reasonable notice, the Standing Committee will have to consider whether the manner in which the minutes are presently recorded continues to be appropriate.

For and on behalf of the Standing Committee.

MARK PAYNE
Legal Officer

8 October 1993

19/10 The Anglican Communion Covenant

(A report from the Standing Committee.)

Contents	Paragraph
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Short history of the Anglican Communion Covenant	5
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+ + + + +

Reference from General Synod

- The General Synod of the Anglican Church of Australia at its meeting in September 2010, resolved – “That this General Synod –
 - Thanks the Covenant Design Group for their faithfulness and responsiveness in producing the Anglican Communion Covenant;
 - Recognises that an Anglican Communion Covenant seeks to provide a means to strengthen and promote our common life as a communion;
 - Affirms the value of the relationships we share with the other member churches of the Anglican Communion;
 - Renews our commitment to maintain and strengthen those relationships to further the mission we share;
 And further, this General Synod –
 - Receives the final text of the Anglican Communion Covenant as an expression of aspirations for the life of the Anglican Communion;
 - Commends it for further study, dialogue and deliberation in the diocese;
 - Requests the synods of all dioceses to consider the question of the Anglican Church of Australia adopting the Covenant by resolution and report to the Standing Committee by December 2012;
 - Requests the Standing Committee to produce a report for consideration at the 16th session of General Synod.”
- By resolution 19/10, the Synod of the Diocese of Synod resolved at its October 2010 session as follows – “Synod notes that General Synod 2010 received the text of the Anglican Communion Covenant and resolved to request the synods of all dioceses to consider the question of the Anglican Church of Australia adopting the Covenant by resolution and report the results of their consideration to the General Synod Standing Committee by December 2012. Synod asks Standing Committee to take any necessary steps to enable synod to consider the question at the 2011 session of Sydney Synod.”
- This report has been prepared by the Rev Gavin Poole, the Rev Dr Mark Thompson and Mr Robert Tong on behalf of the Standing Committee for the Synod session in 2011 in response to resolution 19/10.
- The text of the Anglican Communion Covenant is set out in the Attachment.

Short history of the Anglican Communion Covenant

- Tensions within Anglicanism are not new. Arguably these can be traced back to the early years of the English Reformation, even if the nineteenth century brought new and continuing tensions with the emergence of the Oxford Movement and publication of *Essays and Reviews* in 1860 and *Lux Mundi* in 1889.
- Liberal Anglo-Catholicism has dominated the denomination since the end of the nineteenth century and as a result evangelical Anglicanism has struggled in a hostile environment for a very long time. However, since the 1960s a number of outspoken Anglican bishops have challenged rather than championed orthodox Christian doctrine, including the uniqueness of Christ, the bodily resurrection of Jesus, the nature of God, and biblical teaching on human sexuality. This has led to the marginalisation and increased pressure upon advocates of biblical teaching on each of these and other subjects.
- The catalyst of the current crisis has been the decision of some groups within the Anglican Communion to endorse homosexual practice as compatible with Christian faith. The temperature had been rising over this issue throughout 1990s. In August 1994 ‘A Statement in Koinonia’ was presented to the ECUSA House of Bishops. This statement was largely drafted by John Shelby Spong and included an affirmation ‘that homosexuality and heterosexuality are morally neutral’. In November 1995 the Church of England Evangelical Council produced the

St Andrew's Day Statement which spoke of the church's responsibility to assist 'all its members to a life of faithful witness in chastity and holiness, recognising two forms or vocations in which that life can be lived: marriage and singleness'. This perspective was expressed by a much wider constituency when in February 1997 the Second Anglican Encounter in the South issued the Kuala Lumpur Statement on Human Sexuality. However, in July that year the ECUSA General Convention voted against endorsing the Kuala Lumpur Statement. Then in May 1998 the Canadian Diocese of New Westminster voted to authorize clergy in the diocese to bless 'covenanted same-sex unions' (the bishop withheld his consent pending further consultations).

8. In this context the Lambeth Conference was held in July 1998, at which an overwhelming majority of Anglican bishops (526 to 70 with 45 abstentions) endorsed resolution 1.10 'Human Sexuality'.

"This Conference –

- (a) commends to the Church the subsection report on human sexuality;
- (b) in view of the teaching of Scripture, upholds faithfulness in marriage between a man and a woman in lifelong union, and believes that abstinence is right for those who are not called to marriage;
- (c) recognises that there are among us persons who experience themselves as having a homosexual orientation. Many of these are members of the Church and are seeking the pastoral care, moral direction of the Church, and God's transforming power for the living of their lives and the ordering of relationships. We commit ourselves to listen to the experience of homosexual persons and we wish to assure them that they are loved by God and that all baptised, believing and faithful persons, regardless of sexual orientation, are full members of the Body of Christ;
- (d) while rejecting homosexual practice as incompatible with Scripture, calls on all our people to minister pastorally and sensitively to all irrespective of sexual orientation and to condemn irrational fear of homosexuals, violence within marriage and any trivialisation and commercialisation of sex;
- (e) cannot advise the legitimising or blessing of same sex unions nor ordaining those involved in same gender unions;
- (f) requests the Primates and the ACC to establish a means of monitoring the work done on the subject of human sexuality in the Communion and to share statements and resources among us;
- (g) notes the significance of the Kuala Lumpur Statement on Human Sexuality and the concerns expressed in resolutions IV.26, V.1, V.10, V.23 and V.35 on the authority of Scripture in matters of marriage and sexuality and asks the Primates and the ACC to include them in their monitoring process."

9. The Lambeth Conference resolution did not end the controversy. In July 2000 the General Convention of ECUSA resolved that 'the issues of human sexuality are not yet resolved' (D039). In June 2001 and again in June 2002 the Diocese of New Westminster voted to authorize blessings of same-sex unions. Then in June 2003 Gene Robinson, a practicing homosexual presbyter was elected Bishop of New Hampshire in the US, an election that was confirmed by the ECUSA's General Convention in August. At every point along the way the Primates of the Anglican Communion expressed their concern, called for restraint and warned of a serious rending of the fabric of communion if these provinces continued along this path. However, the consecration of Gene Robinson in November 2003 represented a decisive move away from the rest of the Anglican Communion.

10. Alongside these developments provision was made to care for those congregations and Christian men and women who were alienated by these developments. In January 2000 the Archbishops of Rwanda and South East Asia consecrated two American bishops to care for those out of communion with their diocesan bishop (the Anglican Mission in the Americas was established in August that year). Six years later, in 2006, the Church of Nigeria (Anglican Communion) consecrated a bishop for the Convocations of Anglicans. As might be expected, ECUSA, which changed its name to The Episcopal Church (TEC) in 2006, protested loudly, declaring such action 'unwarranted intervention' in the affairs of an autonomous province.

11. In between Gene Robinson's confirmation and his consecration, the Anglican Primates met for an emergency meeting in October 2003. As a result of a request from this meeting the Archbishop of Canterbury established the Lambeth Commission on Communion. It was charged with addressing the developing crisis and proposing a way forward. A year later the Commission published its work as *The Windsor Report*. It recommended the adoption of an Anglican Covenant as a means of rebuilding trust in a time of strain as follows -

"118. This Commission recommends, therefore, and urges the primates to consider, the adoption by the churches of the Communion of a common Anglican Covenant which would make explicit and forceful the loyalty and bonds of affection which govern the relationships between the churches of the Communion. The Covenant could deal with: the acknowledgement of common identity; the relationships of communion; the commitments of communion; the exercise of autonomy in communion; and the management of communion affairs (including disputes)."

12. Various critical responses to *The Windsor Report* by both conservatives and revisionists followed. One of the fullest responses was *The Faith Once For All Delivered* (ed. by Peter Bolt, Mark Thompson and Robert Tong; Sydney: A CL/ACR, 2005). Among the concerns were the assumptions about a uniform structure of authority

across the Anglican Communion, a concentration of authority in the central institutions of the Communion, and most importantly, the absence of any distinction between issues involving doctrinal or moral departure from the teaching of Scripture and those on which Scripture is silent but around which conventions have developed over the past five hundred years.

13. Nevertheless, a Covenant Design Group (CDG) appointed by the Archbishop of Canterbury, on behalf of the Primates, met in Nassau in January 2007 and produced a draft text which quickly became known as 'The Nassau Draft'. The CDG met again in February 2008 and produced a second draft, 'The St Andrew's Draft'. It met again in April 2009 in Ridley Hall, Cambridge and produced the third edition of the draft Covenant and invited responses from the Anglican Provinces of the Communion.

14. Twenty Provinces, including Australia, submitted responses to the Ridley-Cambridge draft. After adjustments by the CDG the Ridley-Cambridge version of the *Anglican Communion Covenant* was considered by the 14th Anglican Consultative Council meeting in Jamaica in May 2009. ACC 14 endorsed the draft, apart from the contentious Section 4 on implementation processes which was referred to a further working group for report to the next meeting of the ACC Standing Committee. After further amendment, Section 4 has now been approved and forms part of the document for consideration by the Provinces of the Anglican Communion. Each of these documents can be viewed on the Anglican Communion website <http://www.anglicancommunion.org/>.

The encircling gloom

15. In the midst of the process of producing successive drafts of the proposed Covenant, the Archbishop of Canterbury called the decadal Lambeth Conference. In a succession of communications prior to the issue of the invitations, a number of the Primates called upon the Archbishop of Canterbury to act decisively by refusing to invite not only Gene Robinson but all those bishops who had consented to and participated in his consecration as well as the Bishop of New Westminster. If those who had acted in defiance of the rest of the Communion were to be invited, orthodox bishops indicated they would have to rethink their own attendance. Seven of the Primates planned a conference in Jerusalem prior to Lambeth at which Anglicans committed to the teaching of Scripture might plan for global mission. GAFCON, with attendees representing the vast majority of Anglicans worldwide was held in June 2008. A month later the Lambeth Conference met, with all but Gene Robinson and the missionary bishops consecrated for ministry in America invited and with a large number of orthodox bishops declining the Archbishop's invitation. A total of 214 bishops representing 206 dioceses boycotted Lambeth 2008.

16. More broadly across the Anglican Communion there were notable absences at the Anglican Communion Primates' Meeting in Dublin in January 2011. Fifteen Primates were absent with several of them recent developments in The Episcopal Church as their reason. Seven members were unable to attend the Anglican Consultative Council (ACC) meeting in Kingston, Jamaica, May 2009. In addition Archbishops Anis (Jerusalem and the Middle East), Orombi (Uganda), Akrofi (West Africa) and Bishop Marshall (Iran) resigned from the ACC. Earlier this year Archbishop Mouneer Anis resigned from the Standing Committee of Anglican Communion (SCAC). In an open letter to its members he stated, "The current SCAC provides no effective challenge to the ongoing revisions of TEC ..." He furthermore lamented over the weakness of the current draft of the Covenant compared to previous ones stating "... it will not solve the current crisis."¹

17. The GAFCON Primates made the following observation at their conference in London, November 2010, "And while we acknowledge that the efforts to heal our brokenness through the introduction of an Anglican Covenant were well intentioned we have come to the conclusion the current text is fatally flawed and so support for this initiative is no longer appropriate."

18. The Instruments of Communion (namely, the Archbishop of Canterbury, the Lambeth Conferences, the Primates Meetings and the Anglican Consultative Council) have been weakened as orthodox members have chosen to stay away, due to the unwillingness of the Instruments of Communion to confront the challenges presented by TEC and the Anglican Church of Canada. Key leaders have expressed that the Covenant is too little, too late and unable to mend the torn fabric of the Communion.

A theological response to the final text of The Anglican Communion Covenant

19. The final text of the Anglican Communion Covenant consists of six basic parts –

Introduction to the Covenant Text

Preamble

1. Our Inheritance of Faith
2. The Life we Share with Others: Our Anglican Vocation
3. Our Unity and Common Life
4. Our Covenanted Life Together

20. The *Introduction to the Covenant Text* is essentially an attempt to provide a context for the document itself which, although it omits the language of truth and obedience, affirms quite strongly the need for mutual commitment and discipline. Section 4.4.1 of the Covenant text asserts that the *Introduction* 'is not part of the Covenant, but shall be accorded authority in understanding the purpose of the Covenant'. This gives considerable weight to the summary in the *Introduction* that 'we covenant together as churches of this Anglican

¹ The Most Rev. Dr. Mouneer H. Anis, Open letter "To the Primates and Moderators of the Anglican Communion", 30 January 2010, <http://www.dioceseofegypt.org>

Communion to be faithful to God's promises through the historic faith we confess' (§4). However, no historical context is provided, which might enable those who are called upon to sign the Covenant to see why it is necessary.

21. The **Preamble** describes what follows as a series of 'affirmations and commitments'. It also gives a certain priority to proclaiming in our different contexts 'the grace of God revealed in the gospel'.

22. **Section One: Our Inheritance of Faith** affirms 'the catholic and apostolic faith uniquely revealed in the Holy Scriptures' (1.1.2). This is a very welcome affirmation. However, not so welcome is the way the following sentences downplay the 'historic formularies of the Church of England', which are 'acknowledged and appropriated in various ways', and give prominence instead to the Chicago-Lambeth Quadrilateral of 1886/1888 (a document which was never intended as a description of Anglican essentials but as a workable basis for ecumenical discussion). This inevitably elevates 'the historic episcopate' (1.1.6), since the Quadrilateral placed this alongside Scripture, the Creeds, and the sacraments.

23. The first *commitment* is 'to teach and act in continuity and consonance with Scripture and the catholic and apostolic faith, order and tradition' (1.2.1). It is not entirely clear why it was felt necessary to supplement a reference to Scripture with a reference to 'the catholic and apostolic faith, order and tradition'. The fact that the second affirmation speaks of theological and moral reasoning and discipline rooted in and answerable to 'the teaching of Holy Scripture and the catholic tradition' (1.2.2) serves to underline the oddity. Are these two complementary sources or is catholic and apostolic faith, order and tradition that which is found in Holy Scripture? Similar questions are raised by a reference to 'the teaching of bishops and synods' alongside the 'attentive and communal reading of ... the Scriptures by all the faithful' (1.2.4). The effect is to raise questions about the sufficiency of Scripture for settling questions of faith and life, and this confusion is compounded by reference to our common pilgrimage 'to discern the fullness of truth into which the Spirit leads us' (1.2.8).

24. **Section Two: The Life We Share with Others: Our Anglican Vocation** affirms communion as a gift of God, gratitude for God's gracious providence and the imperative of God's mission. However, in its affirmation of 'our call to constant repentance', it highlights failure 'in exercising patience and charity in recognizing Christ in one another', the 'misuse of God's gracious gifts', the failure to 'heed God's call to serve' and the exploitation of one another (2.1.3). There is no mention at all of a failure to obey the word of God and a need for repentance from false teaching or immoral living. In addition, the affirmation of an 'ecumenical vocation of Anglicanism' (2.1.5) is built upon a confusion of the nature of the unity for which Christ prays. Visible, institutional unity is substituted for the unity which the Spirit creates, a unity in the faith that stretches across institutions, cultures and other marks of difference.

25. The *commitments* in this section are built upon a number of reports from the Anglican Consultative Council, the World Council of Churches, and the International Anglican-Roman Catholic Commission for Unity and Mission. Priority is rightly given to God's call to undertake evangelisation and the ministry of reconciliation (2.2.1). Proclaiming the good news is accentuated, as is a commitment to bringing all 'to repentance and faith' (2.2.2.a). However, a common life of humble and obedient submission to the word of God is not at the forefront. Instead, commitments with dubious biblical warrant — e.g. 'to transform unjust structures of society' (2.2.2d) and 'to safeguard the integrity of creation' — are given a position alongside the commitment to mission.

26. **Section Three: Our Unity and Common Life** affirms a unity focussed in the bishops of the churches. We are bound together 'by mutual loyalty sustained through the common counsel of the bishops in conference' (3.1.2). The role of bishops is described as 'central'. They are 'guardians and teachers of faith', 'leaders in mission' and 'a visible sign of unity' (3.1.3). There is no suggestion that bishops too must be held accountable and that they stand under the authority of Scripture; no acknowledgement of the possibility that a particular bishop's life and teaching might be part of the problem. Further, the importance of four 'instruments of communion' is acknowledged: the Archbishop of Canterbury — described as a focus and means of unity, with a 'primacy of honour and respect'; the Lambeth Conference, an expression of worldwide episcopal collegiality; the Anglican Consultative Council, which 'calls the churches into mutual responsibility and interdependence'; and the Primates' Meeting, where these senior bishops operate as 'representatives of their Provinces'. There is little sense of a mandate for this fourfold authority within the communion and little recognition that the Archbishop of Canterbury so dominates the structure (he calls the Lambeth Conference, chairs the Anglican Consultative Council, and convenes the Primates' Meeting) that it might be more accurate to speak of this structure resolving into 'one instrument of communion'.

27. The commitments of this section include supporting the work of the 'Instruments of Communion' (3.2.1), respecting the 'constitutional autonomy of all the Churches of the Anglican Communion' (3.2.2), demonstrating 'openness and patience in matters of theological debate' (3.2.3), undertaking wide consultation (3.2.4), acting carefully in controversial matters (3.2.5), and participating in face-to-face meetings (3.2.6). There is no acknowledgement that all, including the bishops and especially the Archbishop of Canterbury, are accountable to maintain unity by speaking the truth in love, to drive out false doctrine, and to place loyalty to Christ above episcopal collegiality or loyalty to the institution.

28. **Section Four: Our Covenanted Life Together** abandons the structure of affirmations followed by commitments and instead affirms a series of principles and procedures, the implementation of which is committed to by the signatories of the Covenant. These include processes for adoption of the Covenant by national or regional churches, processes for maintenance of the Covenant and for dispute resolution, processes for withdrawing from the Covenant and for amending the text of the Covenant. The section struggles to hold together a 'commitment to relationship' (4.1.1), 'interdependence of life' (4.1.2) and each church's 'autonomy of

governance' (4.1.3). Critical to the processes outlined in this section is the role of the Standing Committee (formerly the Joint Standing Committee), which may make a declaration that an action or decision is or would be 'incompatible with the Covenant' (4.2.6), may recommend relational consequences to any Instrument of Communion (4.2.5), and may recommend proposal for amendment of the Covenant text, after seeking advice from anybody it considers appropriate (4.4.2).

Detailed comments on five theological objections to the Covenant

29. This final text represents a significant advance on earlier drafts, both in the inclusion of the *Introduction* with its theological framework and the regular references to the priority of mission, proclamation and evangelism. However, a number of serious theological objections to the document remain, though these have been signalled in previous submissions to the committee responsible for drafting the Covenant. Some of these have been touched upon in the survey above but five are presented here in more detail.

- (a) **Failure to give sufficient attention to historic Anglican formularies:** This final text of the Covenant fails to give sufficient attention to the place of the formularies (the Thirty-nine Articles of Religion, the Ordinal and the Book of Common Prayer) in Anglican theology and practice. These 'historic formularies of the Church of England', while bearing authentic witness to the catholic and apostolic faith, are only 'acknowledged and appropriated in various ways in the Anglican Communion'. While it is simply a matter of constitutional reality that the Articles do not have the same place or function in all the provinces of the Communion, the doctrine they espouse remains the doctrine of the Anglican churches. In other words they are not just further authentic witnesses to the catholic and apostolic faith; they exercise a particular function in the structure of our doctrine and life together (whether acknowledged or not). It is beyond dispute that the Articles (which, it should be noted, enjoin the reading of the *Homilies*) arose in a particular historical location and bear the marks of that location. England in the sixteenth century is very different from Africa or Asia in the twenty-first century. However, the few articles which are specific to that original situation (e.g. Article 37) can easily be distinguished from those articles treating biblical doctrine.
- (b) **Confused ecclesiology:** The Covenant continues to operate with a confused ecclesiology. What is the basic unit of the denomination which would be able to enter into such a Covenant? Section 4 seems to rely upon the notion of Anglican provinces committing their member churches to this arrangement. However, such a notion of the nature and function of a province is quite novel and flies in the face of the two most enduring theological views: that the diocese and its bishop is the basic unit of 'church'; or that the local congregation is the basic unit of 'church'. The theological questions raised by giving provinces such a role in maintaining discipline are immense and yet this is assumed rather than established on the basis of Scripture.
- (c) **Inflated view of the Anglican bishop:** The final text contains a highly inflated view of the Anglican bishop. Why, for instance is the teaching of bishops highlighted in §1.2.4? They are authorised teachers within our polity but so is every priest or presbyter and even each deacon. Neither the Ordinal or the Articles presupposes a distinction between them at this point. The teaching of all is to be tested by the Scriptures themselves. Similarly, to suggest that 'Churches of the Anglican Communion are bound together ... by mutual loyalties sustained through the common counsel of bishops in conference' (§3.1.2) is problematic, notwithstanding the fact that this was the language of the Lambeth Conference of 1930.² In contrast to the trend in some circles to elevate the Anglican bishop, recent history and the current crisis make clear the need to highlight the accountability of bishops to live and teach according to the Scriptures rather than to suggest they (or anyone else) stand over the Scriptures as in some way privileged interpreters.
- (d) **Inordinate power given to the Archbishop of Canterbury:** This document involves ratifying an authority structure which gives an inordinate amount of power to the Archbishop of Canterbury. As mentioned above, he plays a significant role in each of the other three 'Instruments of Communion' which therefore cannot operate as effective counterbalances if he should himself be part of the problem at any point. His role in issuing invitations to Lambeth, chairing the ACC and also the Standing Committee, and convening the Primates Meeting raises serious questions about whether there are in reality four 'Instruments of Communion' or one.
- (e) **Failure to give due weight to the teaching of Scripture:** Perhaps most serious of all, the Covenant does not differentiate – and has no mechanism for differentiating – between those actions which are a departure from the teaching of Scripture and others which involve no such departure. The Covenant's focus on maintaining institutional unity blurs this most significant

² A previous Australian primate said in his Presidential Address to the 1981 General Synod –

"William Temple whose fame is in all the Churches is credited with having said: 'When people say that the Church should do something, they usually mean that the Bishops should say something'. The trouble is that the Bishops seldom agree among themselves, and in any case the Bishops are not the Church. The Church is made up of people: it is governed by an elected General Synod; when the Synod is not in session, its Standing Committee acts on its behalf. That is, as democratic a system of church government as can easily be devised, but it makes it impossible for the Church to speak with a single authoritative voice. Therefore what the Primate should choose to say, or what the Bishops decide to say may be no more than a personal utterance and may command no more support than those whose views it happens to reflect."

distinction. The abandonment of biblical teaching on human sexuality is of an entirely different character to the exercise of extra-diocesan jurisdiction for the sake of those faithful men and women who are suffering at the hands of an errant leadership. Neither the search for faithful episcopal oversight outside of the normal structures nor the approval of administration of the Holy Communion by persons other than presbyters are contrary to Scripture. On the other hand, both a public denial of the necessity of faith in Christ for salvation and an endorsement of homosexual activity are manifestly contrary to Scripture.

30. *The Anglican Covenant* is fundamentally concerned with maintaining structural and institutional unity rather than biblical faithfulness. The real problem is a departure from the teaching of Scripture. The New Testament's focus is on 'the unity of the Spirit in the bond of peace' which involves 'speaking the truth in love' (Eph. 4:3, 15). 'Our fellowship is with the Father and with his Son Jesus Christ' and it involves walking 'in the light' (1 John 1:3, 6–7). Genuine unity, which can exist even where there are multiple and divergent institutional expressions, arises from a common commitment to the gospel of Jesus Christ. For this reason, departures from the apostolic faith are to be vigorously challenged, as Paul challenged Peter at Antioch on the basis of the gospel (Gal. 2:11–16). Where there is no repentance, exclusion from fellowship is the appropriate sanction (1 Cor. 5; cf. Matt. 18:15–20). Ultimately *The Anglican Covenant* is the wrong remedy because it wrongly diagnoses the critical problem.

How would Australia enter into the Covenant?³

31. The Covenant contemplates that Provinces will adopt or enter into the Covenant in accordance with their own constitutional procedures (4.1.4 and 4.1.6).

32. There are 3 ways in which the Covenant could be adopted under the constitutional procedures of the Anglican Church of Australia. These are –

- (a) by an amendment to the Constitution of the Anglican Church of Australia,
- (b) by the General Synod passing a canon to adopt the Covenant, or
- (c) by the General Synod passing a resolution to adopt the Covenant.

33. **Constitutional amendment:** Amending the Constitution is not easy or quick. Generally, changes to core provisions of the Constitution require majorities in each of the houses of bishops, clergy and laity and, subsequently, the assent of the three quarters of the diocesan synods including all Metropolitan Sees. While most diocesan synods meet annually, the General Synod meets about every 3 years.

34. **Adoption by canon:** If a canon is promoted to adopt the Covenant on behalf of the Anglican Church of Australia, the canon will need to comply with particular provisions of the Constitution which apply to canons depending on their subject matter. In particular –

- (a) Any statement of faith, ritual or ceremonial or discipline of the Anglican Church of Australia (as those terms are defined in the Constitution) and any ordering of its forms of worship and rules of discipline made in or by the Covenant as adopted by canon must be consistent with the Fundamental Declarations and be made as prescribed by the Constitution (section 4 Constitution).
- (b) Any alteration in or permitted variations from the services in the Book of Common Prayer or the Thirty-nine Articles made in or by the Covenant as adopted by canon must not contravene any principle of doctrine or worship laid down in the Book of Common Prayer or the Thirty-nine Articles being the authorised standard of worship and doctrine in the Anglican Church of Australia (section 4 Constitution).
- (c) A canon which adopts the Covenant must, unless three-fourths of the members of each house of the General Synod otherwise decide, be dealt with as a special bill if any provision of the Covenant deals with or concerns the ritual, ceremonial or discipline of the Anglican Church of Australia (section 28 Constitution).
- (d) A canon which adopts the Covenant does not come into force in a diocese unless and until the diocese adopts the canon by ordinance if any provision of the Covenant affects the order and good government of the Church in a diocese (including a provision which affects the ritual ceremonial or discipline of the Church) or the property of the church of a diocese (section 30).
- (e) The authority of the General Synod to make a canon which adopts the Covenant and the authority of a diocesan synod to make an ordinance to adopt such a canon are also subject to the Fundamental Declarations (section 5 Constitution).

35. **Adoption by resolution:** A resolution to adopt the Covenant may be made by the General Synod under section 26 of the Constitution. A resolution only needs a simple majority of the whole Synod voting together unless the required number demand a vote by houses, in which case there must be a majority in each house for the motion to pass. Although the requirements referred to in 34(a) and (b) above probably also apply to the adoption of the Covenant by resolution of the General Synod, there is a serious question as to whether adopting the Covenant by resolution has any legal force throughout Australia. Adoption by resolution has no legal force in New South Wales.

³ See, Robert Tong 'How would the Anglican Church of Australia commit itself to an Anglican Covenant?' in *The Faith Once for all Delivered*, Bolt P G, Thompson M D and Tong R (eds) Australian Church Record 2005 and Robert Tong (2006) 'Australia and the Anglican Covenant' *Ecclesiastical Law Journal*, 8, pp 464-469

Consequences of not entering into the Covenant

36. The text of the Covenant does not engage to any significant extent with the consequences of a Province not adopting the Covenant. However a couple of observations can be made.

37. Firstly, a doption of t he C oovenant do es not confer any r ight of r ecognition by , or m embership of t he Instruments of C ommunion, which s hall b e de cided by t hose Instruments t hemselves (4.1.5). Presumably, therefore, a dec ision not to adopt t he C oovenant w ould n ot, of it self, r emove any r ight of r ecognition by or membership of the Instruments of Communion (to the extent they exist), although the Instruments of Communion may have regard to any non-adoption in deciding these issues.

38. Secondly, the Covenant does provide that participation in the decision making of the Standing Committee or the Instruments of Communion in respect of the maintenance of the Covenant and dispute resolution under section 4.2 shall be limited to those members of the Instruments of Communion who are representatives of those churches who have adopted the Covenant, or who are still in the process of adoption (4.2.8).

Recommendations

39. The Standing Committee recommends that the Synod of the Diocese of Sydney –

- (a) oppose the adoption of the Anglican Communion Covenant by the Anglican Church of Australia, and
- (b) adopt this report and request that a suitable form of the report be sent to the Standing Committee of the General Synod.

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

6 September 2011

The Anglican Communion Covenant

Introduction to the Covenant Text

“This life is revealed, and we have seen it and testify to it, and declare to you the eternal life that was with the Father and was revealed to us – we declare to you what we have seen and heard so that you also may have communion with us; and truly our communion is with the Father and with his Son Jesus Christ. These things we write so that our joy may be complete.” (1 John 1.2-4).

1. God has called us into communion in Jesus Christ (1 Cor. 1.9). This communion has been “revealed to us” by the Son as being the very divine life of God the Trinity. What is the life revealed to us? St John makes it clear that the communion of life in the Church participates in the communion which is the divine life itself, the life of the Trinity. This life is not a reality remote from us, but one that has been “seen” and “testified to” by the apostles and their followers: “for in the communion of the Church we share in the divine life”¹. This life of the One God, Father, Son, and Holy Spirit, shapes and displays itself through the very existence and ordering of the Church.
2. Our divine calling into communion is established in God’s purposes for the whole of creation (Eph 1:10; 3:9ff.). It is extended to all humankind, so that, in our sharing of God’s life as Father, Son, and Holy Spirit, God might restore in us the divine image. Through time, according to the Scriptures, God has furthered this calling through covenants made with Noah, Abraham, Israel, and David. The prophet Jeremiah looked forward to a new covenant not written on tablets of stone but upon the heart (Jer 31.31-34). In God’s Son, Christ Jesus, a new covenant is given us, established in his “blood ... poured out for the many for the forgiveness of sins” (Mt 26:28), secured through his resurrection from the dead (Eph 1:19-23), and sealed with the gift of the Holy Spirit poured into our hearts (Rom 5:5). Into this covenant of death to sin and of new life in Christ we are baptized, and empowered to share God’s communion in Christ with all people, to the ends of the earth and of creation.
3. We humbly recognize that this calling and gift of communion entails responsibilities for our common life before God as we seek, through grace, to be faithful in our service of God’s purposes for the world. Joined in one universal Church, which is Christ’s Body, spread throughout the earth, we serve his gospel even as we are enabled to be made one across the dividing walls of human sin and estrangement (Eph 2.12-22). The forms of this life in the Church, caught up in the mystery of divine communion, reveal to the hostile and divisive power of the world the “manifold wisdom of God” (Eph 3: 9-10). Faithfulness, honesty, gentleness, humility, patience, forgiveness, and love itself, lived out in mutual deference and service (Mk 10.44-45) among the Church’s people and through its ministries, contribute to building up the body of Christ as it grows to maturity (Eph 4.1-16; Col 3.8-17).
4. In the providence of God, which holds sway even over our divisions caused by sin, various families of churches have grown up within the universal Church in the course of history. Among these families is the Anglican Communion, which provides a particular charism and identity among the many followers and servants of Jesus. We recognise the wonder, beauty and challenge of maintaining communion in this family of churches, and the need for mutual commitment and discipline as a witness to God’s promise in a world and time of instability, conflict, and fragmentation. Therefore, we covenant together as churches of this Anglican Communion to be faithful to God’s promises through the historic faith we confess, our common worship, our participation in God’s mission, and the way we live together.
5. To covenant together is not intended to change the character of this Anglican expression of Christian faith. Rather, we recognise the importance of renewing in a solemn way our commitment to one another, and to the common understanding of faith and order we have received, so that the bonds of affection which hold us together may be re-affirmed and intensified. We do this in order to reflect, in our relations with one another, God’s own faithfulness and promises towards us in Christ (2 Cor 1.20-22).
6. We are a people who live, learn, and pray by and with the Scriptures as God’s Word. We seek to adore God in thanks and praise and to make intercession for the needs of people everywhere through common prayer, united across many cultures and languages. We are privileged to share in the mission of the apostles to bring the gospel of Christ to all nations and peoples, not only in words but also in deeds of compassion and justice that witness to God’s character and the triumph of Christ over sin and death. We give ourselves as servants of a greater unity among the divided Christians of the world. May the Lord help us to “preach not ourselves, but Jesus Christ as Lord, and ourselves as your servants for Jesus’ sake” (2 Cor. 4.5).
7. Our faith embodies a coherent testimony to what we have received from God’s Word and the Church’s long-standing witness. Our life together reflects the blessings of God (even as it exposes our failures in faith, hope and love) in growing our Communion into a truly global family. The mission we pursue aims at serving the great promises of God in Christ that embrace the peoples and the world God so loves. This mission is carried out in

¹ *The Church of the Triune God*, The Cyprus Statement of the International Commission for Anglican Orthodox Theological Dialogue, 2007, paragraph 1.2.

shared responsibility and stewardship of resources, and in interdependence among ourselves and with the wider Church.

8. Our prayer is that God will redeem our struggles and weakness, renew and enrich our common life and use the Anglican Communion to witness effectively in all the world, working with all people of good will, to the new life and hope found in Christ Jesus.

The Anglican Communion Covenant

Preamble

We, as Churches of the Anglican Communion, under the Lordship of Jesus Christ, solemnly covenant together in these following affirmations and commitments. As people of God, drawn from “every nation, tribe, people and language” (Rev 7.9), we do this in order to proclaim more effectively in our different contexts the grace of God revealed in the gospel, to offer God’s love in responding to the needs of the world, to maintain the unity of the Spirit in the bond of peace, and together with all God’s people to attain the full stature of Christ (Eph 4.3,13).

Section One: Our Inheritance of Faith

1.1 Each Church affirms:

(1.1.1) its communion in the one, holy, catholic, and apostolic Church, worshipping the one true God, Father, Son, and Holy Spirit.

(1.1.2) the catholic and apostolic faith uniquely revealed in the Holy Scriptures and set forth in the catholic creeds, which faith the Church is called upon to proclaim afresh in each generation². The historic formularies of the Church of England³, forged in the context of the European Reformation and acknowledged and appropriated in various ways in the Anglican Communion, bear authentic witness to this faith.

(1.1.3) the Holy Scriptures of the Old and New Testaments as containing all things necessary for salvation and as being the rule and ultimate standard of faith⁴.

(1.1.4) the Apostles’ Creed, as the baptismal symbol; and the Nicene Creed, as the sufficient statement of the Christian faith⁵.

(1.1.5) the two sacraments ordained by Christ himself – Baptism and the Supper of the Lord – ministered with the unfailing use of Christ’s words of institution, and of the elements ordained by him⁶.

(1.1.6) the historic episcopate, locally adapted in the methods of its administration to the varying needs of the nations and peoples called of God into the unity of his Church⁷.

(1.1.7) the shared patterns of our common prayer and liturgy which form, sustain and nourish our worship of God and our faith and life together.

(1.1.8) its participation in the apostolic mission of the whole people of God, and that this mission is shared with other Churches and traditions beyond this Covenant.

1.2 In living out this inheritance of faith together in varying contexts, each Church, reliant on the Holy Spirit, commits itself:

(1.2.1) to teach and act in continuity and consonance with Scripture and the catholic and apostolic faith, order and tradition, as received by the Churches of the Anglican Communion, mindful of the common councils of the Communion and our ecumenical agreements.

(1.2.2) to uphold and proclaim a pattern of Christian theological and moral reasoning and discipline that is rooted in and answerable to the teaching of Holy Scripture and the catholic tradition.

(1.2.3) to witness, in this reasoning, to the renewal of humanity and the whole created order through the death and resurrection of Christ, and to reflect the holiness that in consequence God gives to, and requires from, his people.

(1.2.4) to hear, read, mark, learn and inwardly digest the Scriptures in our different contexts, informed by the attentive and communal reading of – and costly witness to – the Scriptures by all the faithful, by the teaching of bishops and synods, and by the results of rigorous study by lay and ordained scholars.

(1.2.5) to ensure that biblical texts are received, read and interpreted faithfully, respectfully, comprehensively and coherently, with the expectation that Scripture continues to illuminate and transform the Church and its members, and through them, individuals, cultures and societies.

² cf. The Preface to the Declaration of Assent, Canon C15 of the Church of England.

³ The Thirty-nine Articles of Religion, the 1662 Book of Common Prayer, and the Ordering of Bishops, Priests, and Deacons

⁴ The Chicago-Lambeth Quadrilateral of 1886/1888

⁵ The Chicago-Lambeth Quadrilateral of 1886/1888

⁶ cf. The Chicago-Lambeth Quadrilateral 1886/1888, The Preface to the Declaration of Assent, Canon C15 of the Church of England.

⁷ cf. The Chicago-Lambeth Quadrilateral 1886/1888

(1.2.6) to encourage and be open to prophetic and faithful leadership in ministry and mission so as to enable God's people to respond in courageous witness to the power of the gospel in the world.

(1.2.7) to seek in all things to uphold the solemn obligation to nurture and sustain eucharistic communion, in accordance with existing canonical disciplines, as we strive under God for the fuller realisation of the communion of all Christians.

(1.2.8) to pursue a common pilgrimage with the whole Body of Christ continually to discern the fullness of truth into which the Spirit leads us, that peoples from all nations may be set free to receive new and abundant life in the Lord Jesus Christ.

Section Two: The Life We Share with Others: Our Anglican Vocation

2.1 Each Church affirms:

(2.1.1) communion as a gift of God given so that God's people from east and west, north and south, may together declare the glory of the Lord and be both a sign of God's reign in the Holy Spirit and the first fruits in the world of God's redemption in Christ.

(2.1.2) its gratitude for God's gracious providence extended to us down through the ages: our origins in the Church of the apostles; the ancient common traditions; the rich history of the Church in Britain and Ireland reshaped by the Reformation, and our growth into a global communion through the expanding missionary work of the Church; our ongoing refashioning by the Holy Spirit through the gifts and sacrificial witness of Anglicans from around the world; and our summons into a more fully developed communion life.

(2.1.3) in humility our call to constant repentance: for our failures in exercising patience and charity and in recognizing Christ in one another; our misuse of God's gracious gifts; our failure to heed God's call to serve; and our exploitation one of another.

(2.1.4) the imperative of God's mission into which the Communion is called, a vocation and blessing in which each Church is joined with others in Christ in the work of establishing God's reign. As the Communion continues to develop into a worldwide family of interdependent churches, we embrace challenges and opportunities for mission at local, regional, and international levels. In this, we cherish our mission heritage as offering Anglicans distinctive opportunities for mission collaboration.

(2.1.5) that our common mission is a mission shared with other Churches and traditions beyond this Covenant. We embrace opportunities for the discovery of the life of the whole gospel, and for reconciliation and shared mission with the Church throughout the world. We affirm the ecumenical vocation of Anglicanism to the full visible unity of the Church in accordance with Christ's prayer that "all may be one". It is with all the saints in every place and time that we will comprehend the fuller dimensions of Christ's redemptive and immeasurable love.

2.2 In recognition of these affirmations, each Church, reliant on the Holy Spirit, commits itself:

(2.2.1) to answer God's call to undertake evangelisation and to share in the healing and reconciling mission "for our blessed but broken, hurting and fallen world"⁸, and, with mutual accountability, to share our God-given spiritual and material resources in this task.

(2.2.2) to undertake in this mission, which is the mission of God in Christ⁹:

(2.2.2.a) "to proclaim the Good News of the Kingdom of God" and to bring all to repentance and faith;

(2.2.2.b) "to teach, baptize and nurture new believers", making disciples of all nations (Mt 28.19) through the quickening power of the Holy Spirit¹⁰ and drawing them into the one Body of Christ whose faith, calling and hope are one in the Lord (Eph 4.4-6);

(2.2.2.c) "to respond to human need by loving service", disclosing God's reign through humble ministry to those most needy (Mk 10.42-45; Mt 18.4; 25.31-45);

(2.2.2.d) "to seek to transform unjust structures of society" as the Church stands vigilantly with Christ proclaiming both judgment and salvation to the nations of the world¹¹, and manifesting through our actions on behalf of God's righteousness the Spirit's transfiguring power¹²;

(2.2.2.e) "to strive to safeguard the integrity of creation and to sustain and renew the life of the earth" as essential aspects of our mission in communion¹³.

⁸ IASCOME Report, ACC-13

⁹ The five Marks of Mission are set out in the MISSIO Report of 1999, building on work at ACC-6 and ACC-8.

¹⁰ *Church as Communion* n26

¹¹ WCC 1954 Evanston, *Christ the Hope of the World*

¹² Moscow Statement, 43

¹³ IARCCUM, *Growing Together in Unity and Mission*, 118

(2.2.3) to engage in this mission with humility and an openness to our own ongoing conversion in the face of our unfaithfulness and failures in witness.

(2.2.4) to revive and renew structures for mission which will awaken and challenge the whole people of God to work, pray and give for the spread of the gospel.

(2.2.5) to order its mission in the joyful and reverent worship of God, thankful that in our eucharistic communion “Christ is the source and goal of the unity of the Church and of the renewal of human community”¹⁴.

Section Three: Our Unity and Common Life

3.1 Each Church affirms:

(3.1.1) that by our participation in Baptism and Eucharist, we are incorporated into the one body of the Church of Jesus Christ, and called by Christ to pursue all things that make for peace and build up our common life.

(3.1.2) its resolve to live in a Communion of Churches. Each Church, with its bishops in synod, orders and regulates its own affairs and its local responsibility for mission through its own system of government and law and is therefore described as living “in communion with autonomy and accountability”¹⁵. Trusting in the Holy Spirit, who calls and enables us to dwell in a shared life of common worship and prayer for one another, in mutual affection, commitment and service, we seek to affirm our common life through those Instruments of Communion by which our Churches are enabled to be conformed together to the mind of Christ. Churches of the Anglican Communion are bound together “not by a central legislative and executive authority, but by mutual loyalties sustained through the common counsel of the bishops in conference”¹⁶ and of the other instruments of Communion.

(3.1.3) the central role of bishops as guardians and teachers of faith, as leaders in mission, and as a visible sign of unity, representing the universal Church to the local, and the local Church to the universal and the local Churches to one another. This ministry is exercised personally, collegially and within and for the eucharistic community. We receive and maintain the historic threefold ministry of bishops, priests and deacons, ordained for service in the Church of God, as they call all the baptised into the mission of Christ.

(3.1.4) the importance of instruments in the Anglican Communion to assist in the discernment, articulation and exercise of our shared faith and common life and mission. The life of communion includes an ongoing engagement with the diverse expressions of apostolic authority, from synods and episcopal councils to local witness, in a way which continually interprets and articulates the common faith of the Church’s members (*consensus fidelium*). In addition to the many and varied links which sustain our life together, we acknowledge four particular Instruments at the level of the Anglican Communion which express this co-operative service in the life of communion.

- I. We accord the Archbishop of Canterbury, as the bishop of the See of Canterbury with which Anglicans have historically been in communion, a primacy of honour and respect among the college of bishops in the Anglican Communion as first among equals (*primus inter pares*). As a focus and means of unity, the Archbishop gathers and works with the Lambeth Conference and Primates’ Meeting, and presides in the Anglican Consultative Council.
- II. The Lambeth Conference expresses episcopal collegiality worldwide, and brings together the bishops for common worship, counsel, consultation and encouragement in their ministry of guarding the faith and unity of the Communion and equipping the saints for the work of ministry (Eph 4.12) and mission.
- III. The Anglican Consultative Council is comprised of lay, clerical and episcopal representatives from our Churches¹⁷. It facilitates the co-operative work of the Churches of the Anglican Communion, co-ordinates aspects of international Anglican ecumenical and mission work, calls the Churches into mutual responsibility and interdependence, and advises on developing provincial structures¹⁸.
- IV. The Primates’ Meeting is convened by the Archbishop of Canterbury for mutual support, prayer and counsel. The authority that primates bring to the meeting arises from their own positions as the senior bishops of their Provinces, and the fact that they are in conversation with their own Houses of Bishops and located within their own synodical structures¹⁹. In the Primates’ Meeting, the Primates and Moderators are called to work as representatives of their Provinces in collaboration with one another in mission and in doctrinal, moral and pastoral matters that have Communion-wide implications.

It is the responsibility of each Instrument to consult with, respond to, and support each other Instrument and the Churches of the Communion²⁰. Each Instrument may initiate and commend a process of discernment and a direction for the Communion and its Churches.

¹⁴ Baptism, Eucharist and Ministry, WCC,

¹⁵ A Letter from Alexandria, the Primates, March 2009

¹⁶ Lambeth Conference 1930

¹⁷ Constitution of the ACC, Article 3 and Schedule

¹⁸ cf. the Objects of the ACC are set out in Article 2 of its Constitution.

¹⁹ Report of the Windsor Continuation Group, 69.

²⁰ cf. IATDC, Communion, Conflict and Hope, paragraph 113.

3.2 Acknowledging our interdependent life, each Church, reliant on the Holy Spirit, commits itself:

(3.2.1) to have regard for the common good of the Communion in the exercise of its autonomy, to support the work of the Instruments of Communion with the spiritual and material resources available to it, and to receive their work with a readiness to undertake reflection upon their counsels, and to endeavour to accommodate their recommendations.

(3.2.2) to respect the constitutional autonomy of all of the Churches of the Anglican Communion, while upholding our mutual responsibility and interdependence in the Body of Christ²¹, and the responsibility of each to the Communion as a whole²².

(3.2.3) to spend time with openness and patience in matters of theological debate and reflection, to listen, pray and study with one another in order to discern the will of God. Such prayer, study and debate is an essential feature of the life of the Church as it seeks to be led by the Spirit into all truth and to proclaim the gospel afresh in each generation. Some issues, which are perceived as controversial or new when they arise, may well evoke a deeper understanding of the implications of God's revelation to us; others may prove to be distractions or even obstacles to the faith. All such matters therefore need to be tested by shared discernment in the life of the Church.

(3.2.4) to seek a shared mind with other Churches, through the Communion's councils, about matters of common concern, in a way consistent with the Scriptures, the common standards of faith, and the canon laws of our churches. Each Church will undertake wide consultation with the other Churches of the Anglican Communion and with the Instruments and Commissions of the Communion.

(3.2.5) to act with diligence, care and caution in respect of any action which may provoke controversy, which by its intensity, substance or extent could threaten the unity of the Communion and the effectiveness or credibility of its mission.

(3.2.6) in situations of conflict, to participate in mediated conversations, which involve face to face meetings, agreed parameters and a willingness to see such processes through.

(3.2.7) to have in mind that our bonds of affection and the love of Christ compel us always to uphold the highest degree of communion possible.

Section Four: Our Covenanted Life Together

4 Each Church affirms the following principles and procedures, and, reliant on the Holy Spirit, commits itself to their implementation.

4.1 Adoption of the Covenant

(4.1.1) Each Church adopting this Covenant affirms that it enters into the Covenant as a commitment to relationship in submission to God. Each Church freely offers this commitment to other Churches in order to live more fully into the ecclesial communion and interdependence which is foundational to the Churches of the Anglican Communion. The Anglican Communion is a fellowship, within the One, Holy, Catholic and Apostolic Church, of national or regional Churches, in which each recognises in the others the bonds of a common loyalty to Christ expressed through a common faith and order, a shared inheritance in worship, life and mission, and a readiness to live in an interdependent life.

(4.1.2) In adopting the Covenant for itself, each Church recognises in the preceding sections a statement of faith, mission and interdependence of life which is consistent with its own life and with the doctrine and practice of the Christian faith as it has received them. It recognises these elements as foundational for the life of the Anglican Communion and therefore for the relationships among the covenanting Churches.

(4.1.3) Such mutual commitment does not represent submission to any external ecclesiastical jurisdiction. Nothing in this Covenant of itself shall be deemed to alter any provision of the Constitution and Canons of any Church of the Communion, or to limit its autonomy of governance. The Covenant does not grant to any one Church or any agency of the Communion control or direction over any Church of the Anglican Communion.

(4.1.4) Every Church of the Anglican Communion, as recognised in accordance with the Constitution of the Anglican Consultative Council, is invited to enter into this Covenant according to its own constitutional procedures.

(4.1.5) The Instruments of Communion may invite other Churches to adopt the Covenant using the same procedures as set out by the Anglican Consultative Council for the amendment of its schedule of membership. Adoption of this Covenant does not confer any right of recognition by, or membership of, the Instruments of Communion, which shall be decided by those Instruments themselves.

(4.1.6) This Covenant becomes active for a Church when that Church adopts the Covenant through the procedures of its own Constitution and Canons.

4.2 The Maintenance of the Covenant and Dispute Resolution

(4.2.1) The Covenant operates to express the common commitments and mutual accountability which hold each Church

²¹ Toronto Congress 1963, and the Ten Principles of Partnership.

²² cf. the Schedule to the Dar es Salaam Communiqué of the Primates' Meeting, February 2007

in the relationship of communion one with another. Recognition of, and fidelity to, this Covenant, enable mutual recognition and communion. Participation in the Covenant implies a recognition by each Church of those elements which must be maintained in its own life and for which it is accountable to the Churches with which it is in Communion in order to sustain the relationship expressed in this Covenant.

(4.2.2) The Standing Committee of the Anglican Communion, responsible to the Anglican Consultative Council and the Primates' Meeting, shall monitor the functioning of the Covenant in the life of the Anglican Communion on behalf of the Instruments. In this regard, the Standing Committee shall be supported by such other committees or commissions as may be mandated to assist in carrying out this function and to advise it on questions relating to the Covenant.

(4.2.3) When questions arise relating to the meaning of the Covenant, or about the compatibility of an action by a covenanting Church with the Covenant, it is the duty of each covenanting Church to seek to live out the commitments of Section 3.2. Such questions may be raised by a Church itself, another covenanting Church or the Instruments of Communion.

(4.2.4) Where a shared mind has not been reached the matters shall be referred to the Standing Committee. The Standing Committee shall make every effort to facilitate agreement, and may take advice from such bodies as it deems appropriate to determine a view on the nature of the matter at question and those relational consequences which may result. Where appropriate, the Standing Committee shall refer the question to both the Anglican Consultative Council and the Primates' Meeting for advice.

(4.2.5) The Standing Committee may request a Church to defer a controversial action. If a Church declines to defer such action, the Standing Committee may recommend to any Instrument of Communion relational consequences which may specify a provisional limitation of participation in, or suspension from, that Instrument until the completion of the process set out below.

(4.2.6) On the basis of advice received from the Anglican Consultative Council and the Primates' Meeting, the Standing Committee may make a declaration that an action or decision is or would be "incompatible with the Covenant".

(4.2.7) On the basis of the advice received, the Standing Committee shall make recommendations as to relational consequences which flow from an action incompatible with the Covenant. These recommendations may be addressed to the Churches of the Anglican Communion or to the Instruments of the Communion and address the extent to which the decision of any covenanting Church impairs or limits the communion between that Church and the other Churches of the Communion, and the practical consequences of such impairment or limitation. Each Church or each Instrument shall determine whether or not to accept such recommendations.

(4.2.8) Participation in the decision making of the Standing Committee or of the Instruments of Communion in respect to section 4.2 shall be limited to those members of the Instruments of Communion who are representatives of those churches who have adopted the Covenant, or who are still in the process of adoption.

(4.2.9) Each Church undertakes to put into place such mechanisms, agencies or institutions, consistent with its own Constitution and Canons, as can undertake to oversee the maintenance of the affirmations and commitments of the Covenant in the life of that Church, and to relate to the Instruments of Communion on matters pertinent to the Covenant.

4.3 Withdrawing from the Covenant

(4.3.1) Any covenanting Church may decide to withdraw from the Covenant. Although such withdrawal does not imply an automatic withdrawal from the Instruments of Communion or a repudiation of its Anglican character, it may raise a question relating to the meaning of the Covenant, and of compatibility with the principles incorporated within it, and trigger the provisions set out in section 4.2 above.

4.4 The Covenant Text and its amendment

(4.4.1) The Covenant consists of the text set out in this document in the Preamble, Sections One to Four and the Declaration. The Introduction to the Covenant Text, which shall always be annexed to the Covenant text, is not part of the Covenant, but shall be accorded authority in understanding the purpose of the Covenant.

(4.4.2) Any covenanting Church or Instrument of Communion may submit a proposal to amend the Covenant to the Instruments of Communion through the Standing Committee. The Standing Committee shall send the proposal to the Anglican Consultative Council, the Primates' Meeting, the covenanting Churches and any other body as it may consider appropriate for advice. The Standing Committee shall make a recommendation on the proposal in the light of advice offered, and submit the proposal with any revisions to the covenanting Churches. The amendment is operative when ratified by three quarters of such Churches. The Standing Committee shall adopt a procedure for promulgation of the amendment.

Our Declaration

With joy and with firm resolve, we declare our Churches to be partakers in this Anglican Communion Covenant, offering ourselves for fruitful service and binding ourselves more closely in the truth and love of Christ, to whom with the Father and the Holy Spirit be glory for ever. Amen.

"Now may the God of Peace, who brought again from the dead our Lord Jesus, the great shepherd of the sheep, by the blood of the eternal covenant, make you complete in everything good so that you may do his will, working among us that which is pleasing in his sight, through Jesus Christ, to whom be the glory forever and ever. Amen." (Hebrews 13.20, 21)

Archbishop's Strategic Commission on Structure, Funding and Governance

Final Report

15 August 2011

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Section 1: Introduction

1.1 Background

In 2008 Australia succumbed to the impact of the Global Financial Crisis (GFC), which among other things caused a significant downturn in the value of shares on the Australian Stock Exchange. At that time the portfolio of the Diocesan Endowment, managed by the Glebe Administration Board (GAB), was highly leveraged in the share market, the value of which plummeted over the course of the year. Since equity in its shares was a significant component of the security for the bank loans (which enabled the leveraging), when the shares dropped in value it became obvious that some shares needed to be sold to repay the loan. This action, at the end of 2008, resulted in a loss of over \$140m in the total equity of the Diocesan Endowment.

The Synod was informed of these events and of the consequences of a decreased income from the Diocesan Endowment to the Synod for the funding of vital ministries across the Diocese. At the 2009 Synod the GAB gave a presentation on the reasons for its failure to fulfil its mandate of maintaining the real value of the Endowment together with an explanation of the actions the GAB had undertaken to address the situation.

In early 2010, the Endowment of the See (EOS) Committee was informed that there would be no distributions from St Andrew's House in 2012-14, owing to the likely departure of a key tenant in St Andrew's House in 2011 and the need to upgrade the property to meet new environmental standards in order to re-lease the three vacant floors. This news followed a period of operational difficulty for the EOS where the expenditure of the EOS had exceeded its income for some time. It also came upon the heels of both the ongoing failure of the development of the Greenoaks Apartments (on the backblock of Bishopscourt) to realise any increased income for the EOS, and the loss of value in its share portfolio (due to the GFC) which further reduced the income available to the EOS. This trifecta of financial bad news prompted the Archbishop to form a Commission.

1.2 The Role of the Commission

In March 2010 the Archbishop of Sydney established a Strategic Commission on Structure, Funding and Governance, with the following terms of reference:

In light of the serious potential downturn in the distributions from the Diocesan Endowment and the amount available to the Endowment of the See, and the effects this may have on the ability of the Diocese to fund some of its essential work and services, to recommend to the Archbishop and the Standing Committee:

- (1) What steps should be taken to maximise the funds available, consistent with prudent management, and in particular what can be done to sustain funding for the Endowment of the See in 2011 and beyond?
- (2) What changes need to be made to the operations and interdependence of the Endowment of the See, Glebe Administration Board, Sydney Diocesan Secretariat, St Andrew's House Corporation and Anglican Church Property Trust and any other Diocesan resource that might impact upon the task of the Commission in order to maintain the essential work while living within our means?
- (3) What other changes should be made to the governance of these Diocesan bodies in order to improve their performance?

The Commission was asked to offer an interim report within 3 months of its first meeting and a final report within 12 months. A list of members of the Commission is found in Annexure 2 to this Report.

In his Presidential address to Synod in October, 2010 the Archbishop said:

When I became aware of the magnitude of the problems facing us, and the reasons for them, I decided that we needed something more than our present structures could provide to re-think our situation and help both with the immediate crisis and also the long term renewal. We needed nothing short of an Archbishop's Commission to transcend our present structures, re-think and advise. I was able to draw together a group of experts under the chairmanship of Mr Peter Kell and asked them to do two things for us. I asked them in the space of three months if they would report on how we may resolve our current cash flow problems, especially in the Endowment of the See. Then I gave them twelve months to advise on our structures, to help us to see what changes we need to make in the way we do business. At the same time, I asked a parallel group of mature Christians to pray for the work of the Commission and at every point their work has been bathed in the intercessory prayer of these saints.

Since March 2010 the Commission has met 20 times and produced an Interim Report to the Archbishop on 28 July 2010, which was subsequently provided to members of Synod.

1.3 Diocesan Mission

In its work, the Commission has been conscious that the mission of the Diocese is to glorify God by proclaiming our Saviour the Lord Jesus Christ in prayerful dependence upon the Holy Spirit and that all other objectives and goals are subsidiary to this.

Consequently there should be a greater focus on the effectiveness of Diocesan structures in pursuit of this mission, but this needs to be balanced by an emphasis upon efficiency and prudent management. Efficient structures will liberate resources to pursue the mission objective.

The goal of the Diocese is growth. Under God the Diocese has an ambition to see many people come to a saving knowledge of the Lord Jesus and for them to grow into mature discipleship. Growth in numbers and growth in maturity over time will generate financial surplus, but in the short term it requires investment. Structural changes must seek to support growth at the front line in terms of services, support and finances.

1.4 The Challenges of 'Getting it Right'

The Diocese is a substantial business with net assets at the Centre of \$190m (excluding parish property, organisations such as Anglican Retirement Villages (ARV), Anglicare, the Schools Corporation and other Anglican schools). Although it is a 'business' which has a spiritual rather than a commercial objective, this should not preclude the application of prudent business thinking or the development of a culture of accountability.

Unlike commercial organisations, the Diocese is not a centrally controlled entity. The parishes are autonomous and to a certain degree resent too much intervention or interference from the Centre.

In framing its recommendations, the Commission has therefore sought (1) to render honour to God, while being aware of the constraints of mammon; and (2) to recognise and respect the autonomy of the parishes, which are the operational units of the Diocese engaged in the daily work of proclamation and pastoral care.

1.5 Diagnosis of the Current Situation

The Commission has had access to recent field research of attitudes towards the Diocesan Centre, opportunity to engage with representatives of the Central Diocesan Boards and has received many submissions directly from members of Synod.

1.5.1 Inputs from Parish Fieldwork

- (1) Historically there has been a low level of trust of the Centre which is mitigated by a loyalty to the Archbishop and others in the leadership team.
- (2) Notwithstanding the reforms of the GAB during 2010, the historical problems of the Board and the EOS Committee are regarded as symptomatic of poor governance.
- (3) There is a recognition that the Centre can be helpful in areas such as bulk purchasing of services, but there is a frustration with 'form-filling' and compliance exercises which are not regarded as essential to mission.
- (4) There is, in response to these frustrations, a widespread desire for change.

1.5.2 Submissions to the Commission

- (1) The GAB provided a very helpful submission to the Commission and extracts of this submission are set out in Annexure 3. In it the GAB gives its views on the cultural issues behind the present problems, including the EOS Committee and St Andrew's House Corporation (SAHC), and the history of aspects of GAB investment policies and practices. It also outlines the efforts made to reform the governance of GAB and the Sydney Diocesan Secretariat (SDS).
- (2) The Commission received a number of submissions from Synod members and these are summarised in Annexure 4. The Commission took these into account when framing its recommendations and thanks all those who took the time to compose them.
- (3) In summary these submissions make two main points.
 - (i) The number of entities at the Centre and the overlap of board membership across them lead to confusion of roles, duplication of tasks, conflicts for volunteers who sit on more than one board and a dilution of talent.
 - (ii) The Diocese is widely regarded as not having 'lived within its means'.

1.5.3 Conversations with Central Diocesan Organisations

Since the Interim Report of the Commission, a number of conversations have been held with representative Board members of various Diocesan organisations.

- (1) EOS – Apart from the receipt of a detailed report by the EOS Committee, there was a meeting with representative members.
- (2) GAB – Apart from the receipt of a detailed report from the GAB, there was a meeting with the Chair and other representative members.
- (3) SDS – Apart from the receipt of a detailed report by the SDS, there were two meetings with the CEO, Mark Payne.

- (4) SAHC – Attendance at a stakeholders’ meeting for all interested parties in St Andrew’s House (including the EOS Committee, GAB and ACPT) and numerous discussions between Robert Freeman and the SDS property management team.
- (5) ACPT – Limited engagement with the Board, but helpful engagement with the Chairman.
- (6) ARV – A meeting was held with the CEO and Chair.

These conversations have afforded excellent opportunities to engage with each of the relevant Diocesan bodies. There is a clear desire to find solutions and several bodies have been actively improving their governance and efficiencies.

1.5.4 The Commission’s Observations

The Commission considers that progress has been made in a number of areas.

- (1) The GAB has restructured and refreshed its Board in response to the recommendations from an independent review. In the Commission’s view these are positive steps.
- (2) Since 2008 the SDS has reduced its cost base by 50% and has put in place other reforms such as Service Level Agreements.
- (3) The EOS has reduced its staff costs by 50% and has sought to balance its budget in extremely difficult circumstances, which are mostly beyond its control.

However, it is the Commission’s view that a more holistic structural approach is required to address the governance, culture and cost issues.

1.6 Options for a Way Forward

The Commission has considered a range of structural options in formulating its recommendations. At one end of the spectrum was a radical approach, effectively moving the Diocese towards a regulated corporate model with simplified structures and processes driving cost efficiencies. Such a model would involve the creation of a Diocesan Executive with a Board of Directors comprising an appropriate mix of business people and clergy. The Commission came to the view that such a major series of changes would be ‘too much too soon’ for the Synod. Indeed it recognises that similar corporate models have been suggested before and rejected. That is not to say that the model is wrong and **the Commission recommends that this more fundamental reform be re-visited after the recommendations presented below are implemented and have been in place for a few years.** A number of the elements of this radical option are incorporated in the Commission’s recommendations but not the major structural reform.

At the other end of the spectrum the Commission also considered a more incremental model of change. This option contemplates largely leaving the Centre structurally unchanged and focusing on incremental changes at the level of smaller entities and across the governance structures of the various Diocesan bodies. The objective would be to reduce duplication, address conflict issues, and keep driving efficiencies. In the Commission’s view this incremental option does not go far enough. Addressing the issues that have been identified requires more than tinkering at the edges. Some significant structural

changes to drive efficiencies at the Centre are required, and significant reform of governance, performance measurement and accountabilities is also necessary.

The essence of the Commission's recommendations can best be described as a balance between the radical and incremental options outlined above.

Section 2: Analysis and Recommended Actions

In line with the Terms of Reference of the Commission, the body of this report addresses in turn, the short term funding needs of the EOS, the required changes to the operations and interdependence of the Central Diocesan bodies, including changes to their governance and a consideration of other relevant Diocesan bodies.

2.1 Funding Needs of the Endowment of the See

The financial stress afflicting the EOS is well understood, and indeed was a presenting issue for the formation of the Commission. The bare facts are that the EOS cannot fund its projected cash flow requirement over the next two years without asset sales or a continuation of the parish levy authorised by the 2010 Synod for 2011.

In its Interim Report, the Commission recommended the sale of Bishopscourt as the best option for addressing the EOS' financial problems in the medium term. In the light of Synod's rejection of this recommendation in 2010, it is not clear whether Bishopscourt is seen as a Sydney Anglican icon which may never be sold, or whether it is simply an asset that, if sold, must be replaced with assets, the value of which must never be depleted by any future mismanagement of the investment by the EOS Committee, as was perceived to be the case in the past. Either way, it is an emotive issue. Yet Bishopscourt is a costly asset to maintain and further inaction costs the Diocese both in terms of maintenance and forfeited income close to \$1m per annum.

The Commission has done further work on the various options available to EOS to restructure its financial position. It concludes that:

2.1.1 Bishopscourt

As previously recommended in numerous reports (see Annexure 5), **the Commission recommends the EOS should sell Bishopscourt and apply part of the proceeds to acquire suitable alternative accommodation for the Archbishop.** The balance of the proceeds should then be invested to provide a much needed increase in income to enable the EOS Committee to fulfil its primary function to pay the stipend of the Archbishop, the expenses of his residence and the travel, secretarial and other expenses of his office.

The Commission has estimated that the net positive impact from lower operating/maintenance costs and additional investment income would be \$800k–\$1m annually, based on the following calculation.

	2009	2010
Sale price (independent valuation Dec 2009/2010)	24,000,000	22,000,000
<i>less</i> Costs of sale, purchase and relocation	(1,000,000)	(1,000,000)
Net sale proceeds	23,000,000	21,000,000
<i>less</i> Purchase price of replacement property	(8,000,000)	(8,000,000)
Net cash available to reinvest	<u>15,000,000</u>	<u>13,000,000</u>
Annual return on cash invested at 4.5%	675,000	585,000
<i>add</i> Saving from net reduction in average annual maintenance/operating costs	300,000	300,000
Annual earning benefit to EOS	<u>975,000</u>	<u>885,000</u>

Previous reports have identified the main issues with Bishopscourt as follows.

- (1) High maintenance costs – related to the age of the building, some of the materials are not particularly durable, numerous alterations and additions required to adapt to more contemporary uses.
- (2) Heritage issues – being listed on the State Heritage Register means that work must meet NSW Government standards, which may not necessarily suit the building's current function and utility.
- (3) Suitability – it is a difficult house in which to provide a family with reasonable privacy while conducting some of the public business of our church (eg, larger meetings and social events, accommodation for guests, parking for day visitors).
- (4) Perception – it is “too grand”, the image of a prince living in a palace is inconsistent with the message of the gospel and may even be an obstacle to our Diocesan Mission to connect with the community.
- (5) Capital value – the size, style and location of the property mean that it has a market value far greater than its primary function as a suitable residence for the Archbishop requires, which means the EOS has a substantial portion of its total net worth tied up in a non-income producing asset.
- (6) Alternative residences – recent investigations by the EOS Committee have confirmed that suitable properties offering both an appropriate residence and a place for ministry involving hospitality and entertainment are available in a number of suburbs. The retention of Bishopscourt as a venue for conferences and more extensive hospitality and entertainment is not warranted.

Much of the opposition to the sale of Bishopscourt voiced in Synod in 2010 centred on concern that the present governance and financial administration of the EOS may not be sufficient to properly protect the investment of the net proceeds. When combined with a sentimentalist argument these concerns were sufficient for Synod to vote narrowly against the sale with a majority of just 53% (218 for / 249 against). However, concerns about financial administration have now been addressed with the proposed changes to structures, investment strategy and processes. The EOS urgently needs to change its asset mix in order to maximize its income, and the sale of Bishopscourt remains a vital component of this restructure.

2.1.2 Half Share in St Andrew's House

The EOS holds a one half interest in St Andrew's House. The other half is held by the GAB as part of the Diocesan Endowment. It is essential that the EOS maximise its rental income from SAH in the short term and potentially reduce the weighting of its asset in the EOS investment portfolio in the medium term on the basis of recovered rental yields. Various measures have already been taken to improve the performance of SAH, but further recommendations are outlined in 2.3.1 below.

2.1.3 Immediate Prospects for Endowment of the See

Unfortunately neither of these recommendations will support the cash requirements of EOS for the next two years. Therefore, in the absence of an ongoing parish levy, EOS will need to accept a further run down of its asset base to fund itself until SAH rental yields recover.

A number of other measures, which the Commission highlighted in its Interim Report have been considered and rejected.

- (1) Reduce the number of Assistant Bishops. The Commission considered this was properly a matter for the Archbishop and the EOS Committee to determine, and in any case the Archbishop has indicated that he was not in favour of this course of action.
- (2) Reduce the administrative support provided for Bishops, Registry and Archives. The Commission recognises that the EOS has already undertaken a cost review and considered that further action in this area was properly a matter for the EOS Committee to determine. Any further such action is, however, unlikely to be sufficient on its own to address the cash deficit over the next two years.
- (3) Shift responsibility for funding some recurrent expenditure to Synod (eg, Assistant Bishops). This is effectively 'robbing Peter to pay Paul' and the Commission believes this is something for the Synod to determine.
- (4) Appropriate a portion of the ACPT Church Insurance Fund. The ACPT has resisted requests for information and has said its actuarial reports indicate that all present funds are needed for its purposes.
- (5) Appropriate a portion of some of the Archbishop's Discretionary Trusts. These are a small number of discrete testamentary trusts which permit the Archbishop to allocate income, and in some cases the capital, for various purposes, some specific, some very broad. The Archbishop indicated he was not prepared to support this option.

2.2 Structural and Governance Issues

There are many areas of concern about Diocesan structures and processes which have been raised in the various submissions to the Commission. The Commission makes recommendations in three areas.

- (1) **Investment functions:** The area which has resulted in the present financial strain on the Diocese is the investment function. Therefore, the recommendations in the area of structure and governance apply specifically to the GAB and the changes to its investment function, and to a lesser extent to other Diocesan organisations.
- (2) **Accountability of Diocesan Organisations:** As was noted in the submission to the Commission by the GAB, there is currently no systematic way that the Central organisations are subject to periodic review, both as to their success or otherwise in achieving their objectives, and in relation to their internal systems of governance and control. While organisations are required to report under the Accounts, Audit and Annual Reports Ordinance 1995 about financial matters and internal systems, recent experience has shown that such reports are not sufficient to enable the Standing Committee to be satisfied that organisations are operating effectively within prudent limits and in accordance with principles of good practice. **The Commission recommends that a process of review of governance and internal controls be adopted for the Central Diocesan organisations.**
- (3) **Conflicts of interest:** A common theme in many submissions is the extent to which conflicts of interest, or perceived conflicts of interest, including cross membership of our volunteer boards and committees, may have contributed to the environment in which losses and difficulties occurred. The mandate of each organisation from Synod, through its ordinances and, in the

case of ACPT, its Act of Parliament, clearly differs. A summary of the functions and responsibilities from the ordinances of the Central bodies is contained in Annexure 6. The Commission observes that the manner in which these mandates are interpreted by the boards of each body can mean that the operation of each body on occasions conflicts with the perceived mandate of another Diocesan body. At a minimum, this results in the duplication of effort. At worst, however, it creates disharmony, a significant risk of overlooking both risks and opportunities that impact upon the Diocese overall and the potential to display a poor witness to the world outside the Church. Useful work should be done on exploring greater alignment of mandates being expressed in the various ordinances.

2.2.1 Glebe Administration Board (GAB) and Changes to the Investment Function

The quality of the report by the GAB to the Commission and the apparent transformation of its culture, practices and approach over the last year or two are very encouraging. The GAB report has very constructively developed several aspects identified by the Commission in its Interim Report. It has refreshed its membership with some highly qualified directors and these new members are contributing well. It identifies opportunities to work more closely with other Diocesan bodies, particularly ACPT in relation to investments. It has subsequently identified a need to reconsider the role it plays as a 'banker' among Diocesan bodies. It has also identified opportunities to report on investment performance by different asset classes in a way that will better identify those investment performance criteria it can directly affect (eg, shares and fixed interest) and those which it cannot directly affect (eg, its investment in SAHC).

It is now time within the Diocese for the investment errors of the past to be forgiven, even if not forgotten. There is evidence that the GAB, as presently composed and the SDS as presently staffed, having conducted their own review and successfully adopted the external consultant's advice, have sufficiently learnt from the mistakes of the past to establish strategies that significantly limit the chance of the Diocesan Endowment being materially depleted again.

The Commission makes the following recommendations in relation to the GAB.

(a) **Centralised Investment**

It appears that the greatest financial expertise serving the Diocese is within the SDS and the GAB. It is also evident that while there are some very able and financially aware individuals serving on other Boards, there is a general scarcity of committed Christians willing to serve with a genuine depth of financial management experience and insight. To some extent this limited human resource is spread too widely, too thinly and ineffectively. **The Commission therefore recommends that a Central Investment Management Board (CIMB) be established.** This board would consist largely of those within the Diocese who have investment and financial acumen, particularly from the existing GAB and SDS.

The Commission also recommends that Diocesan bodies should work towards ensuring that all investment activity of assets in excess of \$5m in aggregate is undertaken through the investment management expertise of the CIMB or an external manager appointed by them. This recommendation is contrary to a recent tendency for division of effort, in part based upon the prior investment mistakes of

GAB. It is not, however, justifiable, when an overall perspective of the Diocesan financial interests is paramount.

As the CIMB would be the sole body making investment decisions, there would not be the need to spread investment expertise across other boards. There would be no reason why the investment assets of Anglicare and ARV could not also be invested by the CIMB on behalf of these Diocesan bodies. Indeed, there would be a strong preference to do so.

(b) ***Investment Strategy***

The CIMB will draw on expertise both from within the existing GAB and SDS and from outside Board members with deep investment experience. As such, it will be best placed to define the CIMB investment strategy and to monitor performance. It is clear to the Commission that the GAB has taken all necessary measures to ensure that, with its present membership, it is very unlikely to make the mistakes in investment strategy that previously occurred.

However, there is merit in ensuring that, no matter what the future composition of the Board, the likelihood of such events occurring again is minimised. **The Commission therefore recommends that Standing Committee's approval of the investment strategy should be at the level of asset allocation, as outlined in the GAB Report in response to Synod Resolution 3/10. It is further recommended that material variations of asset mix should require approval of Standing Committee** (on the advice of its Finance Committee). It should be noted that with the establishment of a Chairmen's Committee (see 2.2.5 below) there will be an additional layer of oversight of the CIMB performance as a result of regular review by that body.

(c) ***Borrowing Limits***

Even in circumstances where the portfolio of assets may be in accordance with a stipulated mix, the manner in which the investments are funded can also be a source of risk. It is noted that the GAB had borrowed significantly to invest in the stock market at the time the GFC so significantly reduced the value of the equities portfolio. For this reason, **the Commission also recommends that the CIMB be subject to a borrowing limit approved by the Standing Committee** (on the advice of its Finance Committee).

Clearly the CIMB will need to borrow. However, financial prudence would dictate that the borrowing should be matched by financially secure and/or liquid assets. Hence, by way of example, the limit could be calculated by reference to the portfolio of assets as follows –

Banking assets (if they remain)	85%-90%
Property	35%-40%
Bonds and equities	0%-10%

Accordingly, the borrowing limit would be by reference to a formula, rather than a fixed amount. Such limits would preclude the possibility of the reoccurrence of the strategy adopted formerly by the GAB of borrowing to invest in equities. It would also preclude the practice of having such a significant level of debt borrowed against St Andrew's House.

The above suggested formula is indicative of a desire to ensure that the Standing Committee has a role to play to ensure that, regardless of the composition of the Board from time to time, the present prudence of the GAB endures (in its reconstituted form, the CIMB).

It is likely that the above may be seen as 'an abundance of caution' and in some ways limits the degree of flexibility and agility that the CIMB may desire. However, it would represent a significant back stop that should rebuild confidence among Synod members. Furthermore, it more appropriately appoints the Standing Committee as the watch dog,

(d) **GAB Banking Function Review**

The GAB is presently conducting a review as to whether the banking function is sufficiently capitalised. The Commission endorses this review. In short, the GAB has assumed liabilities by borrowing from various Diocesan bodies and parishes. It has invested these monies in various assets, a number of which are illiquid, although probably realisable with around 12 months notice. However, included within the loans advanced by the GAB are loans that would have to be seen as more strategic than commercial. By way of example, the amount of loan advanced to fund St Andrew's House would be in excess of the amount a bank would lend to such an owner. There are other examples of loans that support church-related activity that would be in excess of what a third party lender would be willing to advance. The present project by the GAB is expected to draw conclusions as to whether there is a more effective way to run this banking service for parishes and to recognise more clearly which of the GAB investment assets are purely commercial and which are compromised by other non-investment functions. How the GAB responds to this report will be a test of the evolution of its culture. It is acknowledged that at present there appears to be a margin of approximately \$1.6m derived by the GAB from adopting the banking functions. It is clear, therefore, that there is a degree of financial dependence by the Diocese on the banking activities, based upon present pricing.

(e) **GAB Ordinance Review**

Through its ordinance the GAB has been given the objective of acting as trustee of church trust property vested in it, otherwise known as the Diocesan Endowment, in a way which both preserves the real value of that property and provides a reasonable income therefrom. There is an obvious tension between these two objectives. In its response to Synod resolution 3/10 the GAB has indicated that the ordinance appears to infer that the second of those objectives should be understood in the light of the capital maintenance requirement, and has sought to develop its investment charter in that light. In order to remove any doubt, **the Commission recommends that the constituting ordinance be amended to clarify that the objective should be to first preserve the real value and then provide a reasonable income.**

2.2.2 Endowment of the See Committee

There is a broadly held concern about the governance of EOS. In its submission to the Commission (see Annexure 3), the GAB writes:

Difficulties with the finance of the EOS have been evident for several years. Consistently over the last 10 years, the EOS has had a cash flow deficit from

operations. The operating cash flow needs have been financed through the sale of capital assets and by borrowings (which, in turn have been repaid from the sale of capital assets), a process which was not sustainable in the long run... The trustee of EOS is ACPT. However, under the Endowment of the See Ordinance 1977 the EOS Committee has been constituted to exercise certain functions in relation to the EOS. While the line of demarcation between the rights and responsibilities of the EOS Committee and ACPT is unclear in several key respects, the practice, at least in recent years, has been for the EOS Committee to exercise management functions in relation to EOS and for ACPT to exercise a role akin to that of a bare trustee.

The submission also makes reference to the confusion historically caused by the role of the SDS Chief Executive Officer being a member of both the EOS Committee and the ACPT. These overlaps have now been addressed, but in its recommendations below, the Commission seeks further to clarify the role and limitations of the EOS Committee. The existing composition of the EOS Committee with the Archbishop as Chair (with a casting vote only) plus 3 members appointed by the Archbishop and 3 members elected by the Standing Committee should be retained.

To ensure the EOS Committee is accountable for the prudent management of all EOS expenditure including the maintenance, repair, renovation and refurbishment of the residential properties, for which the Committee can receive recommendations from the Archbishop, and about which it is to report to Synod, **the Commission recommends that the EOS ordinance be amended to:**

- (1) **Insert a clause that establishes the objective to preserve the real value of the EOS;**
- (2) **Enable the CIMB to be responsible for managing the EOS investments and allocate income from those investments to the EOS Committee;**
- (3) **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; and**
- (4) **Clarify that all real property transactions, including mortgage, sale or lease, are to be authorised by the Synod or the Standing Committee.**

2.2.3 Anglican Church Property Trust

In relation to the ACPT, apart from a meeting between the Commission and members of the ACPT Board and various exchanges in relation to a specific fund managed by ACPT, there has been limited opportunity for the members of the Commission to understand the activities of ACPT. The following information has been provided by the Chairman of ACPT.

- (1) The investment and finance sub-committee of the ACPT and the GAB jointly agreed earlier this year, to streamline the process of engaging with Mercer, who is the investment adviser to the ACPT-managed Long Term Pooling Fund (LTPF) and the GAB-managed Diocesan Endowment. An initial joint meeting of the two groups occurred during the second quarter of 2011 and ongoing joint quarterly meetings are planned.
- (2) The current method of calculating the ACPT management fee was approved by the Standing Committee and commenced on 1 January 2006. It is a charge of 1.10%pa

on the funds held by the ACPT as trustee for parishes. While the cost of supporting the ACPT's work is largely covered by this fee, both SDS management and the ACPT Board have formed the view that, while efficient in its collection, it is inequitable. A minority number of parishes and Diocesan organisations hold investment assets in the LTPF or Glebe Income Accounts and they effectively subsidise all other parishes and Diocesan organisations. SDS management and the ACPT Board are evaluating alternative methods of meeting ACPT costs for recommendation to the Standing Committee for decision.

(3) The ACPT has several distinct roles.

(a) *Corporate trustee*

Constituted under the *Anglican Church of Australia Trust Property Act 1917*, the ACPT is the corporate trustee of church trust property in the Diocese of Sydney. Property held by the ACPT is subject to trusts created by the trust instrument and fiduciary obligations govern the management of those trusts.

(b) *Property Manager*

Pursuant to the Anglican Church Property Trust Diocese of Sydney Ordinance 1965 the ACPT is required to manage church trust property in accordance with policies established by the Synod.

ACPT discharges this duty to manage parish church trust property in various ways:

(i) Managing the responsibilities and obligations of a land owner or licensee of third party property (for parishes without property), which includes arranging insurances and ensuring compliance with various Acts and Codes such as occupational health and safety, fire safety, and heritage.

(ii) Managing the parish property interests of the Diocese in the political arena in response to government legislation, actual and proposed, that may restrict the rights of the parish churches to operate.

(iii) In co-operation with parish wardens, overseeing property developments, leasing or licensing of church trust property, and representing parish interests where property development adjacent to church property may impact upon value or enjoyment.

(c) *Investment Manager*

ACPT manages investments on behalf of various parishes, usually arising from the ordinance authorising the sale of parish property. There are also bequests from estates, and investments held for Diocesan organisations.

In 2006, the ACPT Board initiated a review of the strategic asset allocation of the Long Term Pooling Fund (LTPF), established to pool the long term investments of parishes and certain Diocesan organisations in order to harness economies of scale from those investments.

Following the 2007 revision of the strategic asset allocation within the LTPF, the ACPT established an investment and finance sub-committee to advise the Board in relation to specific financial, insurance and investment matters. Since being formed, that sub-committee has overseen refinement of the strategic asset allocation and a revamping of the distribution policy as well as the implementation of a formal investment policy and the appointment of a professional investment advisor/manager. Mercer was appointed in 2010 to manage the funds in the LTPF.

(d) *Insurance Fund Manager*

Pursuant to the Church Insurances Ordinance 1981, the ACPT is the trustee of the Church Insurances Fund. That fund receives the Parish Cost Recovery amounts and is maintained to meet claims up to the amount of the various insurance deductibles on specific policies and the uninsured and uninsurable risks of parishes and certain Diocesan organisations.

During 2007 in the lead up to the GFC, the ACPT Board approved a fixed long term agreement (FLTA) that aligned the premium rate in relation to the Industrial Special Risk, Professional Indemnity and several other insurance products (representing approximately 60% of the annual insurance premium). The current FLTA, which is subject to 2007 premium rates, matures in 2012. Discussions are under way with the insurers to convert the FLTA to an evergreen arrangement. As the registered proprietor of the bulk of Diocesan property, it is appropriate for ACPT to oversee the insurance arrangements associated with such property. An illustration of this is the manner in which the St Barnabas, Broadway parish buildings are being rebuilt after the 2006 fire that destroyed the original buildings. In consultation with the parish wardens, the ACPT negotiated directly with insurers and mutually agreed on a payout under the insurance policy. Subsequently there was a need for the ACPT to appoint consultants (including the demolition team, architects, project managers and building contractor) as well assisting in dealings with lenders, government and fund-raising consultants.

Since 2010, following the deleterious impact of the GFC on the DE, ACPT has been periodically requested to consider funding the costs of 'care and assistance payments' as recommended by the Professional Standards Unit. Such claims may arise from actions taken against a Diocesan body within nominated events such as clerical or lay malpractice or molestation.

The Commission notes the streamlining and governance work that has occurred and encourages ACPT to continue in this direction. The Anglican Church Trust Property Act 1917, the Anglican Church Trust Property Diocese of Sydney Ordinance 1965, the Insurance Ordinance 1981 and policies set by Synod and Standing Committee require ACPT to be more than a bare trustee or custodian of titles. The responsibility to carry out the tasks set by the 1917 Act, the ordinances and the policies and the attendant fiduciary duties are discharged by ACPT members and implemented by SDS staff.

At present funds held by ACPT for investment on behalf of parishes or the Synod are invested through Mercer. With the establishment of the Central Investment Management Board with a mandate to centralise Diocesan investment management, **the Commission recommends that ACPT's investment function be passed over to that body and that the Board be comprised of members with the skill set to conduct its core business.** It is noted that ACPT only invests on a trustee basis and any other body investing trust funds on behalf ACPT would be required to do likewise.

2.2.4 Sydney Diocesan Secretariat

Discussions with the CEO have extended to the manner in which the SDS serves various Diocesan bodies, ranging from the GAB to individual parishes. There is now more clarity in service agreements between the SDS and a number of the Diocesan bodies the Commission has reviewed. There has been a considerable effort put into reducing the cost structure of the SDS which has led to some welcome reduction in the overheads of the Diocesan bodies it supports. This is pleasing to see and the Commission believes that cost containment will need to be policed vigilantly in the future. It could be argued that there is a pivotal function that the SDS must perform on behalf of parishes, which an external provider could not provide.

The role of the SDS, however, is not well understood by its users. In particular, each Diocesan body often retains the SDS to staff all of its needs and expects the SDS to do so on a basis that retains confidentiality of the information of that particular Diocesan body. This leads to the conundrum that staff within the SDS deal with the affairs of several Diocesan bodies, without being able to disclose this knowledge to the other body. At a minimum, this means that the advice provided to each Diocesan body is suboptimal, since a broad Diocesan perspective is not always present in the advice provided. However, at worst, it creates an unacceptable degree of confusion and uncertainty among the SDS staff.

The SDS should supply administrative, secretarial and accounting services to the parishes, to the CIMB and the EOS (and may also be given responsibility for managing the residential properties on behalf of the EOS Committee), as well as other Diocesan organisations from time to time. The first task to be undertaken is to review the scope of services that the SDS provides to its clients. **The Commission therefore recommends a quantitative and qualitative survey needs to be undertaken of the parishes** where the greatest criticism of the Diocesan 'Centre' currently exists. **Research of the needs of the CIMB and EOS also needs to be undertaken** to determine the services to be provided.

In determining the scope of service provision by the SDS the extent to which centralisation will deliver benefit to the end-user (eg, through economies of scale or the retention of specific expertise at the Centre) will need to be weighed against the benefits of the service being delivered at a local level. This will necessarily vary by service type.

To ensure high quality services being delivered at lowest cost, **the Commission recommends that a degree of contestability should be introduced in the provision of services by the SDS.** Accordingly a number of principles which should be considered include:

- (1) Fixed term service contracts (3 to 5 years);

- (2) 'Opt out' provisions for client organisations at time of tendering – so that the SDS does not have monopoly provision status; and
- (3) Clear Service Level Agreements (SLAs) and appropriate incentives and sanctions.

The Commission notes that the SDS has already made progress in areas such as SLAs.

There are certain functions that the SDS provides to other Diocesan bodies that could be provided by external professionals. While on occasions this may be on a higher standard, there are two compromises. The first is that the cost, at least in some circumstances, of the external professional will be higher. The second is that there is an ongoing need for the SDS to have a more overall perspective of the activities, risks and opportunities of the Diocesan bodies as a whole. The retention of external advisers and service providers to the exclusion of the SDS will limit the capacity of the SDS to develop this broader perspective. For this reason, it is considered more appropriate for the SDS to be involved in each of the key service needs of Diocesan bodies. However, there is a clear need for the SDS to accept that external professional input of the highest quality is more often required than presently acknowledged by some within the management team. This was evident in the process of leasing St Andrew's House. It is evident that this is the direction in which the recently appointed CEO is already heading. Because the SDS operates as a specialist service provider, **the Commission recommends that the SDS be headed by a Board different from that of the GAB, comprising individuals with experience in the service industry, and that the SDS be rebadged as Sydney Diocesan Services.**

2.2.5 Chairmen's Committee

The Commission recommends that a Chairmen's Committee be established, chaired by the Archbishop or his nominee, which consists of the chair of each of the most financially influential Diocesan bodies. In addition one or two other individuals who have sufficient financial acumen would be appointed by the Archbishop. The relevant CEOs could attend as observers at the Archbishop's invitation. It would be anticipated that these individuals would be financial counsellors conferring directly with the Archbishop. Membership would include the GAB, EOS, ACPT, SDS, but should be widened to include non-central bodies such as Moore College, Sydney Anglican Schools Corporation, Anglicare and Anglican Retirement Villages. The mandate of this committee would be to report to the Standing Committee every quarter on the following matters.

- (1) Observations as to the overall financial risks of the Diocese when viewed as an aggregation of the various Diocesan bodies.
- (2) The identification of means by which efficiencies in financial management and investment strategy can be enhanced.
- (3) Identify particular inconsistencies in the actual or perceived mandates of each of the constituent Diocesan bodies and recommend a means of resolving these. At first instance it would be hoped that the mere discussion of these issues, in the light of common purpose and common faith, would lead to practical resolution. However, where necessary, the recommendations of this committee could extend to amendment of ordinances of the relevant bodies to ensure further alignment, clarity of purpose and reduction of actual or perceived duplication.

The Chairmen's Committee should also oversee the implementation of a system for review of the governance and internal controls of the Central Diocesan organisations, to monitor compliance with their ordinances, governance statements and policies, with findings reported to the relevant organisation and to Standing Committee. If necessary an external consultant could be engaged to conduct periodic reviews, similar to the review of the GAB.

2.2.6 Governance and Conflicts of Interest

Many of the submissions made to the Commission were critical of the governance procedures of the Central bodies. The Commission notes that Synod has established a committee to prepare a governance policy for Diocesan organisations. In 2010 that committee made an interim report to Synod, a debate occurred, and further work has been done. The Commission has received a further draft but now understands that their report will not be available for Synod until 2012. The Commission commends the committee's work to date and notes particularly the three draft Guiding Principles: Godly leadership shaped by the Bible; Mission alignment; and Board member responsibility. It will be important for the committee's work to be completed and for a suitable Diocesan Governance Policy to be adopted as soon as possible.

Classic conflicts of interest occur where a board member has a choice between advancing the interests of the corporate entity, their own interests or the interests of some other person or entity. The law makes the duty to the corporation paramount. In the context of synod-created corporate bodies, served by entirely voluntary board members, conflicts of interest may occur where a member of one board also serves on another board and an agenda subject is common to both boards. **The Commission recommends that members of all Diocesan boards annually declare to their own board their memberships of other Diocesan boards.**

Corporate information available to board members also imposes duties not to use that information to the detriment of the corporation. **The Commission recommends that Standing Committee examine whether it is possible to amend the constituting ordinances of the Central Diocesan bodies to permit the sharing of 'confidential' corporate information between those bodies for the better financial health of the Diocese.**

To ensure that each of the Central Diocesan organisations is properly performing its functions required under its ordinance, good governance practices are essential. Only the GAB has been subjected to a review of its governance policies and practices. Each of those bodies should be requested to report to Standing Committee on its system of governance and internal controls. To assist in this process the Synod Committee on governance should be asked to complete its work as soon as possible, a Diocesan policy on governance should be adopted, and as a minimum each of the Central bodies should be directed to comply with that policy.

The Commission recommends the Standing Committee be requested to draft and implement appropriate policies and protocols to minimise the risk of conflicts arising from volunteer cross membership of boards and committees. Standing Committee should consider including such principles as:

- (1) When a candidate is considered to fill a vacancy on the board or committee, the membership of the candidate of other boards and committees should be brought to the

attention of the electing body to consider whether such a candidate should be elected as a member of the board or committee for which there is a vacancy;

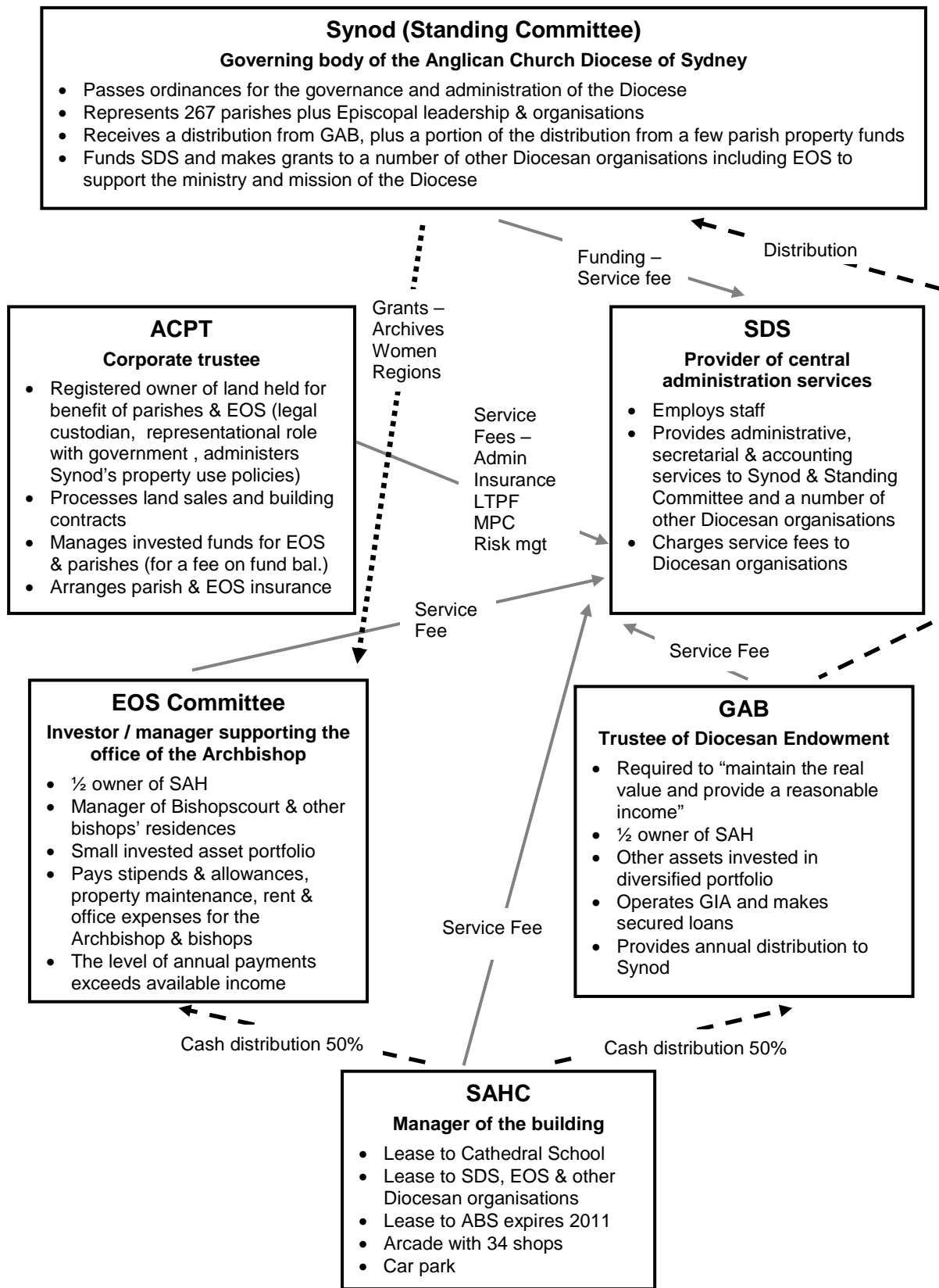
- (2) If a person is a member of a board or committee which has a relationship with a second board or committee of which that person is also a member, that person should be required to declare an interest and absent themselves from meetings of both boards and committees when matters relevant to that relationship are discussed or decided.

As noted above, the Commission sees the Chairmen's Committee as having a central role in ensuring that governance standards are lifted across the Diocesan bodies.

2.2.7 Overview of Restructuring of Central Diocesan Bodies

The following two diagrams represent the present interrelated structure of the GAB, SDS, EOS and ACPT and the proposed structure recommended by the Commission.

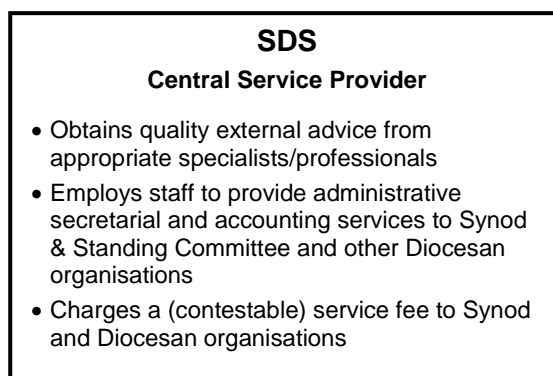
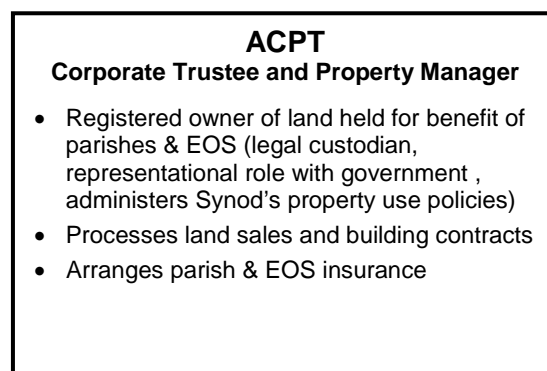
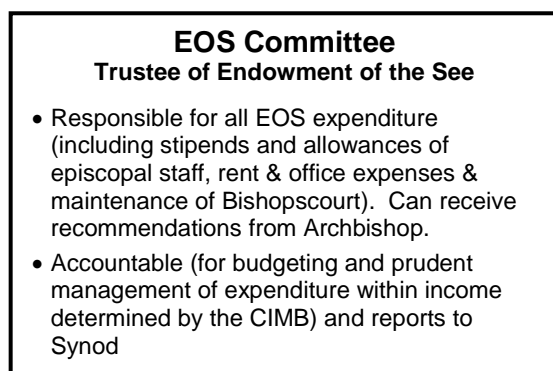
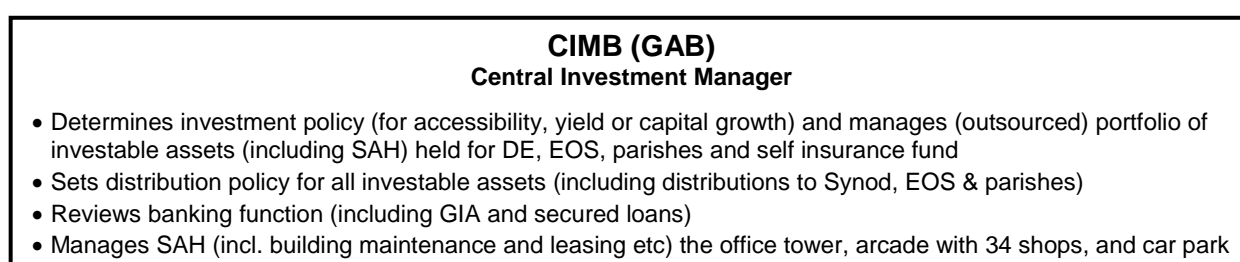
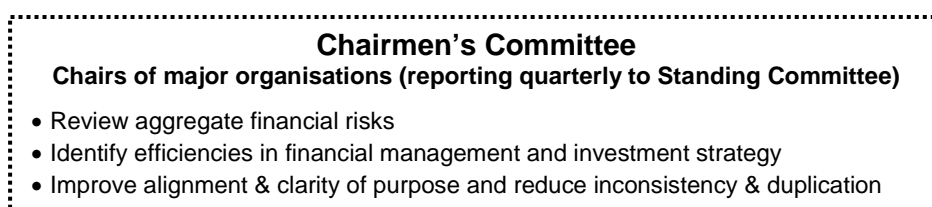
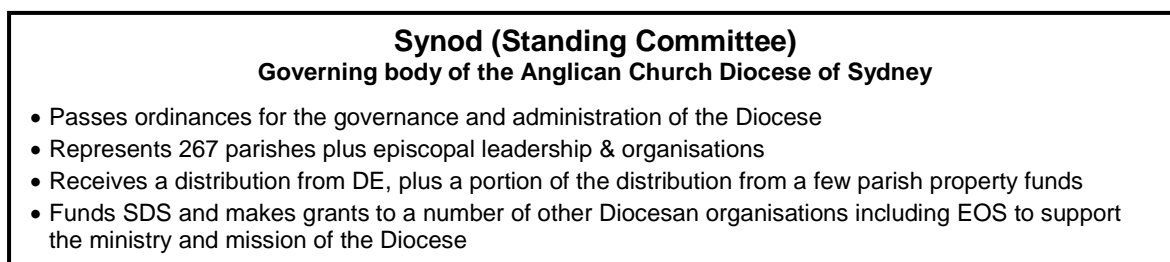
Existing Structure



ACPT = Anglican Church Property Trust Diocese of Sydney
SDS = Sydney Diocesan Secretariat
EOS = Endowment of the See
GAB = Glebe Administration Board
SAHC = St Andrew's House Corporation

LTPF = Long Term Pooled Fund
MPC = Mission Property Committee
SAH = St Andrew's House
GIA = Glebe Income Accounts
ABS = Australian Bureau of Statistics

Proposed Structure



CIMB = Central Investment Management Board
EOS = Endowment of the See
ACPT = Anglican Church Property Trust Diocese of Sydney
SDS = Sydney Diocesan Services

DE = Diocesan Endowment
SAH = St Andrew's House
GIA = Glebe Income Accounts

2.3 Other Strategic Assets

2.3.1 St Andrew's House

From discussions with the GAB, it is clear that the CEO and the Board are open to all options as to how to deal with St Andrew's House. This is to be applauded. However, from broader discussions, it is likely that St Andrew's House is generally seen as a Sydney Anglican icon. There is a certain permanence and substance imputed to the Diocese by virtue of this significant asset. However, as was evident from the Commission's discussions with the SDS and attendance at the SAHC stakeholders' meeting, St Andrew's House faces significant challenges. By any measure, it has not realised its full value, nor is it producing maximum rental returns. It should also be noted that St Andrew's House, from a GAB perspective, not only represents a significant investment in the form of its 50% ownership, but also the principal security of its most significant non-property asset namely its loan to SAHC. Any strategy adopted to manage St Andrew's House must distinguish between the GAB's role as an owner and as principal secured lender.

The structure of SAHC is unnecessarily complex and has proved inefficient in that it did not serve the interests of either party — having GAB manage SAH was not in the interest of EOS, and SAHC was until recently a totally passive manager. Moreover, SAHC over-distributed its cash flows in prior years, leaving it with no option recently but to suspend all distributions in order to fund essential refurbishment and re-lease expenditure.

Having one of the two equal owners also a substantial lender means the owner's interests are compromised: GAB want early repayment of their loan in preference to distributions; EOS are overly dependent on income from distributions and ambivalent towards the loan.

Both the EOS (and to a lesser extent the GAB) want to divest themselves of SAH. It represents an excessive concentration of their portfolio, the return achieved is dependent on the cycles in the commercial property market and both owners want steady income, while it is currently in need of substantial investment to refurbish.

The announced vacation of the key office tenant, Australian Bureau of Statistics, who occupies levels 3, 4 & 5, has led to a focused performance from both SAHC and SDS. The realities of the commercial leasing markets are that significant tenancies take many months to attract and, in addition to extensive upgrading of vacancies, substantial incentives have to be provided.

The property itself needs to be managed more aggressively (partly through appointment and monitoring of qualified experts/consultants) to maximize returns and to prepare for full or partial sale. Nevertheless, the present SAHC has undertaken a serious review of its operations and is actively addressing the following areas.

- (1) The marketing of levels 3, 4 & 5 has led to the signing of a 'Heads of Agreement' with a substantial tenant for levels 3 & 4 on market terms which is expected to be finalised shortly. Level 5, together with potential space to be released on levels 1 & 2, is to be promoted vigorously in a tightening leasing environment as CBD oversupply reduces.
- (2) The feasibility study of strata titling the elements of St Andrew's House indicates that obtaining such title would be both practical and affordable. Further work is to be undertaken to consider the legal, physical and planning aspects prior to proceeding.

- (3) NABERS (National Australian Built Environment Rating System) upgrade of the office tower is being pursued, but all costs need to be critically reviewed to ensure the work is cost effective.
- (4) Property Management is currently undertaken with a mixture of onsite employees, an external Managing Agent and SDS staff. This mixture, coupled with the reporting lines through SAHC to the two major shareholders is sub-optimal in a commercial sense and steps must be taken to rationalise the process and reduce the 'coal face' involvement of the SDS.
- (5) Church use of levels 1 & 2 needs to be compressed and surplus space let commercially.
- (6) The St Andrew's Cathedral School's 'put option' over levels 5 & 6 needs to be extinguished, the 'soft' loan from GAB repaid, and the balance of the GAB loan refinanced externally.
- (7) A 'tender process' has been undertaken on the Car Park and a number of responses are being assessed from Commercial Operators. The objective is to ensure maximum return and potentially create a 'stand alone' investment.
- (8) Arcade rental income needs to be maximised through refurbishment and a new focus on shop mix, and all church tenants need to vacate (or at least move to full commercial rent).

To quote the recent valuation report 'St Andrew's House comprises an older style commercial office building which was constructed in 1974 – it presents in good working order taking into consideration its age and current use...'

Considerable capital has been expended on the property in recent years to upgrade the foyer and common areas and to comply with the NABERS energy rating system. The property will continue to require capital works into the future in order to keep a 37 year old structure competitive in the leasing market.

To hold the property is to invite the cyclical effect of office vacancies triggering capital outflows both in terms of refurbishment and plant upgrades and the cash flow effect of incentives. These elements are manageable in a portfolio of commercial properties but problematic with a single asset. Once the re-leasing is in place and the strata title approval is obtained, **the Commission recommends that a decision then be taken to either sell the investment at its optimum level of performance or sell selected strata sufficient to repay its current debt.**

2.3.2 Other Diocesan Resources

The Commission has also been charged by the Archbishop to consider and make recommendations concerning possible changes to the operations of any "other Diocesan resource" which might impact favourably upon maintaining the essential work of the Diocese.

The Commission considered a number of Diocesan organisations, Anglican schools and parishes. However, it was considered that the trusts surrounding both schools and parishes were such that there was no justification for considering ways in which these bodies could be restructured to release any assets for the essential work of the Diocese. While it was recognised that Synod did have the power to override any local objections to the sale of parish property, it was agreed that this was a power to be used sparingly, if at all. As a general observation, Anglican schools and other organisations in the Diocese gain a benefit by their Anglican brand name and it would not be unreasonable for these organisations to make a contribution to the Diocese as a whole, as is the case in the Dioceses of

Brisbane and Perth. **The Commission recommends that Standing Committee commission a strategic review of the benefit to Diocesan organisations of the Anglican brand name.**

Section 3: Recommendations

The two imperatives for the Diocese to recover from the financial strain imposed by significant losses in the Diocesan Endowment and the EOS are a combination of asset reconfiguration together with structural and governance changes at the Centre. It is clearly important not only that the Diocesan assets be placed on a sustainable, financial footing but that the various bodies that make up the Diocesan Centre change, so that issues which underlie the mistakes made in recent years are properly addressed. The key recommendations of the Commission therefore seek to address both the financial and structural problems.

3.1 Asset Reconfiguration

- 3.1.1 It is recommended that the EOS should sell Bishopscourt and apply part of the proceeds to acquire suitable alternative accommodation for the Archbishop.** The balance of the proceeds should then be invested to provide a much needed increase in income to enable the EOS Committee to fulfil its primary function to pay the stipend of the Archbishop, the expenses of his residence and the travel, secretarial and other expenses of his office.
- 3.1.2 It is recommended that a strategic plan be developed for St Andrew's House** which seeks to maximise the short term yield while creating the option to realise, partially or wholly, the equity value of the asset. Once the re-leasing is in place and the strata title approval is obtained, **the Commission recommends that a decision then be taken to either sell the investment at its optimum level of performance or sell selected strata sufficient to repay its current debt.**
- 3.1.3 It is recommended that the Standing Committee commission a strategic review of the benefit to Diocesan organisations of the Anglican brand name.**

3.2 Structural and Governance Issues

- 3.2.1 It is recommended that a new centralised investment body, the Central Investment Management Board (CIMB) be established** drawing on the investment and financial acumen within the Diocese, particularly from the existing GAB and SDS. **Diocesan bodies should work towards ensuring that all investment activity of assets in excess of \$5m in aggregate is undertaken through the investment management expertise of the CIMB or an external manager appointed by them.** This will maximise economies of scale without loss of performance and thus improve net investment returns.
- 3.2.2 It is recommended that Standing Committee's approval of the CIMB's investment strategy should be at the level of asset allocation,** as outlined in the GAB Report in response to Synod Resolution 3/10. **It is further recommended that material variations of asset mix should require approval of Standing Committee** (on the advice of its Finance Committee). **It is also recommended that the CIMB be subject to a borrowing limit approved by the Standing Committee** (on the advice of its Finance Committee). **It is also recommended that the constituting ordinance be amended to clarify that the objective should be to first preserve the real value and then provide a reasonable income.**

- 3.2.3 It is recommended that the EOS ordinance be amended to:**
- (1) Insert a clause that establishes the objective to preserve the real value of the EOS;**
 - (2) Enable the CIMB to be responsible for managing the EOS investments and allocate income from those investments to the EOS Committee;**
 - (3) 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; and**
 - (4) Clarify that all real property transactions, including mortgage, sale or lease, are to be authorised by the Synod or the Standing Committee.**
- 3.2.4 It is recommended 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 the SDS and determine the services to be provided. It is also recommended that a degree of contestability should be introduced in the provision of services by the SDS. Further, it is recommended that the SDS be headed by a Board different from that of the GAB, comprising individuals with experience in the service industry, and that the SDS be rebadged as Sydney Diocesan Services.**
- 3.2.5 It is recommended that the ACPT's investment function be passed over to the CIMB and that the Board of the ACPT be comprised of members with the skill set to conduct its core business.** It is noted that the ACPT only invests on a trustee basis and the CIMB would be required to do likewise in respect of funds invested on behalf of the ACPT.
- 3.2.6 It is recommended that a Chairmen's Committee be established.** This Committee will comprise the Chairmen of the most financially influential Diocesan bodies together with two external business people nominated by the Archbishop, and the relevant CEO's as observers at the Archbishop's invitation. The role of the Committee will be to manage overall financial risk, to ensure coordination of policy and strategy between Diocesan bodies and to provide regular oversight of the various Diocesan bodies. In essence it will provide a level of coordination, oversight and risk management that hitherto has not existed.
- 3.2.7 It is recommended that a process of review of governance and internal controls of the Central Diocesan organisations be undertaken by the Chairmen's Committee.**
- 3.2.8 It is recommended that 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. It is also recommended that members of all Diocesan boards annually declare to their own board, their memberships of other Diocesan boards.**
- 3.2.9 It is recommended that the Standing Committee examine whether it is possible to amend the constituting ordinances of the Central Diocesan bodies to permit the sharing of 'confidential' corporate information between those bodies for the better financial health of the Diocese.**

3.2.10 It is recommended that a more fundamental reform of the Central Diocesan bodies be revisited after the recommendations presented above are implemented and have been in place for a number of years.

3.3 Conclusions

The Commission appreciates the trust committed to it by the Archbishop amid challenging times for the Diocese. While the recommendations of the Commission may be controversial for some members of Synod, it is our conviction that the obstacles are surmountable and if the recommendations are adopted under God the Diocese will be better placed to fulfil its mission of glorifying God by proclaiming our Saviour the Lord Jesus Christ in prayerful dependence upon 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.

PETER KELL
Chairman

15 August 2011

Annexure 1

Glossary – a narrative history

The Diocese of Australia was created in 1836 with William Grant Broughton as Bishop. The Diocese was divided in 1847, on the creation of the Dioceses of Adelaide, Melbourne and Newcastle, and Broughton became **Bishop of Sydney** and Metropolitan of Australasia.

The **Endowment of the See (EOS)** comprised Crown Grants, a portion of the Thomas Moore Estate and various residences 'for the benefit of the Bishop of Sydney and his successors'. In 1977, by ordinance the EOS Committee was established to provide advice to the Archbishop on the management of the EOS. The Committee is chaired by the Archbishop and has three persons elected by the Standing Committee and three appointed by the Archbishop.

In 1866 the **Synod of the Diocese** was constituted with power to pass ordinances for the 'order and good government of the' Church in the Diocese. Crown Grants of glebe lands were made between 1842 and 1857, to 'give income to the colonial church and its schools and to make the church less of a burden upon the colonial government' (Cable & Judd, *Sydney Anglicans*, 1983 p269). In 1930, the **Glebe Administration Board (GAB)** was constituted by ordinance to manage these properties on behalf of the Synod. After a number of properties were sold and the proceeds reinvested the diversified capital base has become known as the **Diocesan Endowment (DE)**. The Standing Committee elects the members of the Sydney Diocesan Secretariat, who for some years now are also the members of the GAB.

Anglican Church Property Trust Diocese of Sydney (ACPT) is presently constituted by the Anglican Church of Australia Trust Property Act 1917 and discharges its functions pursuant to a 1965 ordinance of the Synod. ACPT was previously constituted in 1881 and is the trustee of the EOS properties and parish and Diocesan property unless there are private or other trustees. ACPT members are elected by Synod.

The **Sydney Diocesan Secretariat (SDS)** was created by ordinance in 1973 to manage the central administrative functions of the Diocese. Its members are elected by the Standing Committee.

The St Andrew's House Ordinance in 1975 established a council to manage St Andrew's House; it was incorporated as the **St Andrew's House Corporation (SAHC)**. Three members are appointed by the GAB and three members, representing the interests of the EOS are appointed by the Standing Committee.

(The *Year Book of the Diocese of Sydney 1976*, at pp229-235, describes the relationship between the Archbishop of Sydney, the EOS and St Andrew's House.)

Annexure 2**List of members of the Commission**

Mr Tony Clemens	Partner, PricewaterhouseCoopers Member, Moore Theological College Council <i>St Thomas' North Sydney</i>
Bishop Glenn Davies	Bishop of North Sydney Member, Endowment of the See Committee Member, St Andrew's House Corporation (from 29 March 2010) Member, Moore Theological College Council Chairman, Anglican Education Commission Member, Robert Menzies College Member, Standing Committee
Mr Robert Freeman	Managing Director, Finch Freeman (property consultancy) <i>St Saviour's Redfern</i>
Mr Peter Kell (Chair)	CEO, Anglicare (until 30 June 2011) Chairman, Mission Board Strategy Committee Member, Mission Property Committee (until 16 July 2011) Member, Standing Committee <i>St Michael's Wollongong</i>
Mr Simon Pillar	Managing Director, Pacific Equity Partners (private equity) <i>St Thomas' North Sydney</i>
Dr Laurie Scandrett	CEO, Sydney Anglican Schools Corporation Deputy Chairman, Sydney Diocesan Secretariat (until 25 May 2011) Chairman, St Andrew's House Corporation Member, Standing Committee <i>St Matthias' Centennial Park</i>
Mr Robert Tong AM	Solicitor Chairman, Anglican Church Property Trust Diocese of Sydney Member, Moore Theological College Council Member, Standing Committee Deputy Chancellor <i>Christ Church St Ives</i>

Annexure 3

Extract from GAB's submission to the Commission – 13 December 2010

The Archbishop address to Synod said:

"In the absence of one presiding brain – an element of our way of doing things – we have not observed the dangers in time. Change is required."

Regarding EOS

"The trustee of the EOS is ACPT. However, under the *Endowment of the See Ordinance 1977*, the EOS Committee has been constituted to exercise certain functions in relation to the EOS. While the line of demarcation between the rights and responsibilities of the EOS Committee and ACPT is unclear in several key respects, the practice, at least in recent years, has been for the EOS Committee to exercise management functions in relation to the EOS and for ACPT to exercise a role akin to that of a bare trustee."

"In retrospect, this may have contributed to the perception that SDS and GAB, through its Chief Executive Officer, were exercising a Diocesan executive function which was far broader than the function prescribed for them by ordinance."

"It is apparent that the governing boards and committees of the EOS have been aware of the financial issues facing the EOS for several years. The development of the back-block at Bishopscourt was part of an intentional strategy to address those issues. All key decisions in relation to the Bishopscourt back-block development project were approved by ACPT, as trustee of the EOS, and by the EOS Committee. However, the related nature of the organisations involved (including GAB as development manager) and the multiple roles of senior management may have meant that the processes for supervision and review were suboptimal."

St Andrew's House

"The increases in the loans in 2006 and 2008 were in part to allow distributions to be sustained to the EOS. We also understand that such distributions were paid on the basis of an interpretation of the *St Andrew's House Income Ordinance 1999* which required that distributions of a prescribed amount be paid annually. At the time this ordinance was made, there were projections that the income from the building would grow to enable such distributions to be paid. It is regrettable that the ordinance was not reviewed when it became apparent that the projections would not be realised and the prescribed level of distributions could not be sustained from cash generated from operating activities."

- "(a) Did management provide and did the respective organisations require sufficient information in a form which enabled them to make proper decisions?
- (b) Did the relevant boards and committees have the skills and capacity to make decisions and deal with the matters before them?
- (c) It is apparent that several individuals served on more than one of the boards and committees responsible for key decisions made in relation to the EOS and SAH Fund and this may well have impacted on decisions.
- (d) In relation to the Bishopscourt back-block and the St Andrew's House refurbishment, GAB was the development/project manager and, in retrospect, this may not have been a suitable arrangement."

SDS

"During late 2009 and 2010, SDS has undertaken significant work in reviewing the services it provides to its core clients. It has documented the services provided and is negotiating service standards and fees. A crucial issue has been to ensure that the services provided are within SDS's capacity and core competency. A further issue has been to review SDS's costs. GAB has adopted the policy of seeking a third party review of its arrangements with SDS to ensure the transparency and propriety."

"An example of the recent review of the core competencies of SDS is the decision to outsource key property functions such as the property management of St Andrew's House and St James' Hall. Historically, SDS has provided these property management services but they have recently been outsourced to external service providers. A review of core competencies has also seen investment management and investment accounting outsourced."

"Our problem with this comment [by the Commission that SDS should have a broader role] is that SDS is a contracted service provider to its clients and accordingly it must act in the interests of that client and is subject to duties of confidence and good faith. To require that we perform an overall executive function which may involve a breach of duties to a particular client) would, we believe, require us to exercise a role which more properly should be exercised by the Standing Committee on behalf of the Synod."

In particular, we agree with the Archbishop that the Chief Executive Officer of SDS is not the Chief Executive of the Diocese as a whole. Confusion about the role of the Chief Executive Officer in the past may have been a contributing factor to many of the current problems. However, we believe that the Chief Executive Officer of SDS is a valuable source of advice to the Archbishop, the Synod, the Standing Committee and other organisations and are happy for him to provide this service."

Overall Diocese Structure

"In times past other inquiries have suggested a far more centralized and authoritarian structure (the Trigg Commission in the 1960s suggested that ACPT exercise a more centralised function and the Nicholson Commission in the early 1990s suggested a Diocesan Executive board to exercise a more centralized function)."

"Such structures go against the ethos and culture of the Diocese where there is a general suspicion of, if not antagonism towards, centralism. The implementation of the recommendations of the Trigg and Nicholson Commissions would have involved massive political reactions and this is almost certainly why they were never adopted."

"The Central Diocesan organisations, including GAB and SDS, undertake a range of functions such as property custodial services (ACPT), parish property management (ACPT), commercial property management (GAB and ACPT), administration (SDS), banking/lending (GAB and Finance & Loans Board) and investment (GAB and ACPT long term pooling fund). A more radical restructuring could see a common function being exercised by one organisation. That organisation may or may not exercise another common function."

"However, if the existing structure is retained, we recommend a review of the ordinances relevant to the existing organisations to ensure consistency and that they incorporate good and consistent corporate governance principles."

Investment Management

"An example could be the responsibility of the management of investments. Currently both GAB and ACPT have investment portfolios which they separately manage. There could be considerable advantages in bringing those functions together within a new organisation. Such advantages may include the consolidation of specialist skills, the opportunity for cost savings through aggregation and a greater consistency in policy and decision making."

Another example involves the banking activities undertaken by GAB and the lending activities of the Finance & Loans Board. If banking and lending are considered to be key functions, those activities might be more efficiently undertaken if combined in one new organisation. There is no reason why such an organisation could not continue not maintain lending policies which assist parishes."

"However, if the existing structure is retained, we recommend a review of the ordinances relevant to the existing organisations to ensure consistency and that they incorporate good and consistent corporate governance principles."

Monitoring Performance of Diocesan Bodies

"An appropriate model may be for an external organisation to be engaged, to be tasked to review the processes of ACPT, GAB, SDS, SAHC and the EOS Committee and to monitor compliance with their ordinances, governance statements and policies. The external organisation could be the external auditor, with its terms of engagement suitably widened. These reviews could be done annually or on a rotational basis. Discussion with the organisation concerned would occur if any problems are identified by the reviewer. If the outcome of those discussions is not satisfactory, the reviewer would then report to the Standing committee for its consideration."

There will be costs involved in undertaking this work, which would need to be funded by the relevant organisations."

"A system for the review of the governance and internal controls of the major St Andrew's House based organised ought to be considered. An appropriate model may be for ACPT to periodically review the processes of GAB, SDS, SAHC and the EOS Committee to monitor compliance with their ordinances, governance statements and policies, with findings reported to the relevant organisation and, if necessary, to the Standing Committee. An external consultant would be engaged to periodically review the governance and internal controls of ACPT."

Annexure 4

Summary of Synod Members' submissions to the Commission

Synod members were invited to make submissions to the Commission and submissions were received from the following members:

Mr Guy Amon, Belrose
 Mrs Lynn Bannerman, Christ Church St Laurence
 The Rev David Clarke, St Marys
 The Rev John Cornish, Epping
 The Ven Ian Cox, Archdeacon Georges River Region
 The Rev John Gray, Castle Hill
 Mr Niall Henderson, Willoughby
 Mrs Susan Hooke, Cremorne
 The Rev Bruce McAteer, Dr Jocelyn Chey & Ms Margaret Whight, St Luke's Mosman
 The Rev John Reid, Mr Brian Dunn & Mr Keith Bennett, Mona Vale
 Mrs Pamela Shaw, Killara
 Mr Ian Steward, Waitara
 Mr Martin Sumpter, Manly
 The Rev Brian Tung, Chatswood

The submissions are summarised under various headings.

1. Structure: General

- 1.1 It is imperative that the Georges River Region be retained with a bishop exercising oversight.
- 1.2 Archbishop must be the leader of everything, with ministry matters given absolute priority and organisations for 'good works' should be self funding.
- 1.3 SDS staff numbers should be reduced.
- 1.4 Give SDS oversight of all Central organisations.
- 1.5 Too many separate and independent committees/boards and decision makers; better to have a single board of 8-10 members accountable to Synod with responsibility for administering the whole Diocese, including all organisations.
- 1.6 Interrelationships between organisations are complex and confusing (particularly given trustee relationships and endowments), where the objects of each organisation are not clearly defined and communicated.
- 1.7 Reduce the number of boards and committees, reduce the size of boards and diversify board membership with selection based on appropriate skills not representative roles.
- 1.8 Build a broad register of parishioners with skills who are willing to serve on Diocesan committees and boards. Provide information on qualifications and experience of all candidates for election.
- 1.9 Precluding the remuneration of board members may eliminate some of the best talent. Out-of-pocket and in-service training expenses should be paid.
- 1.10 Given the size of Synod (800) and Standing Committee (60), Synod should elect a core Mission Board comprising bishops and appropriate property, legal, education, HR and other skills to execute mission strategy and give them power to employ a CEO and appoint committees to implement that strategy and then report back and be accountable to Synod.
- 1.11 Simplify Diocesan structures and committees.
- 1.12 Obtain outside advice to simplify governance and management structures.

2. Structure: Synod & Standing Committee

- 2.1 Review size of Synod & Standing Committee, the representative nature of both bodies, their division of powers, the information flow to Synod members, and arrangements for elections.
- 2.2 Reduce the number of Synod representatives to one lay person per parish.
- 2.3 Extend the length of Synod to allow committee activity to review and report on business of Synod.
- 2.4 All elections for board positions should specify obligations of the position and nominees should provide a CV focussed on relevant skills.

- 2.5 All elections should have information provided to the Synod of nominees' relevant skills and experience.
- 2.6 Non-political guidebook for Synod members. Ban party endorsement and 'how to vote' cards.
- 2.7 Election of board members by the whole Synod may not be desirable: it is not practical to expect Synod members to have significant, informed interest in each organisation, where information provided to Synod members on nominees is inadequate and could be better handled by a panel to review nominees.
- 2.8 Improve the management of Synod by making significant changes to the conduct of business (with timely, accessible and transparent reporting, and increased time for debate); ordinances (with written objectives and governance requirements); and budget approvals (providing the case for and against each item).
- 2.9 Improve the management of Standing Committee by reducing its size and by appointing a 'treasurer' accountable to the Archbishop.
- 2.10 Standing Committee should be reduced to 10 (selected with a wide range of professional skills) plus Archbishop with a focus on core ministry (preaching 'salvation by faith'), rather than commercial matters and fine detail, thus freeing the bishops to preach and pastor.

3. Funding

- 3.1 Give the Archbishop ultimate responsibility for all Diocesan financial and business affairs, and provide support in the form of a Business Manager.
- 3.2 Establish a Board of Management to have overarching financial responsibility across all Central organisations and ensure expenditure is contained within available income to avoid further depletion of assets.
- 3.3 Establish a Board of Management (a rebadged GAB?) with responsibility spanning all Central organisations, assessing all financial matters, reporting to Standing Committee and Synod. Establish an independent organisation appointed by Standing Committee to set and review goals and targets for Diocesan funding and governance standards.
- 3.4 Borrow on interest free basis from parishes amounts needed to meet cash shortfalls particularly to recapitalise EOS rather than impose a levy.
- 3.5 All parishes should contribute a levy (say 2% of net receipts) to pay for a (reduced) Central Diocesan structure.
- 3.6 Invest conservatively for a regular income flow and contain expenditure within that limit by concentrating on fewer activities.
- 3.7 Short term greed and poor investment decisions have compromised the long term sustainability of organisations, which need funding certainty over a three year period. Would amalgamations reduce costs of duplication? Should parishes pay assessments for training ministers?
- 3.8 Consolidate financial reporting.
- 3.9 Funds should be managed in a professional manner with an overall plan and strategy.
- 3.10 Create greater accountability by benchmarking expenditure against other dioceses.
- 3.11 Give Synod power to limit investment policies.

4. Governance

- 4.1 Integrate Standing Committee's review of corporate governance with Archbishop's Commission, with latter extended to oversee implementation.
- 4.2 Synod, Standing Committee and boards of organisations should move to adopt a more flexible, relational model of governance.
- 4.3 Replace the 'Statement of Personal Faith' with a simple requirement that the person be a communicant member of the Anglican Church of Australia.
- 4.4 No committees or boards should exceed nine members.
- 4.5 Board members should be selected on the basis of relevant experience and expertise, to include women (appointed mid-career).
- 4.6 Give Archbishop (in capacity as Visitor) the power to intervene and dismiss boards and CEO.

5. Transparency

- 5.1 Publish a breakdown of the EOS's \$3 million annual expenses for Synod members.
- 5.2 Organisations should produce comprehensive, modern annual reports, on a timely basis, in a readily accessible form, that track performance against objectives and budgets.
- 5.3 Review the reports that are produced in a way that is not compromised by conflicts of interest on the Finance Committee and/or Standing Committee.
- 5.4 Develop a regular, independent review of the membership of boards which are compromised by conflicts of interest among members serving on multiple boards.
- 5.5 Improve accountability and financial reporting: access, structure & content.
- 5.6 Improve Synod members' access to Standing Committee activities and decisions.
- 5.7 Make full Standing Committee minutes accessible to all Synod members.

Annexure 5

Bishopscourt

(A report from the Standing Committee to Synod 2010.)

Executive Summary

- A. The property at 11 Greenoaks Avenue Darling Point known as Bishopscourt has been the residence of the Archbishop of Sydney for almost 100 years.
- B. However, Bishopscourt is no longer a suitable property for this purpose for four principal reasons –
- (i) its extensive facilities are not needed for the ministry of the contemporary office of the Archbishop,
 - (ii) it is very expensive to maintain,
 - (iii) it represents a large proportion of the total assets of the Endowment of the See (EOS) (the EOS is the fund which provides income to support the office of the Archbishop), and
 - (iv) its “grand” appearance is not consistent with the style of residence for an Archbishop in the Twenty First Century.
- C. 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. Action now on this issue would provide the EOS with significant financial advantages.
- D. This report therefore recommends that Bishopscourt should be sold as soon as practicable with a portion of the proceeds used to acquire alternative accommodation more appropriate to the contemporary needs of the office of Archbishop, and the balance invested to earn a return for the EOS.

Background

1. Bishopscourt is one of the assets held by the Anglican Church Property Trust on trusts set out in the 7th Schedule to the Endowment of the See Ordinance 1977, ie. principally “to pay the stipend of the Archbishop of Sydney, the expenses in relation to his official residence and travelling, secretarial and other expenses in respect of his office”.
2. The property (formerly known as Greenoaks) was built in the mid 1840’s 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.
3. Prior to the purchase of Bishopscourt previous Bishops of Sydney had lived in –
 - (a) a leased house in Darlinghurst (1837-1852),
 - (b) a rented house in Millers Point (1855-1857), and
 - (c) a new home built in Randwick (on land exchanged for a site in Newtown) (1858-1911).
4. 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

5. 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.
6. Previous reports have been commissioned too close to the election of a new Archbishop for effective action to be taken. 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.
7. The most recent 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.
8. Standing Committee examined the question of whether or not Archbishop Robinson should move in to Bishopscourt in April 1982, but he did move in and no further action was taken.
9. 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 “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".

10. In November 1991 Standing Committee received a short report from the EOS Committee recommending that Bishops court be retained as the residence of the Archbishop and after receiving several further reports over following months and debating the matter at length in March and August 1992, resolved that the residence for the next Archbishop be approved by the Standing Committee.

11. 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.

12. In May 2001 Standing Committee resolved "that Bishops court 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 Bishops court 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 Bishops court.

13. 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 Bishops court until the matter is resolved". The present Archbishop took up residence in Bishops court 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 Bishops court.

14. A more detailed account of the various previous reports may be found in the Attachment.

Reasons for selling

15. 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 various previous reports on the subject remain, indeed some have recently become more acute.

Suitability for current ministry

16. Bishops court is too "grand", its image is of a past era, and its retention represents poor stewardship of the resources of the Diocese, given the urgency of the fundamental aim of the Diocesan Mission to multiply Bible-based Christian fellowships, congregations and churches.

Reduce maintenance and operating costs

17. Maintenance and conservation work (excluding staff wages) undertaken at Bishops court in the last ten years has totalled approximately \$2.85 million, averaging therefore close to \$300,000 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.

18. The ongoing heritage issues both increase the cost of maintenance and limit the scope for renovations to increase functionality.

19. The heritage architects appointed by the EOS have submitted detailed plans indicating the need for a further \$880,000 to be spent over the next five years. 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 urgent work.

20. The current operating costs of Bishops court (principally staff wages) are \$210,000 per year.

Increase cash flow

21. 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 'asset mix' is quite unsuitable for an endowment. The majority of the assets are in property which produces no, or very little, cash income. Amongst the EOS property assets, Bishops court is by far the worst performing – it produces no cash income, indeed requiring substantial annual expenditure on maintenance and operating costs, yet it represents a significant proportion of the total value of EOS assets.

22. 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 to the EOS from 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 and produce a cash income.

23. The Archbishop's Strategic Commission on Structure, Funding and Governance has 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

24. An independent valuation of Bishops court by Colliers International obtained by the EOS in December 2009 for the annual financial statements assessed the current market value of the property as \$24 million.

25. Two years ago a real estate agent familiar with Bishops court 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.

26. 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 Bishops court its true value will not be known until expressions of interest are sought.

27. The subcommittee appointed by the EOS Committee recently received indication from the real estate agent familiar with Bishops court that a number of potential residences would be available in the price range of \$5 million to \$10 million, subject to whatever requirements the Diocese may wish to include for entertainment areas and guest accommodation.

The Archbishop is prepared to move

28. The Archbishop has advised the Standing Committee that he and his wife are still prepared to move out of Bishops court if the Synod determines that it should be sold.

Other support for selling

29. Both the Archbishop's Strategic Commission on Structure, Funding and Governance and the EOS Committee recommend the sale of Bishops court.

Possible impediments to a sale*Symbolism*

30. Bishops court 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.

31. 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.

32. 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

33. On most occasions over the last 30 years when the question of selling Bishops court 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.

34. Bishops court 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.

35. 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 Bishops court 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.

36. Recent investigations by the EOS Committee have confirmed that suitable properties certainly do exist in a number of suburbs in close proximity to St Andrews House.

Publicity

37. Some have expressed concern that any sale of Bishops court 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.

38. While recognising the potential any sale and purchase has to attract unwelcome publicity, Standing Committee does not see that issue as sufficient to warrant the retention of the present property. Indeed, if well handled the sale of Bishops court should be seen for what it is, the most responsible course of action.

Recommendation

39. Standing Committee recommends that the following motion be moved at Synod by request of the Standing Committee –

"Synod, noting the report from the Standing Committee about Bishops court –

- (a) supports the sale of Bishops court and requests the Standing Committee to pass a suitable ordinance and take such further action as is necessary to facilitate the sale, and

- (b) requests the Endowment of the See Committee to make arrangements to provide suitable alternative accommodation for the Archbishop in consultation with the Archbishop and Mrs Jensen, having regard to the matters raised in the report.”

For and on behalf of the Standing Committee

PETER KELL

16 September 2010



Attachment

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 Bishops court or to rent or purchase a suitable residence near the city. In fact Archbishop Robinson moved in to Bishops court 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 Bishops court. 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 Bishops court 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 Bishops court 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 Bishops court 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 “Bishops court 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 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 fulfils all the requirements, which is appropriate for the end of the 20th 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.

No further reports to Standing Committee on this matter have been received.

In May 2009 the EOS Committee appointed a committee to –

“review the question of the provision of accommodation for a future archbishop”.

A copy of this committee’s report dated August 2010 recommending the sale of Bishopscourt was provided to the Standing Committee meeting in August 2010.

Annexure 6

Functions and responsibilities of the Central Diocesan organisations

6.1 *Endowment of the See*

(extracts from the Endowment of the See Ordinance 1977)

3. Functions of the Endowment of the See Committee

(1) In this clause –

“Committee” means the Endowment of the See Committee constituted by clause 4; and

“Property” means the property held upon the trusts set forth in the Seventh Schedule.

(2) The functions of the Committee are –

- (a) to direct the investment policy of the Property, including the retention or realisation of any part of the corpus of the Property;
- (b) to care for, repair, renovate and refurbish so much of the Property, from time to time, as is real property; and
- (c) to recommend to the Archbishop how he should exercise the discretions referred to in the Seventh Schedule.

(3) The Committee has such powers as are necessary to enable it to perform its functions including, without limiting the generality of the foregoing, power to appoint a property manager. The costs and expenses incurred by the Committee in carrying out its functions are to be paid from the Property.

(4) Unless it has good and substantial reasons for refusing so to do, the Corporate Trustee is to –

- (a) act in accordance with the investment policy as directed by the Committee; and
- (b) carry out all determinations of the Standing Committee approved by the Archbishop as to the disposal of any income from the Property.

(5) If the Corporate Trustee refuses to –

- (a) carry out a direction made by the Committee; or
- (b) carry out a determination of the Standing Committee,

it must forthwith notify in writing its refusal and its reasons for the refusal to both the Committee and to the Standing Committee.

Seventh Schedule

Upon trust -

- (a) To pay the stipend of the Archbishop of Sydney, the expenses in relation to his official residence and travelling, secretarial and other expenses in respect of his office;
- (b) During the absence of the Archbishop or during any vacancy in the See to pay:
 - (i) an allowance to his Commissary or the Administrator of the Diocese for the time being;
 - (ii) the expenses incurred in the discharge of episcopal functions within the Diocese;
 - (iii) the expenses incurred on filling up the vacancy of the See;
 - (iv) travelling and other expenses and allowances to the incoming Archbishop.
- (c) Subject as aforesaid to pay such other amounts in connection with the Diocese for such purpose as may from time to time be determined.
- (d) Subject as aforesaid to pay such other amounts not exceeding \$10,000 in the year 1984 and in each subsequent calendar year or such greater amount per annum as may be determined from time to time by resolution of the Standing Committee on or towards such purposes of the Anglican Church of Australia in the Diocese of Sydney as may from time to time be specified by the Archbishop.
- (e) Subject as aforesaid to pay such amounts for such purposes of the Diocese beyond the Diocese as may be determined by resolution of Synod or by ordinance of Standing Committee but only insofar as those purposes include the provision of a capital sum to endow the see of another diocese.

The amounts to be paid pursuant to paragraphs (a), (b) and (c) shall be such as are from time to time determined by the Standing Committee and in the case of payments made under paragraphs (a) and (c) approved by the Archbishop and in the case of payments made under paragraph (b) approved by the Archbishop or his Commissary or Administrator as the case may be.

6.2 Glebe Administration Board

(extracts from the Glebe Administration Ordinance 1930)

Object

2. 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 therefrom.

Powers of the Board

11. (1) The Board shall have absolute and full powers of managing and controlling all church trust property (being real property) of which it may be appointed a trustee and without limiting the generality of such powers the Board may –
- (a) subject to sub-clauses (2), (3), (4), (5) and (6) of this clause, let or demise the said property or any part or parts thereof for any term not exceeding fifty years including any option of renewal or on building lease for any term not exceeding sixty-five years at such rents fixed or progressive and subject to such conditions as the Board shall think fit save and except as hereinafter provided;
 - (b) accept surrenders of leases and tenancies and release tenants from claims thereunder;
 - (c) receive and give effectual receipts for all moneys received in respect of such property for rent or on any other account whatsoever;
 - (d) sub-divide such property or any part or parts thereof and lay out and make roads streets and ways to be dedicated to the public and close existing roads streets and ways and grant easements and rights of way;
 - (e) carry out repairs renovations and alterations of buildings on such property, demolish any buildings on such property and erect thereon new building or buildings; and
 - (f) use the income from such property, not otherwise appropriated, for any of the purposes aforesaid and for the payment of all costs charges and expenses of and incidental to the management and control of such property.
- (2) Every lease granted by the Board shall contain a covenant restricting the use of the premises demised thereby during the term of the lease or any holding over thereof after the expiration of such lease to uses to which in the opinion of the Board at the time the lease is granted the premises may be suitably put Provided that with respect to the use of the premises for public entertainment or in the case of the use of any auditorium the prior consent of the Board to any use shall be first obtained in writing.
- (3) Every lease granted by the Board (except any lease containing covenants by the lessee restricting the use of premises demised thereby to use for private residential purposes or for offices, professional consulting rooms or as a banking chamber) shall subject to existing contractual commitments of the Board as at 25th September 1984 contain covenants forbidding the use of and requiring the lessee to refrain from permitting or suffering the use of the premises or any part thereof –
- (a) for any illegal or immoral purpose;
 - (b) for the sale by wholesale of tobacco in any form;
 - (c) in any way connected with gambling or betting;
 - (d) for the manufacture, sale, distribution or consumption on the said premises of liquor in any of the following ways –
 - (i) in a restaurant;
 - (ii) at social functions held in premises used commercially as reception rooms;
 - (iii) on the premises of a club or any like association;
 - (iv) in or from any hotel shop or other point of deliveryProvided that the prohibitions contained in this paragraph (d) shall not apply to liquor manufactured sold or distributed for medicinal purposes or for purposes other than for human consumption,
 - (e) in any way connected with narcotic drugs except as part of the normal trading practices of a registered pharmacist or registered chemist;
 - (f) for the erection of any sign or advertisement which expressly or impliedly refers to tobacco or alcoholic liquor in such a position as to be visible from the outside of the premises or any part thereof
- Provided that this prohibition shall not apply to non-illuminated signs relating to tobacco in or adjacent to any kiosk or shop premises which relate to goods sold therein, and the Board may waive this prohibition in any particular case;
- (g); and
 - (h) for the sale or distribution of video cassettes as presently rated “X” and “R” by the Commonwealth Censorship Board.

(4) Every lease granted by the Board containing covenants by the lessee restricting the use of premises demised thereby to use for private residential purposes shall subject to existing contractual commitments of the Board as at 25th September 1984 contain covenants forbidding the use of and requiring the lessee to refrain from permitting or suffering the use of the demised premises or any part thereof –

- (a) for any illegal or immoral purpose;
- (b) in any way connected with gambling or betting;
- (c) in any way connected with narcotic drugs;
- (d) (without prejudice to the covenants in the lease by the lessee not to use the premises other than for private residential purposes) for the manufacture, sale or distribution of liquor in any way; and
- (e) for the sale or distribution of video cassettes as presently rated "X" and "R" by the Commonwealth Censorship Board.

(5) Every lease granted by the Board containing covenants by the lessee restricting the use of the premises demised thereby to use for offices, professional consulting rooms or as a banking chamber shall subject to existing contractual commitments of the Board as at 25th September 1984 contain covenants forbidding the use of and requiring the lessee to refrain from permitting or suffering the use of the premises or any part thereof –

- (a) for any illegal or immoral purpose;
- (b) in any way connected with gambling or betting;
- (c) in any way connected with narcotic drugs;
- (d) (without prejudice to all other covenants by the lessee in the lease as to the use of the premises) for the manufacture, sale or distribution of liquor in any ways; and
- (e) for the sale or distribution of video cassettes as presently rated "X" and "R" by the Commonwealth Censorship Board;

Provided that the Board may grant a lease containing the following proviso to either or both of the covenants in paragraphs (c) and (d) -

"except as part of the practice of a qualified medical practitioner or qualified dentist".

(6) The Board shall not let lease or demise any part of such property to any person corporation or any organisation whose main business or one of whose main businesses comprises the manufacture, sale or distribution of liquor.

(7) In this clause, the word "liquor" shall be construed as it was defined in the Liquor Act, 1912, as at 22nd August, 1966.

(8) For the purposes only of any lease which may be granted by the Board after 25 August 1998 in relation to the land being lot 1 in deposited plan 596863 and any adjoining land leased or to be leased from the Council of the City of Sydney, or any part thereof, (other than a lease which contains covenants by the lessee restricting the use of the premises to use for offices, professional consulting rooms or a banking chamber), paragraph (d) of clause 11(3) may be omitted from a lease of premises which permits either or both –

- (a) the sale or distribution of liquor for consumption with food;
- (b) the consumption of liquor with food,

and the restriction in clause 11(6) does not apply to such a lease.

12. In addition to the powers, authorities, duties and functions conferred or imposed by Clause 11, the Board shall have power –

- (a) to receive money on deposit or loan;
- (b) to borrow such sum or sums of money on the security of any real or personal property vested in the Board or the income therefrom;
- (c) to borrow or raise or secure the payment of money and financial accommodation made available to the Board by the issue of debentures, perpetual or otherwise, charged upon or by any other mortgage or charge over all or any real or personal property vested in the Board and to purchase, redeem or pay off any such securities;
- (d) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments; and
- (e) to give guarantees and indemnities for the payment of money or the performance of contracts or obligations by Sydney Diocesan Secretariat or of any other person or corporation and to secure the same; to secure or undertake in any way the repayment of moneys lent or advanced to or financial accommodation made available to or the liabilities incurred by Sydney Diocesan Secretariat or any other person or corporation.

12A.

13. In addition to the powers, authorities, duties and functions conferred or imposed by Clauses 11 and 12, the Board shall have power –
- (a) to sell any of the said property subject to the trusts on which that property is held;
 - (b) to invest, in the purchase of real property, the proceeds of any property sold by the Board pursuant to the authority of any ordinance;
 - (c) to exercise and perform the powers, authorities, duties and functions delegated to the Board from time to time by the Standing Committee;
 - (d) to appoint and remove officers servants and agents and fix their remuneration if any;
 - (e) to determine by whom and in what manner all or any documents and instruments shall be signed and executed by for or on behalf of the Board;
 - (f) to establish special funds in the nature of reserve funds sinking funds or otherwise; and
 - (g) to provide building services to the owners or tenants of real property, whether such real property is church trust property or otherwise.
14. Any moneys received by the Board may be invested in any one or more of the following investments that is to say –
- (a) investments for the time being allowed by law of the State of New South Wales for investment of trust funds;
 - (b) purchase of real or leasehold estate situated within Australia;
 - (c) mortgage of land situated within Australia;
 - (ca) loans, whether secured or unsecured, to –
 - (1) any parish, provisional parish or assisted provisional parish constituted or recognised as such under the Parishes Ordinance 1979; or
 - (2) any organisation constituted by or under any ordinance of the Synod or the Standing Committee of the Synod of the Diocese of Sydney; or
 - (3) any individual or organisation not referred to in subparagraph (1) or (2) approved by the Board;
 - (d) debentures issued by any city, municipal or shire council in Australia or other corporation or company approved by the Board;
 - (e) deposit with or loan to any bank or other company or corporation approved by the Board;
 - (f) deposit with any corporation or company which is an authorised dealer in the short term money market in New South Wales and is carrying on business, as such, in New South Wales;
 - (g) bills of exchange accepted or endorsed by a bank carrying on business in New South Wales or a corporation or company which is an authorised dealer in the short term money market in New South Wales;
 - (h) purchase or other acquisition of shares, units and other interests and securities where such shares, units, interests or securities are not those of a corporation or trust which carries on a business which Synod or Standing Committee may by resolution disapprove;
 - (i) purchase or other acquisition of any personal property for the purpose of leasing that property;
 - (j) derivative instruments such as forwards, futures, options, warrants, swaps, share ratios, but not limited to such instruments, provided that such instruments are not used to gear the portfolio or create net short positions; and
 - (k) such other investments as may be suggested from time to time by resolution of the Standing Committee and approved by the Board;
- and the Board may from time to time vary release or raise moneys on the security of such investments.
- 14A. The Board shall have absolute and full powers of leasing the property referred to in paragraph 14(i) and, without limited generality of those powers, the Board may –
- (a) accept surrenders of leases and release lessees from claims thereunder;
 - (b) receive and give effectual receipts for all moneys received in respect of such property for rent or on any other account whatsoever; and
 - (c) use the income from such property, not otherwise appropriated, for any of the purposes aforesaid and for the payment of all costs, charges and expenses of and incidental to the management and control of such property.
15. The Board shall exercise and perform the powers, authorities, duties and functions conferred or imposed upon it by or pursuant to this Ordinance insofar as the same relate to the land comprised in Certificate of Title Volume 13705 Folio 170 and any adjoining land leased from the Council of the City of Sydney only to the extent authorised by and subject to the directions of St. Andrew's House Corporation.
16. The Board shall have power to and may appoint attorneys to execute for it and on its behalf deeds, documents and all kinds of instruments and dealings (including, but without limiting the generality, agreements, contracts, conveyances, transfers, mortgages, leases, consents to assignments, consents to

sub-leases, surrenders, plans and all other kinds of instruments and dealings) all of which are hereafter in this sub-clause included in the term "document", to execute powers in favour of the said attorneys to act for and on its behalf as aforesaid and to revoke all or any such appointments and powers. A register shall be kept of all documents executed by every such attorney on behalf of the Board. A brief description of each document so executed and the date on which each document was executed shall be promptly entered in such register and each entry shall be initialled by the person who signed the document to which the entry relates. Part of the register shall be tabled at each meeting of the Board - such part being that part which contains entries of all documents executed by every such attorney on or subsequent to the day of the meeting of members of the Board last preceding that meeting.

17. The Board may cause itself to be registered as a foreign company or recognised in any State or Territory of Australia.
18. No purchaser, mortgagee, lessee, lender or other person on any sale, exchange, mortgage, lease from or any loan or provision or other financial accommodation to or in relation to the Board shall be concerned to see or enquire into the purpose, necessity or propriety thereof, or the power of the Board in relation thereto, or the mode of exercising the same nor be affected by notice that the exercise of the power is unauthorised, irregular or improper nor be concerned to see to the application or disposition of any purchase, mortgage or other money or rent paid by him.

6.3 Sydney Diocesan Secretariat

(extracts from the Sydney Diocesan Secretariat Ordinance 1973)

Powers and duties

6. The Secretariat shall have and may exercise and perform the powers authorities duties and functions as follows –
 - (a) To carry out perform and provide administrative secretarial and accountancy services for the Anglican Church of Australia in the Diocese of Sydney.
 - (aa) To act as agent for any trustee holding church trust property (as defined in the Anglican Church of Australia Trust Property Act 1917) and for any person, persons or corporation having the management or control of any such property if authorised so to act by such trustee, person, persons or corporation.
 - (b) To employ persons for such purpose; to grant pensions and allowances for such persons; to provide superannuation and other benefits for such persons.
 - (c) To acquire and lease such plant equipment and machinery as may be needed for such purpose from time to time.
 - (d) To preserve care for and maintain the property of Standing Committee.
 - (e) To open and operate one or more accounts with any bank, and to draw make accept endorse execute and issue bills of exchange, cheques and other negotiable instruments.
 - (f) To borrow moneys on such terms as it may think fit.
 - (g) To invest and deal with the money of the Secretariat not immediately required in such manner (but consistent with the trusts (if any) of which such money may be held) as it may think fit.
 - (h) To lend and advance money or give credit to any person or company.
 - (i) To enter into and take out policies of insurance.

6.4 St Andrew's House Corporation

(extracts from the St Andrew's House Ordinance 1975)

Land to be managed by Council

1. On and from the date on which the members of the Council hereby constituted (hereinafter called "the Council") become and be a body corporate under the Anglican Church of Australia (Bodies Corporate) Act 1938, the said land shall cease to be managed and controlled by the Board and shall be managed by the Council.

Powers of the Council

6. (1) The Council shall have absolute and full powers of managing and controlling the said land and without limiting the generality of such powers the Council may –
 - (a) let or demise the said land or any part or parts thereof for any term not exceeding twenty-five years at such rents and subject to such terms and conditions as the Council shall think fit save and except as hereinafter provided, and, in addition, let or demise any part or parts thereof to The Sydney County Council for the purposes of an electricity sub-station site for any term at such rent and on and subject to such terms and conditions as the Council shall see fit without containing the covenants specified in the proviso to this subclause.
 - (b) accept surrenders of leases and tenancies and release tenants from claims thereunder,

- (c) receive and give effectual receipts for all moneys accruing from the said land for rent or on any account whatsoever,
- (d) complete the erection of the said buildings and other improvements upon the said land,
- (e) carry out repairs, renovations and alterations of any buildings upon the said land and to erect thereon any further building or buildings,
- (f) borrow such sum or sums of money on the security of the said land or of the future rents profits and other income arising therefrom as it may deem necessary,
- (g) appoint and remove officers, servants and agents and fix their remuneration, if any,

Provided that –

- (i) every lease of any premises to which this clause refers shall contain a covenant restricting the use of the demised premises during the term of the lease or any holding over thereof after the expiration of such lease to uses to which in the opinion of the Council at the time the lease is granted the premises may be suitably put Provided that with respect to the use of the premises for public entertainment or in the case of the use of any auditorium the prior consent of the Council to any use shall be first obtained in writing;
- (ii) every such lease (except any containing covenants by the lessee restricting the use of the demised premises to use for office professional consulting rooms or as a banking chamber) shall contain covenants forbidding the use of and requiring the lessee to refrain from permitting or suffering the use of the demised premises or any part thereof –
 - (a) for any illegal or immoral purpose;
 - (b) for the sale by wholesale of tobacco in any form;
 - (c) in any way connected with gambling or betting;
 - (d) for the manufacture, sale, distribution or consumption on the said premises of liquor in any of the following ways –
 - (A) in a restaurant,
 - (B) at social functions held in premises used commercially as reception rooms,
 - (C) on the premises of a club or any like association,
 - (D) in or from any hotel shop or other point of delivery

Provided that the prohibitions contained in this sub-paragraph (d) shall not apply to liquor manufactured sold or distributed for medicinal purposes or for purposes other than for human consumption. Provided Further that the Council shall not let lease or demise any part of the said land to any person corporation or any organisation whose main business or one of whose main business or one of whose main businesses comprises the manufacture sale or distribution of liquor as is hereinafter defined;

- (e) in any way connected with narcotic drugs except as part of the normal trading practices of a registered pharmacist or registered chemist;
- (f) for the erection of any sign or advertisement which expressly or impliedly refers to tobacco or alcoholic liquor in such a position as to be visible from the outside of the premises leased or any part thereof Provided that this prohibition shall not apply to non-illuminated signs relating to tobacco in or adjacent to any kiosk or shop premises which relate to goods sold therein, and the Council may waive this prohibition in any particular case; and
- (iii) every such lease containing covenants by the lessee restricting the use of the demised premises to use for offices, professional consulting rooms or as a banking chamber shall contain covenants forbidding the use of an requiring the lessee to refrain from permitting or suffering the use of the demised premises or any part thereof –
 - (a) for any illegal or immoral purpose,
 - (b) in any way connected with gambling or betting,
 - (c) in any way connected with narcotic drugs, and
 - (d) (without prejudice to all other covenants by the lessee in the lease as to the use of the premises) for the manufacture sale or distribution of liquor in any way.

Provided that the Council may grant a lease containing the following proviso to either or both of the covenants in paragraphs (c) and (d) –

“except as part of the practice of a qualified medical practitioner or qualified dentist”.

- (iv) The word 'Liquor' shall be construed in paragraphs (ii) and (iii) of this proviso as it was defined in the Liquor Act, 1912 as at 22nd August, 1966.

(1A) Paragraph (d) of proviso (ii) to clause 6(1) may be omitted from a lease of premises which permits either or both –

- (a) the sale or distribution of liquor for consumption with food;
- (b) the consumption of liquor with food.
- (2) In addition to these powers, authorities, duties and functions, the Council shall have power –
 - (a) to appoint the Board its attorney to act for and in the name and on behalf of the Council and to revoke any such appointment,
 - (b) to receive money on deposit or loan, and
 - (c) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments,
 - (d) to give guarantees and indemnities for the payment of money or the performance of contracts or obligations by Sydney Diocesan Secretariat and to secure the same; to secure or undertake in any way the repayment of moneys lent or advanced to or financial accommodation made available to or the liabilities incurred by Sydney Diocesan Secretariat,

and, in addition thereto, the Council shall have power –

- (i) to accept from The Council of the City of Sydney one or more leases in respect of any land vested in The Council of the City of Sydney adjoining or near the land described in the First Schedule hereto or in the Second Schedule hereto, and
 - (ii) to enter into any agreement with The Council of the City of Sydney to accept any such lease or leases.
- (3) In subclause (1) of this clause, the term “the said land” shall include the land described in the Second Schedule hereto and the land demised by any such lease or agreed to be demised by any such agreement.

(4) The Council (and the Board while acting as agent of the Council) may grant a lease or leases of any part or parts of the building on the said land known as St Andrew's House (the “Building”) to The Council of St Andrew's Cathedral School (the “School Council”) for any term, and at such rent and subject to such terms and conditions which the Council and School Council may agree upon and without the covenants specified in the proviso to clause 6(1).

(5) No purchaser, mortgagee, lessee, lender or other person on any sale, exchange, mortgage, lease from or any loan or provision of other financial accommodation to or in relation to the Council shall be concerned to see or enquire into the purpose, necessity or propriety thereof, or the power of the Council in relation thereto, or the mode of exercising the same nor be affected by notice that the exercise of the power is unauthorised, irregular or improper nor be concerned to see to the application or disposition of any purchase, mortgage or other money or rent paid by him.

(6) The Council (and the Board while acting as agent of the Council) may subdivide the said land into 2 or more lots by means of a plan or plans of subdivision (which may provide for stratum subdivision) or by a strata plan or strata plans.

(7) The Council (and the Board while acting as agent of the Council) may sell any part of the Building and other improvements on the said land (after subdivision of the same) to the School Council on such terms and for such price as may be agreed upon by the Council and the School Council.

6.5a Anglican Church Property Trust

(extracts from the Anglican Church Property Trust Diocese of Sydney Ordinance 1965)

Powers and Authorities

10. (1) With respect to all church trust property vested or to become vested in it the Corporate Trustee shall have and may subject to the policy and direction (if any) of Synod or the Standing Committee exercise absolute and full powers of managing and controlling such property and without limiting the generality of such powers and so far as may be necessary or convenient in the name and on behalf of the Corporate Trustee may –

- (a) Let or demise the said property or any part or parts thereof for any term not exceeding ten years or on building lease for any term not exceeding fifty years at such rents fixed or progressive and subject to such conditions as the Trust shall think fit save and except as hereinafter provided or grant a licence in respect of the said property or any part or parts thereof for any term not exceeding ten years.
- (b) Accept surrenders of leases licences and tenancies and release tenants and licensees from claims thereunder.
- (c) Receive and give effectual receipts for all moneys accruing from the said property for rent or on any account whatsoever.
- (d) Sub-divide the said property or any part or parts thereof and lay out and make roads streets and ways to be dedicated to the public or not and close existing roads streets and ways and grant easements rights of way or drainage.
- (e) Carry out repairs renovations and alterations of existing buildings on the said property and erect thereon new building or buildings.

- (f) Borrow such sum or sums of money on the security of the said property or of the future rents profits and other income arising therefrom or without security as it may deem necessary for any of the purposes set forth in this clause.
- (g) Use the revenues of the property not otherwise appropriated for any of the purposes aforesaid and for the payment of all costs charges and expenses of and incidental to the management and control of the said property.
- (h) Appoint and remove officers servants and agents and fix their remuneration if any.
- (i) Give or procure the giving of indemnities guarantees or undertakings.
- (j) Establish special funds in the nature of reserve funds sinking funds or otherwise.
- (k) For the purpose of developing any such property consisting of real estate form or join in forming a company.
- (l) Insure against loss or damage whether by fire or otherwise any insurable property and against any risk or liability which it would be prudent for a person to insure if he were acting for himself.

Provided that no part of the said property shall be let licensed or used for any such purpose as the Synod or the Standing Committee may by resolution disapprove.

(2) The powers and authorities aforesaid shall not apply to church trust property the control management or user of which is by ordinance committed to a board unless such board by resolution assents to the exercise thereof and Synod or Standing Committee by ordinance authorises the same.

(3) The powers and authorities aforesaid shall not apply to property held for the sole benefit of any parish provisional parish or provisional district unless a majority of the parish council in writing authorises the same.

11. (1) With respect to all moneys held by it for investment the Corporate Trustee –
- (a) may for the purpose of investment pool the same though subject to separate trusts and in respect of such pooled moneys may average gains losses and interests and deal with all matters and do all things incidental to such pooling.
 - (b) in addition to investing the same in trustee securities authorised by law, may exercise the following powers –
 - (i) to invest in shares of any company listed on any Australian Stock Exchange (other than companies carrying on a business of which Synod or Standing Committee may by resolution disapprove) and exercise rights to take up shares if such rights become available to it;
 - (ii) to invest in debentures issued by any such company;
 - (iii) to invest in any secured or unsecured notes (whether or not convertible into shares or stock) issued or to be issued by any such company;
 - (iv) to invest in units of any unit trust;
 - (v) to purchase any land;
 - (vi) to lend moneys,
 - (vii) without limiting the generality of sub-paragraph (vi), to place moneys on deposit, and
 - (viii) to invest in any security authorised by an ordinance of Synod.

Provided that nothing contained in this paragraph (b) shall be taken as authorising the Corporate Trustee to carry on the business of money-lending.

- (2) The Corporate Trustee may –
- (a) appoint any corporation to hold, on behalf of the Corporate Trustee, any church trust property being moneys referred to in subclause (1) of this clause or investments made pursuant to the powers conferred on the Corporate Trustee by that clause and of which the Corporate Trustee is the trustee, and
 - (b) appoint the same or any other corporation to manage and advise on the investment realisation and reinvestment of all or any of such property, and
 - (c) delegate to that corporation all or any one or more of the powers conferred upon the Corporate Trustee by subclause (1) of this clause.

Any such appointment or appointments may be made on such terms and conditions and at such remuneration as the Corporate Trustee may consider appropriate provided always that –

- (i) every such appointment shall contain a covenant to the effect that the corporation appointed shall not invest any church trust property in or retain any investment of church trust property in any company carrying on a business of which the Synod or the Standing Committee may by resolution disapprove after notice of that resolution has been given by the Corporate Trustee to that corporation, and
- (ii) no such appointment shall be made by the Corporate Trustee in relation to church trust property held for the sole benefit of any parish or provisional parish unless a majority of the parish council thereof in writing authorises the same.

Any corporation appointed by the Corporate Trustee pursuant to this subclause shall not be bound to enquire as to whether or not the requirements of paragraph (ii) (if applicable) have been complied with by the Corporate Trustee and shall be entitled to rely on a certificate from the Corporate Trustee to the effect that the said requirements have been satisfied or are not applicable as conclusive evidence of that fact.

6.5b Anglican Church Property Trust

(extracts from the Anglican Church of Australia Property Trust Act 1917)

Part 4 – Vesting Trust Property

In corporate trustees by consent

19. Any church trust property which may at any time belong to or be vested in any trustee or trustees shall upon the consent of such trustee or trustees, or the majority of them given in writing, or upon the consent of the synod of the diocese for which such property is held, given by or under an ordinance of the synod of such diocese by virtue of such consent and without other assurance in the law, become vested in the corporate trustees of such diocese: Provided that if in consequence of death or disability the consent of any trustee or trustees cannot be obtained it shall be lawful for the bishop of the diocese to consent in the place of any such trustee.

Part 5 – Management and Investment of Trust Property

Management

24. It shall be lawful for the synod of a diocese for which any church trust property is for the time being held, from time to time by ordinance, to provide and to vary any provision now or hereafter to be made for governing and controlling the management and user of such property for the purposes for which the same is for the time being held in trust, and for all things incidental to such government and control, including constitutions of councils, committees, and other bodies, whether incorporated or not, and such property shall be held, managed, and used under and in accordance with such ordinance accordingly, the provisions of the trust instrument or instruments (if any) to the contrary notwithstanding.

Investment

25. It shall be lawful for the synod of a diocese for which any church trust property is for the time being held, from time to time by ordinance, to provide and to vary any provision now or hereafter to be made for the investment of such property, and for the pooling of separate church trust properties for the purpose of investment, and for averaging gains, losses, and interests, and for all other matters and things incidental to such investment and pooling.

Part 7 – Variation of Trusts

Power of Synod to vary trusts etc

32. In each case where by reason of circumstances subsequent to the creation of the trusts, including trusts declared under this section, to which any church trust property is for the time being subject, it has in the opinion of the synod of the diocese for which such property is held become impossible or inexpedient to carry out or observe such trusts, it shall be lawful for the synod of such diocese by ordinance to declare such their opinion, and by the same or any subsequent ordinance to declare other trusts for or for the use, benefit, or purposes of the Church of England within the said diocese instead of such first-mentioned trusts, and such first-mentioned trusts shall thereupon by force of the said ordinance cease and determine, and such property shall thereupon be held upon such other trusts accordingly: Provided that such property shall be dealt with and applied for the benefit of the Church of England in the parish or parishes (if any) for the benefit of which such property was immediately before such ordinance held in trust, and for the same purposes as nearly as may be as the purposes for which such property was immediately before such ordinance held unless the synod of such diocese shall by ordinance declare that by reason of circumstances, subsequent to the creation of the first-mentioned trusts, it is, in the opinion of the synod, impossible or inexpedient to deal with or apply such property or some part thereof for the use or benefit of such parish or parishes or for the same or the like purposes, in which case such property or such part thereof may be dealt with and applied for the use and benefit of the Church of England for such other purposes and in such other parish or parishes in the said diocese or otherwise as shall be declared by ordinance of the synod of the said diocese.

Draft Statement of Funding Principles and Priorities for 2013-2015

(A statement prepared for the purposes of clause 3(1) of the Synod Estimates Ordinance 1998.)

Strategic Direction

In 2009 the Synod adopted Strategic Directions for its budgeting regimes and we are still following those priorities.

We agreed together how to consider the central activities and funding that support the Diocesan Mission.

We noted that we are theologically driven. We seek to follow the lead of the Spirit of God as revealed to us in Scripture.

Second, we said we are convinced that those outside Christ are lost. The Christian has many obligations to others, but the task of sharing the word of God with every human creature takes pre-eminence.

Third, we said we believe salvation comes as the Spirit of God takes the word of God to make a child of God. We look for success only from the Spirit of God.

Fourth, God has richly blessed us and not least in the creation of a network of churches intended to cover our whole region, and a set of organisations basically united in ministry and mission.

Fifth, we are the heirs of a Reformation Anglicanism existing in a secular society strongly, but not entirely, resistant to the gospel.

Within that context we need to continue to work together to find the best way forward with reduced resources to fund and support our mission.

Background

It is recommended that we adopt a new approach to understanding our central Diocesan budgeting process. We see the need to deal with all aspects of central Diocesan expenditure and to make explicit and transparent the costs (and benefits) of being a member of the Sydney Diocese.

Previously we have used various reserves and endowments in ways that have masked some of these costs. Our financial situation has forced us to face the reality that our endowments are insufficient to cover everything that we need and want to do, but this also provides an opportunity for our two main endowments – the Diocesan Endowment and the Endowment of the See (EOS) - to contribute in a transparent and co-ordinated way and for parishes to share the real costs of being a member of the Sydney Diocese.

By taking this holistic view of our finances we are able to begin restructuring and rebuilding to facilitate growth and a stronger long term position.

The holistic model of funding in this statement is based on the following main principles –

- The adoption of 6 spending categories: Anglican essentials, Archbishop's responsibilities, network essentials, Diocesan training, high priority Mission drivers and high priority Mission support.
- All parishes should share directly in meeting the essentials of what it means to be "Anglican" – e.g. our Archbishop, the Synod, and our membership of the Anglican Church of Australia.
- The EOS should carry the costs of maintaining the team which directly supports the Archbishop.
- All parishes should pay for the basic network costs – e.g. the Secretariat, parish insurance program and PSU.
- Synod should pay for essential Mission spending – e.g. training college, mission drivers and mission support.

Over the last decade or so the realities of spending in this way has been obscured by the large appropriations from the 2 central endowments, the Diocesan Endowment and the EOS. Rather than parishes contributing to the centre, the centre has subsidised the parishes. Even discounting the effect of the GFC, we now know that too much was appropriated from these endowments over that period to sustain their long term viability.

The long term practice of the Diocese has been for considerable parish contribution to enable the whole to work. The report does not in any way take us back to the past where parishes paid assessments of over 15%, not including parish insurances which were paid in addition. It does however require an increased contribution from the parishes which reflects reality.

In establishing the Funding Principles for 2013-2015 we have identified –

- Some things are essential if we are to be an Anglican diocese – for example we must have an Archbishop, we must meet as a Synod, and we must pay our 'membership' fees as part of the wider Anglican Church. We should all be prepared to contribute toward these costs.
- Beyond those first essentials there are costs associated with being the Sydney Diocese, given our size and position in the evangelical community. Things like the support needed to enable the Archbishop to deliver effective Episcopal oversight and to be represented throughout the diocese, the administrative and accounting support needed for Synod, and the parish insurance program.

- After that, there are the things we want to do to bring the word of God to the people of our city and beyond, manifested in the priorities we established under our Diocesan Mission – the primacy of good theological training (continuing the priority given to funding under Policy 3), the emphasis on partnership in local mission, the renewed effort in church planting, the focus on youth, etc.

While we maintain our commitment to the priority of the parish in delivering front-line ministry, the centre must provide those services that individual parishes cannot.

Substantial cuts have already been made in many areas of expenditure (eg, EOS in 2010 & 2011, Synod in 2009 & 2012) and each of the individual line items proposed for funding below will be subject to further review before specific recommendations are made for the funding to be allocated in 2013-2015.

Each item of proposed expenditure has been grouped under a heading. The headings, and the italicised paragraph following, are designed to convey the nature of the expenditure and its priority. The funding principles incorporate a new allocation of Synod funds for the Mission Property Committee. While obviously insufficient of itself, this allocation recognises that one of the key drivers of the mission is the activity of church planting, and this activity will require an ongoing source of funds, particularly for new sites.

The source of funding identified for each heading reflects where the responsibility lies. However, with 3 distinct sources of funding there is always the possibility that variations will occur in the income available from one or more sources. For this reason there will need to be some flexibility built in to allow a degree of cross-subsidisation from other sources if there is an unexpected variation in the amount of income available from one particular source.

The descriptions below, and the attached worksheet, have been prepared to illustrate the principles, and to provide an example of how these principles could be implemented, based on the central funding expected to be provided for 2012 from –

- the Synod (via the Appropriations and Allocations Ordinance 2011),
- the PCR charges paid by parishes (via the Parochial Cost Recoveries Ordinance 2009), and
- the Endowment of the See budget (to be approved by the EOS Committee).

It should be noted that the worksheet is given merely for illustrative purposes and the figures in that sheet and the individual expense item lines are based on actuals for the 2012 year. They should not be taken to mean that these will be the items of expenditure recommended to Synod when the budgets for the 2013-2015 triennium are presented in future years to Synod.

It should also be noted that the concept of cross-subsidisation referred to above, if it were applied to the situation in the illustrative schedule, would be almost certainly applied to ameliorate the effect of the PCR charges by applying some of the Synod income to assist meeting what would otherwise be a PCR expenditure requirement.

Finally as has been noted one of the more exciting possibilities that the suggested principles enable is for the first time a flow of meaningful funds towards the establishing of new front line parish work by way of Synod funding to the Mission Property Committee for the acquisition of new sites and the creation of new parish plant.

Explanation of new funding categories and responsibility for funding these

1. Anglican Essentials

To be funded through PCR as part of the Parochial Network Costs. All parishes should share directly in meeting these costs because they are things that are non-negotiable – they are essential to the structure of what it means to be 'Anglican' and through that to enjoy membership of the wider Anglican Church community. (Note however, the Archbishop would have the first call on the funds available to the EOS to meet any of these expenses if, for whatever reason, Synod did not approve them being paid from PCR.)

- 1.1. Having an Archbishop (stipend, expenses, residence, car, travel & office) –
 - 1.1.1. Is essential to the operation of a diocese
 - 1.1.2. Is an essential part of the Anglican network
 - 1.1.3. Elected by Synod
 - 1.1.4. Who exercises a diocese-wide pastoral and teaching ministry
 - 1.1.5. Responsible for the appointment of all other EOS staff (although assistant bishops require Synod approval of funding)
 - 1.1.6. Responsible for licensing all parish ministry staff
- 1.2. Having a Registrar (salary, expenses & office) –
 - 1.2.1. Is essential to the operation of a diocese
 - 1.2.2. Responsible for maintaining records of all licences
 - 1.2.3. Involved in appointment of parish rectors (through the Nomination Board process)

- 1.3. Convening meetings of the Sydney Synod (the direct expenses required to hold Synod meetings & provide committee members' with car parking) –
 - 1.3.1. Is an essential part of being an Anglican network
- 1.4. Paying the General & Provincial Synod costs (membership of Anglican Church of Australia – general assessment) –
 - 1.4.1. Is an essential part of being an Anglican network
- 1.5. The Cathedral is an essential part of the Anglican network, but it is self-funding
- 1.6. Parishes are also an essential part of the Anglican network, but they are basically self-funding

2. The Archbishop's responsibilities

To be funded by the EOS because these things cover the practical necessities of maintaining a team to adequately fulfil the role of Archbishop, given the size and nature of the Sydney Diocese.

- 2.1. Assistant/Regional Bishops plus appropriate admin & office support –
 - 2.1.1. Assist in providing Episcopal oversight
 - 2.1.2. Assist with the Archbishop's representational role
 - 2.1.3. Assist with the selection/ordination/deployment of parish ministers
- 2.2. Diocesan Media Officer –
 - 2.2.1. Assists with the Archbishop's representational role
- 2.3. Registrar's admin & support –
 - 2.3.1. Assists with selection/ordination/deployment of parish ministers
- 2.4. Diocesan archives –
 - 2.4.1. Provides support for the selection/ordination/deployment of parish ministers
- 2.5. Ministry Training & Development department –
 - 2.5.1. Assists with the selection/ordination/deployment of parish ministers

3. Network Essentials

To be funded through PCR as part of the Parochial Network Costs. All parishes should share directly in meeting these costs because they are essential to maintaining a network the size and nature of the Diocese of Sydney.

- 3.1. Secretariat –
 - 3.1.1. Provides administrative and accounting services to support Synod, Standing Committee and parishes + the Archbishop and his team (the EOS)
- 3.2. Parish insurance program, etc provides cost effective –
 - 3.2.1. Insurance
 - 3.2.2. Risk management
 - 3.2.3. Safe ministry training
 - 3.2.4. Relief from PCR
 - 3.2.5. Accounting support
- 3.3. Professional Standards Unit –
 - 3.3.1. Education, training, support & counselling to address professional misconduct in parishes

4. Diocesan training college(s)

To be funded by Synod as a first priority because high quality theological training is fundamental to the development of our greatest resource, our ministers, and is considered essential to maintaining the DNA of the Sydney Diocese.

- 4.1. Moore Theological College
- 4.2. Youthworks College

5. High Priority Mission Drivers

To be funded by Synod in accordance with the high priority mission drivers it has determined, based on the recommendations of the Standing Committee and Mission Board. The priorities for 2012 were established in the Strategic Directions 2010-2012 document based on the 4 policies of the Diocesan Mission and reflect the continuing emphasis on partnership in local mission, a renewed effort in church planting, the focus on youth, in particular.

- 5.1. Youthworks – Year 13 program
- 5.2. Youthworks – children's and youth ministry + special religious education

-
- 5.3. Evangelism Ministries and New Churches – evangelism and church planters
 - 5.4. Evangelism Ministries and New Churches – ethnic, cross-cultural & multi-cultural ministries
 - 5.5. Support and assistance for Mission Areas
 - 5.6. Tertiary Education Ministry Oversight Committee – support for tertiary student ministry fund
 - 5.7. Anglican Education Commission – advocacy on education policy, including SRE
 - 5.8. Mission Property Committee – support for the purchase and development of new greenfield sites, and the refurbishment of existing brownfield sites

6. High Priority Mission Support

To be funded by Synod in accordance with the high priority mission support activities it has determined, based on the recommendations of the Standing Committee and Mission Board. The priorities for 2012 were established in the Strategic Directions 2010-2012 document based on the 4 policies of the Diocesan Mission.

- 6.1. Anglicare – research
- 6.2. Anglican Media Council – internal communication and evangelism, including website & SC
- 6.3. NSW Council of Churches – membership
- 6.4. Work Outside the Diocese Committee – support of gospel ministry outside the Diocese

For and on behalf of the Standing Committee

PETER KELL

Chairman of the Mission Board Strategy Committee

22 September 2011

Example of how the Draft Funding Principles and Priorities could be implemented, based on central funding provided in the budget for 2012

	\$000s						
	Anglican Essentials	Archbishop's Responsibilities	Network Essentials	Diocesan Training College(s)	High Priority Mission Drivers	High Priority Mission Support	Total
Anglican Essentials							
Archbishop	240						240
Bishopscourt	284						284
Registrar	180						180
Sydney Synod	101						101
General Synod (Aust)	336						336
Archbishop's Responsibilities							
Archbishop's team - admin/pastoral		1,923					1,923
Media Officer / communication		150					150
Archives		132					132
Ministry Training & Development		370					370
Network Essentials							
Secretariat			1,109				1,109
Parish Insurance Program, etc - Parish Insurance Program			3,214				3,214
Parish Risk Management Program			230				230
Safe Ministry Program Training			100				100
Provision for Relief or Remission of PCR charges			20				20
Parish accounting support (SAPAS)			11				11
Professional Standards Unit			495				495
Diocesan Training College(s)							
Moore Theological College			1,577				1,577
Youthworks College			80				80
High Priority Mission Drivers							
Youthworks - Year 13				100			100
Youthworks - Childrens and Youth Ministry & SRE				310			310
Evangelism Ministries and New Churches				290			290
Mission Areas				200			200
Tertiary Education Ministry Oversight Committee				150			150
Mission Property Committee				1,700			1,700
Anglican Education Commission				60			60

DRAFT

Costs for Archbishop - stipend, on-costs, car, travel, expenses & SAH office
 Property maintenance, utilities, services + 2 staff salaries & on-costs
 Costs for Registrar (salary, on-costs & SAH office)
 Synod expenses (Wesley, etc \$54k + publishing \$19k + dinners \$3k = \$76k) + Car parking for committee members (\$25k)
 General Synod assessments (\$324k) + Provincial Synod costs (\$12k)

Current EOS budget - SDS fee - Archbishop - Bishopscourt - Registrar - Archives
 Estimate for Diocesan Media Officer (salary, on-costs, car & SAH office)
 EOS budget for Archives (selection/ordination/deployment of ministers plus parish records & public enquiries)
 Allocation in Synod Appropriations and Allocations Ordinance

allocation in Synod Appropriations and Allocations Ordinance for SDS fee for Synod & EOS

ACPT estimate for parish insurance program (policy premiums, broker and management fees, etc)
 SDS estimate for staff time
 PSU estimate of cost of training provided by Youthworks
 Estimate based on previous provision (although no actual relief or remission has been granted in recent years)
 Estimate based on 2011 retainer paid to consultant for support and updates
 PSU budget for education, training, investigation, support and counselling to address professional misconduct in parishes

Allocation in Synod Appropriations and Allocations Ordinance
 Allocation in Synod Appropriations and Allocations Ordinance

Allocation in Synod Appropriations and Allocations Ordinance
 Allocation in Synod Appropriations and Allocations Ordinance
 Allocation in Synod Appropriations and Allocations Ordinance
 Allocation in Synod Appropriations and Allocations Ordinance
 Allocation in Synod Appropriations and Allocations Ordinance
 Proposed new funds to assist MPC to purchase & develop new sites and refurbish existing sites
 Allocation in Synod Appropriations and Allocations Ordinance

High Priority Mission Support

Anglicare - research
 Anglican Media Council
 NSWCC
 Work Outside the Diocese
 Contingencies

\$000s						
Anglican Essentials	Archbishop's Responsibilities	Network Essentials	Diocesan Training College(s)	High Priority Mission Drivers	High Priority Mission Support	Total
					80	80
					150	150
					14	14
					200	200
					117	117
1,141	2,575	5,179	1,657	2,810	561	13,923

Allocation in Synod Appropriations and Allocations Ordinance
 AMC allocation (\$300k) - Diocesan Media Officer estimate above
 Annual membership
 Support of gospel ministry elsewhere in Australia and overseas
 Available to supplement Synod funded allocations

Source of funds

PCR / Parochial Network Costs
 EOS
 Synod

1,141		5,179				6,320
	2,575					2,575
			1,657	2,810	561	5,028
						13,923

Available funds

7.6% (of \$83.1 million estimated parish Net Operating Receipts)
 998 per EOS budget for 2012 before Greenoaks proceeds of \$2,072k used to balance cash flow
 5,005 per Synod Appropriations and Allocations Ordinance 2011 of \$4,929k + disbursements of \$76k funded direct from Synod Fund 129 = total \$5,005k

37/10 Future requirements and roles of the Archbishop's staff and 5 year budget of EOS costs

(A report from the Endowment of the See Committee.)

Background

1. Synod in 2010 passed the following resolution (37/10) –
Synod –
 - (a) asks the Endowment of the See and the Archbishop's Commission to look at ways of realizing part or all of the Endowment of the See's interest in SAHC as contemplated by the Property Trust's report or any other source of funds,
 - (b) and in the event that the actions contemplated under (a) are not by 1/1/11 reasonably expected to inject adequate and long term cash into the EOS while maintaining the real value of the investment when completed, then –
 - (i) approves an assessment on parishes at a rate of 1.14% for the purposes of contributing to the EOS funding needs during 2011 only, and
 - (ii) requests that the EOS bring to Synod in 2011 a report on the future requirements and roles of the Archbishop's staff and a 5 year budget of projected costs, and
 - (c) requires Standing Committee to report to the Synod in 2011 about the options that exist to replace the EOS on a financially sustainable footing, together with a recommendation. This report should be prepared in consultation with the Endowment of the See, the Archbishop's Commission and the Anglican Church Property Trust.

Structure

2. The Endowment of the See (which is separate from the Diocesan Endowment) comprises property and investments which are held for the purposes of the Archbishop's office.
3. The Endowment of the See is subject to the Endowment of the See Ordinance 1977, as amended at various times until 2002. That ordinance provides for the management of certain property and to vary the trusts on which that property is held. The Ordinance itself is somewhat complicated.
4. Trusteeship of EOS property –
 - (i) Anglican Church Property Trust Diocese of Sydney is the trustee for EOS property.
 - (ii) GAB is the trustee for St Andrew's House (of which EOS has one-half share).
5. The current membership of the EOS Committee consists of –
The Archbishop
Appointed by Standing Committee
Bishop Glenn Davies
Mr Robert Bradfield
Mr Jonathan Rochford
Appointed by the Archbishop
Mr Doug Marr
Dr Philip Selden
Mr Mark Payne
6. The functions of the Committee may be summarised as –
To direct the investment policy of the property.
To care for, repair, renovate and refurbish real property.
To recommend to the Archbishop how he should exercise his discretions with respect to matters listed in (4) of the following clause.
7. Payments are to be made for –
 - (1) Stipend for the Archbishop, expenses in relation to his residence and travelling, secretarial and other expenses of his office,
 - (2) Other amounts in connection with the Diocese for such purposes as may be determined,
 - (3) Such other amounts for such purposes of the Diocese beyond the Diocese as may be determined by Synod or Standing Committee, but only insofar as those purposes include the provision of capital sum to endow of the see of another diocese,
 - (4) Such other amounts (not exceeding \$10,000 in 1984 and increased to \$25,000 in 1993, or such amount as may be determined by Standing Committee) for purposes in the Diocese specified by the Archbishop.

8. The amounts to be paid under subclauses (1) to (3) above shall be determined by Standing Committee and approved by the Archbishop. The amounts under subclause (4) are at the Archbishop's discretion, but the EOS Committee may make recommendations to the Archbishop.

9. ACPT, as trustee of the fund, must implement any investment instructions given by the EOS Committee and any determinations made by Standing Committee which are approved by the Archbishop, unless there are good reasons for not doing so. Any refusal to act must be notified to the Standing Committee and the EOS Committee.

10. It should be noted that under subclauses (3) and (4) payments to other dioceses and other bodies between 1974 and 2001 totalled just under 4 million dollars. This was at a time when there were surpluses in the fund, and it was possible to be generous.

History

11. We quote from the Archbishop's Presidential Address to the 2010 Synod –

“One of the reasons for the current weakness of the Endowment of the See is that during the building of St Andrew's House in the 1970s, the builder's bankruptcy put the whole project in danger in an unfinished state. Archbishop Loane was persuaded, very unwillingly, to allow EOS money to be used to bail the building out; the money was meant to be a loan, but it was never repaid; it has meant that EOS has always had this somewhat lazy asset and it has been disadvantaged all these years and still is.”

12. The Committee met regularly from 1977 until 1996. The minutes record that very little of substance was discussed. The Committee did not meet from 1996 to 2000, but since then has met, usually quarterly, except for 2003 when it did not meet.

13. In 2002 a draft business plan was produced by the then CEO of GAB.

The report expressed three concerns –

- The EOS portfolio is dominated by St Andrew's House and therefore limited in liquidity and flexibility.
- There is little room to move in expenditure terms and the Archbishop has no real flexibility in applying his income,
- There is high risk associated with, effectively, a single entity portfolio.

14. In 2004 a report from the then CEO of GAB regarding the back block of Bishopscourt indicated that we should either sell the land for an estimated \$5.2 to \$7 million dollars, or develop it (as Greenoaks apartments) with an estimated net profit of \$8.7 to \$9.7 million dollars. In 2005, the EOS Committee was given a revised estimate of profit from development of \$8.5 to \$10.1 million dollars.

15. The EOS Committee was repeatedly advised that this development would provide a sufficient capital base to allow for balanced budgets.

Nevertheless, at the end of 2010, the Committee was advised that when all Greenoaks apartments have been sold, there is expected to be a deficit of several hundred thousand dollars (in addition to the value of the land which was given up). The reasons for this situation are –

- Delay in building
- The Global Financial Crisis
- Increased building costs
- Decreased sale proceeds
- Extra interest payments

16. In 2006, the investment strategy was outlined to the Committee as follows –

- Selling surplus housing and investing the proceeds
- Moving out of SAPF and investing in high yield stocks
- Developing and realising the back block
- Gearing the portfolio on all assets except Bishopscourt
- Restructuring asset allocation

It should be noted that some but not all of the above were undertaken (notably, that there was no gearing of the portfolio.)

17. In 2007 the EOS Committee appointed an investment committee and resolved that the EOS Committee, with the support and assistance of GAB/SDS, develop and implement appropriate investment policies and strategies for currently-invested funds. The Committee has met regularly, but in view of the fact that the EOS Committee has limited control over its funds (see also Clause 44) there has not been a great deal that this Investment Committee has been able to do.

18. In September 2008 the CEO of GAB presented a paper on the financial challenges confronting the EOS. His recommendations re the options were –

- Sell Bishops court
- Sell Bellevue Hill residence
- Sell other residences and supply housing allowances
- Dissolve a region
- Reduce support staff
- Alternative funding for costs of Dean
- Alternative funding for Archives
- Savings in other operating expenses

It should be noted that at this time, most of the recommendations have been acted upon, except for dissolving a region, and the fact that Synod in 2010 did not agree to the sale of Bishops court.

19. In March 2010 the Archbishop's Strategic Commission on Structure, Funding and Governance was established. The members are –

Mr Tony Clemens	Senior Tax Partner, PricewaterhouseCoopers
Bishop Glenn Davies	Member of the EOS Committee
Mr Robert Freeman	Owner & CEO of Finch Freeman, a property consultancy
Mr Peter Kell (Chair)	Chairman of the Mission Board Strategy Committee
Mr Simon Pillar	Founder and MD of Pacific Equity Partners, a private equity firm
Dr Laurie Scandrett	Deputy Chairman of GAB (until 25 May 2011)
Mr Robert Tong AM	Chairman of the Property Trust

20. The terms of reference for the Commission are –

“In light of the serious potential downturn in distributions from the Diocesan Endowment and the amount available to the Endowment of the See, and the effect this may have on the ability of the Diocese to fund some of its essential work and services, to recommend to the Archbishop and the Standing Committee –

- (a) What steps should be taken to maximise the funds available, consistent with prudent management, and in particular what can be done to sustain funding for the Endowment of the See in 2011 and beyond?
- (b) What changes need to be made to the operations and interdependence of the Endowment of the See, Glebe Administration Board, Sydney Diocesan Secretariat, St Andrew's House Corporation and Anglican Church Property Trust in order to maintain the essential work while lining within our means?
- (c) What changes should be made to the governance of these Diocesan bodies in order to improve their performance?

The Commission to offer an interim report within 3 months of its first meeting and a final report within 12 months.”

21. The Commission submitted an interim report in July 2010. The Executive summary suggested the following –

- (a) EOS should sell Bishops court, as prior reports to the EOS and Standing Committee have consistently recommended. After application of a portion of the proceeds of sale to acquire alternative accommodation appropriate to the needs of the Archbishop (including entertainment facilities) there will be excess cash to be invested and a considerable reduction in property costs. The cumulative, positive impact of this will result in an additional amount of annual net income of between \$800,000 and \$1,000,000.
- (b) To meet the cash flow demands of the next three years, during which there will be accounting income, but not any cash flow:
 - Rental properties in Greenoaks should be sold as market conditions allow and as demand for cash requires;
 - Surpluses from the ACPT Insurance Fund of \$ 500,000 should be made available to EOS; and
 - The EOS should have access to the special, discretionary trust funds available to the Archbishop, which amount to a total of \$850,000. It should be noted that this fund, once spent, will be unable to be replenished
- (c) EOS should also consider selling a proportion of SAHC to a suitable fund within the portfolio of ACPT, which arguably is a more appropriate investment fund to hold a long-term property asset such as shares in SAHC.
- (d) Technically, the bishops' houses could also be sold and housing allowances be provided instead. This will have negligible financial benefit but is a last-resort means of generating cash flow.”

Actions to date

22. Since 2008, a number of significant savings in expenses have already been made. The most significant is in relation to staffing and salaries –

- Reduction in staffing from 27.3 to 18.7, with 13.7 fully funded by EOS
- Reduction in SDS fees from \$498k in 2008 to \$300k in 2010
- Changes to car policy to achieve savings
- Reduction in travel expenses
- Rent charged to groups which sublet part of the EOS offices
- Closure of the Parramatta Regional Office
- Sale of clergy residences
- General savings and austerity measures

23. Staffing levels in 2008 and 2010 are listed below.

2008	2010 - 2011
Archbishop	Archbishop
Regional Bishop (5)	Regional Bishop (4)
Archdeacon (5)	Archdeacon (2)
Assistant to Bishop	Assistant to Bishop
Registrar	Registrar
Registry Staff (2.8)	Registry Staff (2)
PAs (7)	PAs (4)
Dean	
Archivist	Archivist
Media (1/2)	
Bishopscourt (2)	Bishopscourt (2)
	Executive Assistants (0.7) (target 2)
Total = 27.3	Total = 18.7

24. On those figures, it can be seen that there has been a 1/3 reduction in staffing.

However, when we consider that the Assistant to the Bishop, the Executive Assistants, approximately 2½ of the PAs, half of the Archdeacon for Women and 1/3 of the Archivist are funded by other sources, there are only 13.7 positions fully funded by EOS. That means that approximately a 50% reduction in staffing paid for by EOS has been achieved. While staffing is the single biggest expense for EOS, the present levels are such that it is not considered possible or desirable to make any further changes in this area.

25. The next important saving in expenses relates to the reduction in fees charged by SDS from \$498k in 2008 to \$300k in 2010.

26. The car policy has been amended from early 2009 to provide for economies both in purchase and in running costs.

27. Travel was a significant expense in 2008, particularly because of the attendance of the Archbishop and Bishops at GAFCON. It is noted that the cost of that travel was less than would have been incurred had they attended the Lambeth conference. Travel expenses are expected to be a lot less from 2010 onwards, partly because of reduction in travel, and partly because much of the Archbishop's travel expense is sourced from the Work Outside the Diocese Committee.

28. Entertainment and hospitality have always been a large but necessary expense. The figure was higher than normal in 2009, largely due to the meetings of small groups of clergy at Bishopscourt in relation to Connect 09. It is not expected that entertainment of this magnitude will need to be incorporated in the budget in future, although there will be some such expenses necessarily incurred.

29. Rent is now being charged to those groups which sublet part of the EOS offices, namely MT&D, PSU and the Anglican Education Commission.

30. In 2009, the Parramatta Regional Office was closed with transfer of staff to St Andrew's House. This has resulted in a small saving in rental costs.

31. In 2008 the EOS had six residences for bishops and archdeacons, as well as that for the dean. In 2010, there are three such clergy residences. We still also own the dean's residence, but this is a matter for discussion with the Cathedral Chapter in anticipation that they will take over the responsibility next year. The sale of three residences has added to our capital, but has also meant a reduction in ongoing costs and maintenance.

32. On the other hand it should be noted that when residences were provided for Bishops and Archdeacons this meant that assets were tied up, but also there was no large outlay of expenditure. With sale of residences and with senior clergy providing their own accommodation, the expenditure levels have increased by the provision of a housing allowance.

33. General savings and austerity measures have been put in place for all other office expenses.

34. The matter of Bishops court remains an important issue for the Committee. Consideration of the future of Bishops court has been undertaken during the incumbency of each Archbishop, usually with a recommendation that it be sold, but no final decisions have ever been made. In their preliminary report in 2010, the Archbishop's Strategic Commission on Structure, Funding and Governance recommended that Bishops court be sold. Synod did not agree to the proposal. In the meantime, maintenance costs are being carefully monitored. It is clear that these costs are significant, even apart from the cost of more major repairs in 2009.

The Current Situation

35. From the balance sheet of the EOS at 31 July 2011, the main assets may be summarised as –

<i>Income-producing (in \$000s)</i>	
Cash	2,780
Long term pooling fund	3,956
Greenoaks apartment	<u>2,324</u>
Subtotal	9,060
<i>Non income-producing</i>	
50% share St Andrew's House	32,854
Bishops court	22,000
Senior Clergy housing	5,390
Other	<u>(43)</u>
Subtotal	<u>60,201</u>
Total	<u>69,261</u>

36. As significant savings have been made in expenses since 2008, and some additional sources of funding subsidy have been achieved, until early in 2010 the EOS Committee considered that the budget would be a balanced one.

37. The single issue which has impacted most heavily on EOS is the abolition of distributions from St Andrew's House. In March 2010, the Committee was advised by St Andrew's House Corporation that there would be no further distributions from SAH for 2010-2013, in order to pay off the debt to GAB (\$23 million) and provide for essential refurbishing.

38. It can be seen from the assets listed above, that without any income from SAH, only 13% of assets are now income-producing.

For this reason, when synod failed to agree on the sale of Bishops court in 2010, it approved an assessment on parishes at a rate of 1.14% for the purposes of contributing to the EOS funding needs during 2011 only. This has been of great assistance to the EOS, but it is not expected to continue beyond 2011.

Five Year Projection

39. It was noted under clause 24 that staffing levels are now approximately $\frac{1}{3}$ of those in 2008, and with the provision of other funding subsidies outside of EOS, only $\frac{1}{2}$ of the former staff are now paid for directly by EOS.

Where previously each of the 5 regions had a bishop and archdeacon and a PA, at present each region has 1 Episcopal staff member (bishop or, in the case of Georges River an archdeacon) provision for a half-time executive assistant, although not all regions currently have employed such a person, and a part-time PA. In the Wollongong region, the roles of EA and PA are combined.

The Archbishop and the EOS Committee consider that it is not possible to further reduce staffing for the regions. While on economic grounds alone, some have argued that we should only have 4 regions, for reasons of equipping and facilitating ministry, it is considered desirable to retain 5 regions.

40. The future staffing which is anticipated for EOS is as follows –

Archbishop
Regional Bishop (5)
Archdeacon for Women's Ministry (or similar arrangement)
Assistant to the Bishop of Wollongong
Executive Assistants (2f/t equivalents)
PAs (3f/t equivalents)
Registrar
Registry Staff (2)
Archivist (funding partly by EOS and partly by Parishes)
Depending on the future of Bishops court, 1-2 positions as housekeeper/gardener may be required.

41. The following chart provides a simplified 5 year income and expenditure indicative budget (if no other source of income is found –

INCOME (\$000s)	2011	2012	2013	2014	2015
Interest	207	232	180	132	96
LTPF	224	192	170	155	147
St Andrew's House				1400	1400
Parish Levy	896				
Grants	211				
Support of Bishops	200	300	300	300	300
Wollongong Support	146	153	161	169	177
Sundry	22	22	22	22	22
Rent	66	50	52	54	55
Bequest Income	49	49	49	49	49
TOTAL	2021	998	934	2281	2247

EXPENSES (\$000s)	2011	2012	2013	2014	2015
Staff	1753	1841	1933	2029	2130
Archbishop, Staff & Registry	551	579	608	638	670
Regional Bishops & Archdeacon	606	636	668	701	736
All other EOS Staff	596	626	657	690	724
SDS	300	409	422	434	447
Rent & Occupancy	527	543	559	576	593
Marketing	144				
Other	265	277	285	294	302
TOTAL	2989	3070	3199	3333	3473

CASH OPERATING SURPLUS/(DEFICIT)	(968)	(2072)	(2265)	(1052)	(1226)
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42. As indicated earlier the major reductions in expenses have already been undertaken, and further reductions are not possible without severely curtailing ministry.

- (a) Expenses 2008 \$7.2m
- (b) Expenses 2009 \$5.3m
- (c) Expenses 2010 \$3.1m
- (d) Expenses 2011-2015 \$3m – \$3.4m

43. The huge reductions in income faced by EOS are outside the control of EOS.

- (a) St Andrew's House – St Andrew's House Corporation has advised that there will be no distributions from 2010 – 2013 inclusive, with the exception of \$100k in 2010.
- (b) Long term pooling fund – Anglican Church Property Trust has advised that percentage distributions from this fund will be progressively reduced over the next few years in order to build up capital.
- (c) Synod Allocations – Synod grant for Archives is proposed to be funded through PCR instead, but Synod has yet to agree to the ordinance.

44. Until such time as distributions from St Andrew's House recommence, currently anticipated to be 2014, it will be necessary for EOS to apply the proceeds of the sale of the remaining Greenoaks Apartments towards meeting the EOS budget. (It is noted that the proceeds of the earlier sales were applied to meet the costs of building, interest etc). Unless other sources of funding can be found, those Greenoaks funds will be largely expended by the end of 2015. The Committee recognised that this is not a desirable situation as it depletes capital, but is necessary under the present circumstances until such time as EOS can be placed in a more sustainable financial situation.

45. In order to function from 2015 on, three things will be necessary –

- (a) An increase in distribution from St Andrew's House to \$2m per annum or more. This is higher than the amount currently advised by SAHC, but in discussions with SAHC seems reasonable and achievable once tenancy for levels 3, 4 and 5 of St Andrew's House has been achieved.
- (b) Sale of the EOS share in St Andrew's House and invest the funds in different and more diversified income-producing assets.
- (c) The sale of Bishops court, purchase of a more modest Bishops court and investment of the remaining funds.

46. The following chart provides an amended five year income and expenditure table taking in the following factors –

- (a) Use of the proceeds of Greenoaks during 2011 to 2013 (leaving a balance of over \$2,000,000 for investment.)
- (b) Increase in St Andrew's House distributions (this possibility indicated by SAHC so long as tenancy is secured).
- (c) Sale of Bishopscourt in 2013 with partial use of interest from invested proceeds in 2014 and 2015.

INCOME (\$000's)	2011	2012	2013	2014	2015
Interest	207	232	180	132	96
LTPF	224	192	170	155	147
St Andrew's House			1200	2000	2000
Parish Levy	896				
Grants	211	110			
Support of Bishops	200	300	300	300	300
Wollongong Support	146	153	161	169	177
Sundry	22	22	22	22	22
Rent	66	50	52	54	55
Bequest Income	49	49	49	49	49
Greenoaks Proceeds	968	1962	1065		
Bishopscourt Proceeds				452	626
TOTAL	2989	3070	3199	3333	3473

EXPENSES (000s)	2011	2012	2013	2014	2015
Staff	1753	1841	1933	2029	2130
SDS	300	409	422	434	447
Rent & Occupancy	527	543	559	576	593
Marketing	144				
Other	265	277	285	294	302
TOTAL	2989	3070	3199	3333	3473

CASH OPERATING SURPLUS/(DEFICIT)	0	0	0	0	0
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47. This information is consistent with the recommendations of the Archbishop's Commission.

Recommendation

48. The Synod receive this report.

For and on behalf of the Endowment of the See Committee

PHILIP SELDEN
Diocesan Registrar

22 August 2011

12/10 General Synod Assessments Consultation with the General Synod Standing Committee

Background

1. By resolution 12/10, the Synod –
 - (a) noted with concern a number of financial decisions of the recent General Synod and the General Synod Standing Committee (GSSC), including a 2.3% increase in the rate of the Statutory Fund assessment between the 2010 and 2011 financial years, and
 - (b) requested the Standing Committee to enter into urgent consultation with the GSSC to negotiate a more equitable financial outcome for the dioceses of the Australian Church, and
 - (c) requested the Standing Committee to consider whether it should report on these matters to the 2011 session of Synod before arranging for payments of assessment to the General Synod in 2011.

The full text of resolution 12/10 is set out in Attachment 1.

2. At its meeting on 15 November 2010, the Standing Committee –
 - (a) reappointed Mr Neil Cameron, Mr Robert Tong, the Rev Gavin Poole, Canon Rick Smith and the Rev Dr Mark Thompson together with Mr Doug Marr, to undertake the consultation referred to in resolution 12/10 and to continue the discussion on the matters previously raised in earlier correspondence in relation to which the GSSC had, at that time, not responded, and
 - (b) requested the above group to consult with the General Synod representatives with goodwill with the aim of achieving a result that is both fair and equitable to this Diocese and the other dioceses of the Church.

3. The “matters previously raised in earlier correspondence” include the matters raised by the consultation group at their meeting with representatives of the GSSC in North Sydney on 12 June 2009. Unfortunately the GSSC representatives refused to meet a group to discuss these matters. The previously raised matters also include a number of bills for canons supported by the Standing Committee at its meeting on 29 March 2010 for promotion to the General Synod at its session in September 2010 but which were not considered by the General Synod.

4. A detailed chronology of the key events and exchanges of correspondence since May 2008 relevant to resolution 12/10 and the “matters previously raised” is set out in Attachment 2.

5. The purpose of this report is to –
 - (a) inform the Synod about the attempts made over an extended period of time to consult with the GSSC on matters of concern, and
 - (b) report recent progress to the Synod on the consultation with the GSSC, particularly in relation to the financial matters referred to in resolution 12/10, and
 - (c) inform the Synod about the status of payments made by this Diocese on account of general assessments for 2011, and
 - (d) enable the Synod to consider whether it wishes to support certain principles in respect of General Synod finances, and
 - (e) foreshadow the promotion of a motion to the Synod to enable the Synod to consider the matters raised in this report, including the payment of general assessments in 2011 and future years.

Progress in consultation following resolution 12/10

6. The Standing Committee informed the GSSC about resolution 12/10 in late October 2010. In mid-November the Standing Committee informed the GSSC about the reappointment of the consultation group to undertake the urgent consultation referred to in resolution 12/10 and requested an early response to arrange a time to recommence the consultation process.

7. In December 2010 the GSSC informed the Standing Committee about the establishment of the National Unity Task Force, chaired by Mr Justice Peter Young, and the Financial Principles and Policies Task Force, chaired by Mr John McKenzie.

8. In February 2011, the Standing Committee repeated its request that the consultation group meet with representatives of the GSSC to discuss matters of financial concern and agreed to undertake consultation on broader matters of concern with the National Unity Task Force.

9. In April 2011, the GSSC informed the Standing Committee that –
 - (a) the GSSC had requested Justice Young to facilitate discussions with the consultation group, and
 - (b) it was anticipated that the Financial Principles and Policies Task Force will address many of the financial issues raised in the Standing Committee’s correspondence.

10. In view of the apparent lack of urgency displayed by the GSSC and its Task Forces to meet with the consultation group, in early May 2011, the Standing Committee urged the chairmen of the Task Forces to initiate

discussions with the consultation group as a matter of urgency. A letter from the chairman of the National Unity Task Force offering to meet at a mutually convenient time was received shortly thereafter. Following a telephone call to the chairman of the Financial Principles and Policies Task Force, an agreement was reached on a meeting with the chairman but not with the other members of the Task Force since they had not held their first meeting at that time.

Financial Principles and Policies Task Force

11. The meeting between members of the consultation group and the chairman of the Financial Principles and Policies Task Force, Mr John McKenzie, was held on 30 May 2011.

12. The matters raised with Mr McKenzie at the meeting were largely drawn from a letter expanding on the financial concerns expressed in resolution 12/10 sent to the GSSC on 24 February 2011. A copy of this letter is reproduced in Attachment 3.

13. Notes from the meeting with Mr McKenzie are set out in Attachment 4. These notes were reviewed and accepted as generally conveying the substance of the discussion at the meeting by both the consultation group and the General Secretary, who reviewed the notes at the request and on behalf of Mr McKenzie. In relation to paragraph 7 of the notes, the General Secretary asked the Standing Committee to note that what was said was proffered by way of explanation for certain attitudes and actions and was received in that spirit. It was not an occasion for debating what was said at that point.

14. The consultation group considers that the meeting with Mr McKenzie was cordial and constructive however Mr McKenzie could not commit the GSSC to any course of action.

15. On 15 August 2011, Mr McKenzie circulated a letter to Diocesan Registrars seeking comment from dioceses by 30 September 2011 on various principles bearing on the finances of the General Synod, including a number of the issues raised in resolution 12/10. In response, the Standing Committee at its meeting on 22 August 2011 –

- (a) indicated to Mr McKenzie that the Synod of the Diocese of Sydney will be asked to express its position on the matters raised in his letter at its session which commences on 10 October 2011, and
- (b) requested that the period in which responses to the matters raised in the letter can be made on behalf of the Diocese of Sydney therefore be extended to 14 October 2011.

16. Mr McKenzie has responded to the request for an extension by acknowledging the request and noting the proposed date for a response on behalf of the Diocese of Sydney.

National Church Unity Task Force

17. A meeting between the consultation group and members of the National Unity Task Force was held on 1 June 2011.

18. Before the meeting, the consultation group identified the following primary matters for discussion with the National Unity Task Force –

- (i) Differing concepts of Church and Unity.
- (ii) Order and good government (references to the Appellate Tribunal under section 30 of the Constitution).
- (iii) Appellate Tribunal's advisory jurisdiction (section 63 of the Constitution).
- (iv) Use of general assessments to fund structures beyond those necessary to maintain the Constitution (section 32(2)(b) of the Constitution).
- (v) Financial matters (to the extent not dealt with by the Financial Principles and Policy Task Force).

The consultation group also identified the following further matters for discussion –

- (vi) Composition of the General Synod Standing Committee.
- (vii) Cost of the General Synod.
- (viii) Appropriate levels of evangelical representation on General Synod Commissions and Anglican representative bodies.
- (ix) How Primates represent the diversity of views within the Australian Church.

The chairman of the National Unity Task Force expressed a desire to discuss (on behalf of the GSSC) –

- (x) How we can best minister to the Aboriginal population.
- (xi) How we can best support ministry in outback Australia.

19. While it was not possible to discuss all these matters at the meeting on 2 May 2011, considerable time was spent discussing the matters at 18(i), (ii), (iii) and (iv) with the matters at 18(ix), (x) and (xi) being discussed briefly.

20. Although the meeting was cordial, as far as the consultation group is aware, no developments have occurred since the meeting.

Status concerning payment of 2011 assessments

21. The total amount of general assessment levied on the Diocese of Sydney in 2011 is \$324,107. This compares to the 2010 amount of \$253,028.
22. As at 8 August 2011, the General Synod office had issued invoices for the first, second and third quarterly instalments of the 2011 general assessment for \$76,683, \$81,808 and \$81,808 respectively.
23. In view of the progress (little as it has been) on the discussions and as a gesture of goodwill, the Standing Committee authorised a payment of \$50,000 on 30 May 2011, a second payment of \$50,000 on 25 July 2011 and a third payment of \$50,000 on 22 August 2011 on account of the first, second and third quarterly instalments for the 2011 general assessment respectively.
24. The amounts authorised by the Standing Committee to date reflect the total amount of \$199,000 allocated by the Synod for payment of General Synod assessments in 2011 under the Synod Appropriations and Allocations Ordinance 2009.

Principles in respect of General Synod finances

25. Having regard to the concerns expressed by the Synod in resolution 12/10 (see Attachment 1), the matters raised in the letter to the GSSC of 24 February 2011 (see Attachment 3) and the matters discussed with the chairman of the Financial Principles and Policies Task Force (see Attachment 4), the consultation group considers that the Synod should be asked to express its view on the following principles –
- A. Surpluses from business activities undertaken by the General Synod across the whole of the Anglican Church of Australia (eg Telstra and Long Service Leave surpluses generated in the Shared Services Fund) should be used to subsidise the constitutional functions of the General Synod as funded through the general assessment.
 - B. 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.
 - C. No surpluses should be accumulated in the Special Fund in the future.
 - D. Income from the General Synod reserve should be used to fund the General Secretary's office.
 - E. Royalties should be paid from the sale of liturgical resources back to the General Synod reserve.
26. The principles articulated above, particularly in B and C, are proposed by the consultation group mindful of the Standing Committee's request to consult with the GSSC with the aim of achieving a result that is both fair and equitable to this Diocese and the other dioceses of the Church (see paragraph 2(b) above).

Standing Committee's response

27. The Standing Committee considers that for the purposes of the Synod considering the matters raised in this report, the following motion should be moved at the Synod "by request of the Standing Committee" –
- "Synod, noting the report on 12/10 General Synod Assessments and Consultation with the General Synod Standing Committee –
- (a) supports the adoption of the following principles in respect of the finances of the General Synod –
 - (i) surpluses from business activities undertaken by the General Synod across the whole of the Anglican Church of Australia (eg Telstra and Long Service Leave surpluses generated in the Shared Services Fund) should be used to subsidise the constitutional functions of the General Synod as funded through the general assessment,
 - (ii) 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,
 - (iii) no surpluses should be accumulated in the Special Fund in the future,
 - (iv) income from the General Synod reserve should be used to fund the General Secretary's office,
 - (v) royalties should be paid from the sale of liturgical resources back to the General Synod reserve, and
 - (b) notes that 3 bills for canons promoted by representatives of this Diocese at the last session of the General Synod with the support of the Standing Committee, namely –
 - (i) the bill to amend section 30 of the Constitution so as to make a declaration by the synod of a diocese that a canon affects the order and good government of the church within a diocese or the church trust property of the diocese conclusive, and
 - (ii) the bill to amend section 32 (2) of the Constitution so as to ensure a financial liability imposed on a diocese is limited to the costs, charges and expenses necessary to maintain the Constitution, and
 - (iii) the bill to amend section 63 of the Constitution so as to bring to an end the advisory opinion jurisdiction of the Appellate Tribunal,
- were not debated or considered by the General Synod, and

- (iv) records its view that these amendments are critical to the maintenance of harmonious relationships within the Anglican Church of Australia, and
 - (v) requests the Diocesan Secretary to pass these views on to the Standing Committee of the General Synod and to the National Unity Task Force established by that body, and
 - (vi) further requests 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, and
- (c) requests the Standing Committee to consider the amount for general assessment in 2012 in the light of these factors and the need for their resolution and continued consultation.”

28. Copies of the bills for the canons referred to in paragraph (b) of the motion are set out in attachments 5, 6 and 7 of this report respectively.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

21 September 2011

12/10 General Synod Assessments

Synod notes with concern the following financial decisions of the recent General Synod and the General Synod Standing Committee –

- (a) the 23% increase in the rate of Statutory Fund assessment between the 2010 and 2011 financial years;
- (b) the allocation of substantial funds in 2011, with expected similar allocations in future years, to cover the costs of the Episcopal Standards Commission investigations concerning the Bishop of Ballarat and the Bishop of The Murray without any requirement that the dioceses concerned pay any of the costs involved except as part of the normal General Synod assessment process;
- (c) implementation of changes in policy on the use of General Synod reserves without the issues being discussed by the General Synod;
- (d) the transfer of all royalties and profits from sales of liturgical texts to a separate company (Broughton Publishing Pty Limited) even though the costs associated with producing these texts are fully funded from the Statutory Fund;
- (e) the use of surpluses generated by the administration of the Long Service Leave Fund and surpluses from Telstra commissions to pay for the Primate's Assistant and to offset payments from the Special Fund rather than use these surpluses to reduce Statutory Fund assessments;
- (f) the changed arrangement whereby grants to various Australian and international bodies from the Special Fund are no longer fully covered by Special Fund assessments but instead other financial resources of the General Synod are used for these purposes.

Synod asks the Sydney Standing Committee to enter into urgent consultation with the General Synod Standing Committee to negotiate a more equitable financial outcome for the dioceses of the Australian Church.

Synod further asks the Sydney Standing Committee to consider whether it should report on these matters to the 2011 session of Synod before arranging for payments to the General Synod in 2011.

Chronology concerning resolution 12/10 and matters previously raised

Date	Event
26/5/08	Standing Committee (SC) receives a report about 2008 general assessments and resolves – <ul style="list-style-type: none"> • to pay \$249,311 for 2008 general assessment being the assessed amount less the share attributed to the Diocese of Sydney for the cost of the Primate's assistant, and • to inform the Acting General Secretary that further consideration is being given as to whether it is proper for a diocese to pay an assessment to fund an assistant to the Primate in the absence of an ordinance of its diocesan synod.
6/6/08	Letter from Manager, Diocesan and Policy Services to the General Secretary (GS) advises of the SC's decision of 26/5/08.
12/11/08	Letter from GS to Manager, Diocesan and Policy Services advises that the Church Law Commission is looking at scope of s32 of the Constitution in respect of paying for the costs of the Primate's assistant.
9/2/09	Letter from GS to Diocesan Secretary (DS) conveys view of a majority of the Church Law Commission that the cost of the Primate's research assistant can properly be met under s32.
19/3/09	Finance Committee authorises payment of \$256,790 to the General Synod for 2009 general assessments, being the amount assessed less the share attributed to the Diocese of Sydney for the cost of the Primate's research assistant.
30/3/09	Letter from Manager, Diocesan and Policy Services to the GS advises of the Finance Committee's decision of 19/3/09.
27/4/09	SC authorises payment from 2009 Synod Fund Contingencies of an amount to meet the Sydney proportion of the costs of the Assistant to the Primate for the period up to her resignation in mid June on the basis that – <ul style="list-style-type: none"> • this payment is made without agreeing that there is any ground for the position of Assistant to the Primate to be paid as part of the General Assessment, and • no consideration will be given to paying for a replacement Assistant until consultations have been had between the SC and the General Synod Standing Committee (GSSC).
28/4/09	Letter from DS to GS advises SC's decision of 27/4/09.
1/5/09	Letter from GS to DS asks for grounds on which the cost of the Primate's assistant cannot be met under s32 and notes Executive of GSSC will consider participating in consultation.
7/5/09	Letter from DS to GS confirms that the SC wishes to consult with the GSSC and foreshadows appointment of representatives to participate in consultation at its next meeting on 25/5/09.
25/5/09	SC appoints a group (the consultation groups) comprising Neil Cameron, Gavin Poole, Rick Smith, Mark Thompson and Robert Tong as its representatives to consult with the General Synod Standing Committee for the purpose of the resolution carried at the meeting on 27/4/09 in relation to the General Synod General Assessment.
12/6/09	Meeting between consultation group and representatives of GSSC.
29/6/09	SC receives summary of meeting of 12/6/09 and asks the consultation group to continue in dialogue with the GSSC on the matters raised in that meeting and related matters.
3/7/09	Letter from DS to GS states that "it would be good to discuss in due course the possible content and format of the next meeting".
8/7/09	Letter from GS to DS states that the letter of 3/7/09 has been referred "for consideration by those with direct responsibility".
10/8/09	SC requests the GSSC to bring a budget to General Synod in 2010 which recognises the present serious constraints consequent on the state of the Australian economy and, in particular, reduces the amount to be raised by assessments by 25% of the amount payable in 2009.
17/8/09	Letter from DS to GS advises SC's request concerning the General Synod's budget. The letter also proposes a second meeting and suggests matters for discussion (from the meeting on 12/6/09) including – <ul style="list-style-type: none"> • achieving an overall reduction in the General Synod budget; • reducing the cost of the General Synod itself; • funding from the Statutory Fund only those activities of the Primate which are expressly authorised by the Constitution (including the concern in respect of the Primate's Assistant); • clarifying the value that dioceses obtain from general assessments; • taking meaningful steps to implement a program of rationalisation in respect of financially unviable dioceses; • achieving appropriate levels of evangelical representation on General Synod Commissions and representative bodies; • concerns about how the Primate represents within the Anglican Communion the diversity of views within the Australian Church; • concerns about inherently political matters being referred to the Appellate Tribunal rather than being resolved by the General Synod (included in this is the increasing practice of not including in General Synod canons a provision which declares that the canon affects the order and good government of the Church in a diocese).

Date	Event
19/11/09	Letter from GS to DS raises with the SC "some concerns which have recently arisen" (relating to the national professional disciplinary regime, general assessments, constitutional amendments) and invites the SC "to engage in a cordial and frank discussion to resolve the concerns which have been expressed in this letter".
7/12/09	<p>SC receives GS letter of 19/11/09 and asks the group appointed to consult with representatives of GSSC about payment of the General Assessment and related matters to respond to the letter on the basis that –</p> <ul style="list-style-type: none"> • the consultation group keep the Standing Committee informed, and • the consultation group has no authority to bind the SC to any particular course of action but will take recommendations back to the SC for approval at the appropriate time.
15/2/10	SC authorises payment of \$227,684 to the General Synod for 2010 general assessments, being the annual assessment less the share attributed to the Diocese of Sydney for the cost of the Primate's assistant.
22/2/10	Letter from Manager, Diocesan and Policy Services to General Synod Business Manager advises of SC's decision of 15/2/10.
23/2/10	Letter from consultation group sent to GS responding to the concerns raised in the GS's letter of 19/11/09 and states that "we would like to continue the consultation to resolve the concerns that we mentioned at the meeting on 12 June 2009" and notes that these have not been addressed in the GS's letter.
19/3/10	<p>DS sends 8 bills and explanatory statements in respect of the following matters to the GS with the request that they be promoted to the General Synod by request of the GSSC –</p> <ul style="list-style-type: none"> • Part V of the Constitution (circular canons) • Section 30 of the Constitution (when canons come into force in a diocese) • Section 32 of the Constitution (limit general assessment to Constitutional costs) • Section 63 of the Constitution (remove advisory jurisdiction of Appellate Tribunal) • Special Tribunal Canon 2007 (role of the Episcopal Standards Commission) • Rule II (membership of the General Synod Standing Committee – 2 versions) • Rule III (publication of election results)
29/3/10	<p>SC notes the letter of the consultation group of 23/2/10.</p> <p>SC –</p> <ul style="list-style-type: none"> • supports the referral of the 8 bills to the General Synod, and • regards the making of the amendments to sections 30 and 32 proposed by the consultation group and the re-constitution of the GSSC as critical to future harmonious relationships within the Anglican Church of Australia and requests the DS to make the members of the GSSC aware of this view.
1/4/10	Letter from DS to GS informs of SC's support for referral of the 8 bills to the General Synod and the view that making amendments to sections 30 and 32 and the reconstitution of GSSC are critical to future harmonious relationships.
5/5/10	<p>Letter from GS to DS deals with various matters.</p> <p>In respect of the bills supported by the SC for referral to the General Synod, the GS advises that bills in respect of Part V of the Constitution (circular canons) and Rule III (publication of election results) are to be promoted by request of the GSSC. The other bills are to be treated as private member's bills.</p> <p>In respect of the consultation group's letter of 23/2/10, the GS states –</p> <ul style="list-style-type: none"> • "... in the absence of detailed proposals for discussion and in view of the tone and some of the content of the letter of 23 February 2010, the [GSSC] believes that it is not able to advance productively consultation of the kind sought by the SC. Rather the [GSSC] believes that greater good is likely to be achieved by engaging in discussion of relevant issues in the context of considering specific proposals such as that suggested above to amend Rule II."; and • "The coming session of the General Synod will be asked to approve estimates for 2011 and a forecast for 2012 and 2013 in which there will be no call on the Statutory Fund for the cost of the Primate's Executive/Research Assistant." <p>GS requests SC to authorise payment of each instalment of the Diocese of Sydney's General Assessment for 2009 and 2010 in full.</p>
28/6/10	SC receives GS's letter of 5/5/10 and requests the GS to advise whether any parishes or other Anglican organisations in the Diocese of Sydney receive telephone services under the General Synod's plan with Telstra and, if so, the number of such parishes and organisations and the proportion of the amount spent by such parishes and organisations under the plan compared to the total amount spent under the plan.
2/7/10	Letter from DS to GS requests information about participation of Sydney parishes and organisations in the General Synod's telephone plan with Telstra.
22/7/10	Letter from GS to DS about participation of Sydney parishes and organisations in General Synod's Telstra plan. The letter states that "Telstra has shown a reluctance to provide that information".
26/7/10	<p>SC receives GS's letter of 22/7/10.</p> <p>SC refuses to pay the balance of the funds sought for the Primate's assistant as no Primate needs a research assistant to perform the duties required of him by the Constitution.</p>

Date	Event
18-23/9/10	<p>General Synod session.</p> <p>Canons made from bills supported by the SC in respect of the following matters –</p> <ul style="list-style-type: none"> • Part V of the Constitution (circular canons) • Special Tribunal Canon 2007 (role of the Episcopal Standards Commission) • Rule III (publication of election results) <p>The other bills supported by the SC are not considered.</p> <p>Resolutions passed in respect of –</p> <p>Budget Resolution re amendment and adoption of budget</p> <p>Mr Martin Drevikovsky moved, Ms Leigh Haywood seconding</p> <p>That Synod approves the aggregate of the estimate of the costs, charges and expenses for the subsequent year (2011) in respect of matters referred to in paragraphs 32(2)(a), (b1), (c) and (e) of the Constitution with the following amendments:</p> <ol style="list-style-type: none"> 1. That the grant from the Statutory Fund to the Defence Force Board be increased by \$15,000 for 2011 with a corresponding increase in the Statutory Assessment; 2. That \$20,000 be collected in 2011 to commence the process of recovering expenses incurred by the Episcopal Standards Commission and the Special Tribunal over and above the Commission's budget with a corresponding increase in the Statutory Assessment; and 3. That \$2,500 be transferred from the budget of the Doctrine Commission in the Statutory Fund to the budget in the Statutory Fund for the Liturgy Commission for 2011, 2012 and 2013 without amendment to the Statutory Assessments. <p style="text-align: right;">(147/10, 23 September 2010)</p> <p>Finance</p> <p>Justice David Bleby moved, the Reverend Dane Courtney seconding,</p> <p>That the proposals of Mr Marr made in Committee for the structural amendments to the budget be referred to the Standing Committee for further consideration and, if it considers it appropriate, for implementation in budgets it adopts in future years and that Standing Committee give consideration, when the Budget discussions take place in General Synod, to ensure the availability of information and amendments so that good and right decisions can be made.</p> <p style="text-align: right;">(150/10, 23 September 2010)</p> <p>Unity of The Anglican Church of Australia</p> <p>The Reverend Canon Bruce Ballantine-Jones moved, The Reverend Dr John Davis seconding,</p> <p>Noting that this Session of General Synod is the closest scheduled meeting to the fiftieth anniversary of the commencement of the 1962 Constitution of The Anglican Church of Australia expresses its gratitude for the benefits that independence from the Church of England have brought.</p> <p>It also acknowledges the serious stresses to the unity of the ACA that have developed over these 50 years and requests Standing Committee to appoint a representative commission to examine how the dioceses might better live together as a national body and bring to the next Session of Synod proposals, including constitutional amendments, which will allow the ACA to better express its unity and fellowship into its second 50 years.</p> <p style="text-align: right;">(155/10, 23 September 2010)</p>
11-13, 18-19/10/10	<p>Sydney Synod.</p> <p>Resolution 12/10 on General Synod Assessments passed.</p>
27/10/10	<p>Letter from DS to GS advises about resolution 12/10.</p>
15/11/10	<p>SC –</p> <ul style="list-style-type: none"> • reappoints consultation group (including Doug Marr) to undertake consultation referred to in resolution 12/10 and to continue the discussions on the matters previously raised in earlier correspondence in relation to which the GSSC has, as yet, not responded, and • requests that a progress report on the consultation with the General Synod Standing Committee be provided after each meeting of the General Synod Standing Committee and in any event after the first invoice for the 2011 general assessment is received from the General Synod office, and • requests the above group to consult with the General Synod representatives with good will with the aim of achieving a result that is both fair and equitable to this Diocese and the other dioceses of the Church.
18/11/10	<p>Letter from DS to GS advises about SC's reappointment of the consultation group etc. and looks forward to "your early response in this matter with a view to arranging a time to recommence the consultation process".</p>
2/12/10	<p>Letter from GS to DS advises of establishment of National Church Unity Task Force (chaired by Peter Young) and the Financial Principles and Policies Task Force chaired by John McKenzie.</p>
6/12/10	<p>SC receives the letter from GS of 2/12/10 and requests the consultation group to consider developments and bring its recommendations to the meeting on 21/2/11.</p>

Date	Event
1/2/11	First quarterly invoice for \$76,683 for Sydney's 2011 general assessment issued.
21/2/11	SC approves 2 letters to be sent to GS in respect of – <ul style="list-style-type: none"> • General Synod finances, and • Consultation on various matters.
24/2/11	Letter sent from DS to GS in respect of General Synod finances (and copied to all Diocesan Bishops and Registrars) concludes with “I repeat that the [SC] would like its representatives to meet with representatives of the GSSC in a spirit of good will to agree upon financial policies based on sound, fair and equitable principles which all dioceses of the Australian Church will willingly support.” Letter sent from DS to GS in respect of consultation on various matters (and copied to all Diocesan Bishops and Registrars) raises the following issues for discussion – <ul style="list-style-type: none"> • Proposals raised for consideration by the General Synod in September 2010 (but in respect of which there has been limited opportunity for discussion), • Achieving a more equitable representation on the GSSC for dioceses, particularly those which are rarely if ever represented, • Reducing the cost of the General Synod by returning to a 4-yearly cycle for sessions and reducing the length of the sessions, • How to achieve appropriate levels of evangelical representation on General Synod's Commission's and representative bodies, • Concerns about how the Primate represents with the Anglican Communion the diversity of views within the Australian Church, • Concerns about inherently political matters being referred to the Appellate Tribunal rather than being resolved by the General Synod (included in this is the increasing practice of not including in General Synod legislation a provision which declares that the legislation affects the order and good government of the Church in a diocese), and • Appropriate means by which the views of General Synod members can be exchanged with one another directly when the General Synod is not in session. • The letter states that the SC “would be happy for consultation with its representatives on the above issues to be undertaken through [the Church Unity Task Force].”
11/4/11	Letter from GS to DS welcomes the SC's commitment to consultation and – <ul style="list-style-type: none"> • notes that the GSSC has requested the chairman of the National Church Unity Task Force to facilitate such consultation, • anticipates that the Financial Principles and Policies Task Force will address many of the financial issues raised in the SC's correspondence, • expresses great concern that that SC has not yet decided whether it would report to the Sydney Synod in October 2011 before paying the general assessment for this year, and • requests the SC to expedite further consideration of this matter with a view to a prompt payment of general assessments.
1/5/11	Second quarterly invoice for \$81,808 for Sydney's 2011 general assessment issued.
2/5/11	SC approves letter in response to letter from GS of 11/4/11.
4/5/11	Letter from DS to GS indicates that the SC “regards the willingness of the GSSC to recommence discussions as a positive step forward in addressing the financial and non-financial concerns raised in the two letters of 24 February 2011” and – <ul style="list-style-type: none"> • indicates that the SC is not in a position to decide whether it is necessary to report to the Synod in October this year before any payment is made unless concrete steps are taken before Synod to address these concerns, and • urges the chairs of the Unity Task Force and the Financial Principles and Policies Task Force to initiate discussions with the representatives of the SC as a matter of urgency.
6/5/11	Letter received from Chairman of Unity Task Force (dated 3/5/11) offers to meet with Sydney delegates at any mutually convenient time and place in the near future.
30/5/11	Meeting held between consultation group and Chairman of the Financial Principles and Policies Task Force. SC authorises payment of \$50,000 on account of first quarterly invoice for Sydney's 2011 general assessment.
1/6/11	Meeting between consultation group and members of the Unity Task Force.
27/6/11	SC requests – <ol style="list-style-type: none"> (a) the consultation group – <ol style="list-style-type: none"> (i) to prepare a report for the next session of Synod about the progress in consulting with the GSSC on various matters of concern, including the matters referred to in resolution 12/10, and (ii) to prepare a form of motion to enable the Synod to appropriately engage in this matter with a view to the motion being moved “by request of the Standing Committee”, and (b) the Finance Committee to review the costs associated with the General Synod and to bring a report to the Standing Committee by its meeting on 22 August 2011 which identifies potential cost savings in this area.

Date	Event
25/7/11	SC authorises payment of \$50,000 on account of second quarterly invoice for Sydney's 2011 general assessment.
1/8/11	Third quarterly invoice for \$81,808 for Sydney's 2011 general assessment issued.
22/8/11	SC – (a) approved the printing of a report about this matter for the Synod, and (b) authorises payment of \$50,000 on account of third quarterly invoice for Sydney's 2011 general assessment, and (c) receives a letter from the Chairman of the Financial Principles and Policies Task Force (dated 15 August 2011) seeking comment from dioceses by 30 September 2011 on various principles bearing on the finances of the General Synod, and (d) requested the Chairman to give an extension to 14 October 2011 for comments in response to the letter to be provided on behalf of the Synod of the Diocese of Sydney (on the basis that Synod will consider this matter at its session which commences on 10 October 2011).
19/9/11	SC requests that a motion be moved at the Synod to enable the Synod to consider the matters raised in the Standing Committee's report.

COPY

24 February 2011

Mr Martin Drevikovsky
General Secretary
General Synod of Australia
Suite 2, Level 9
51 Druitt Street
SYDNEY NSW 2000

Dear Martin

General Synod finances

I write on behalf of the Sydney Standing Committee (SSC) and ask you to include this letter on the agenda for the next meeting of the General Synod Standing Committee (GSSC). The SSC has a number of concerns about General Synod matters but this letter deals solely with financial issues. Other matters will be addressed separately.

The purpose of this letter is to document our concerns about General Synod finances and to establish a procedure for resolving these concerns. The SSC has established a small group with relevant expertise to consult with General Synod representatives with goodwill with the aim of achieving a result that is both fair and equitable to Sydney diocese and the other dioceses of the Church. We ask the GSSC to appoint a similar group to represent its interests.

Apportioning of Assessments

The SSC supports the long standing arrangement whereby assessments are apportioned between dioceses in accordance with their respective representation at the most recent session of General Synod. The SSC notes the increased representation of the Diocese of Sydney at the 2010 session of General Synod and agrees the Diocese of Sydney should pay a 56/218 proportion of the appropriate total amount. It should be noted that the SSC does not agree with the total amount currently being used in this calculation.

Authority of General Synod Standing Committee on Financial Matters

The SSC knows the 2011 assessments have been fixed by the 2010 session of General Synod and the GSSC does not have authority to change these assessments. The SSC notes the GSSC has authority to determine assessments for the 2012 and subsequent years. The SSC believes the 2012 budget of the General Synod should be prepared in a way that ensures that the total amounts for the two years (2011 and 2012) together reflect a more equitable and appropriate assessment. The SSC notes such action would be consistent with the decision of General Synod when it carried the motion of Justice David Bleby *that the proposals of Mr Marr made in Committee for the structural amendments to the budget be referred to the Standing Committee for further consideration and, if it considers it appropriate, for implementation in budgets it adopts in future years . . .*

Sydney Synod Resolution

On 27 October 2010 I wrote and advised the Sydney Synod had approved a motion concerning General Synod financial matters. The full text of this motion is attached as Attachment 1.

Financial Transparency

Thank you for your letter dated 24 November. The SSC welcomes paragraph 5 of the SCGS Communications Policy which states: *Budgets approved by the Standing Committee are to be published on the General Synod website. Variations to budgets and expenditure authorised to be made outside budgets are to be published once approved by the Standing Committee. Audited financial statements are to be published.* There are a number of bodies which are subject to the ultimate control of General Synod and which submit financial statements to each session of General Synod. Please confirm the audited financial statements of these bodies will also be published on the General Synod web site and this will be done promptly after the signing of the relevant audit reports.

Shared Services Fund

The Shared Services Fund is a new fund established in 2010. This fund has two items of income –

- Administration fee charged to the Long Service Leave Fund (2011 budget \$290,000)
- Telstra commissions (2011 budget \$228,000)

The expenses being charged against this income are the direct costs associated with generating the income. The financial report to General Synod states *The bulk of the surplus from the Shared Services Fund in 2010 is used to*

subsidise the Statutory Fund. This subsidy is \$150,000. The SSC strongly supports this use of the surplus generated by the Shared Services Fund. It is proper that surpluses generated from business activities across the whole Australian Church should be used to reduce statutory assessments payable by the whole Church. The SSC strongly rejects the changed arrangement for 2011 whereby the expected surplus of \$155,000 is not used to subsidise the Statutory Fund but is used for other (non statutory) purposes.

In particular the SSC rejects the use of the surplus generated by the Shared Services Fund to pay for a Research Assistant for the Primate. The SSC remains of the view that the Primate does not need a Research Assistant to undertake the functions required to be performed by the Primate under the Constitution. It is therefore inappropriate to use funds generated from across the whole Australian Church to meet such non-statutory expenses.

Special Fund

The Special Fund represents a series of grants and membership fees paid to a variety of Australian and international bodies. Essentially it is a clearing fund where the amounts received from dioceses are banked and then paid out. There are two concerns about this fund –

- The total amount planned to be paid in 2011 is well above the assessments being raised. The shortfall is being funded by a transfer from the Shared Services Fund. This is a significant change of policy which is not appropriate. As stated above, surpluses from the Shared Services Fund should be used to reduce Statutory Assessments. Payments from the Special Fund should be funded by Special Fund assessments.
- Prior to 2011 the long standing practice was for the Special Fund to be a “cash in and cash out” fund. The assessments charged each year were set to cover the amounts to be paid. It seems, however, that this has not been the practice in recent years. The audited financial statements for the year ended 31 December 2009 shows the Special Fund has accumulated surpluses of \$167,183. The papers presented to General Synod indicate this accumulated surplus will continue to grow over the years 2010 to 2013. The Special Fund assessments in recent years have been set at a level much higher than necessary. The surpluses in this fund for the 2007 to 2009 years were –

2007	\$24,551
2008	\$43,879
2009	\$61,116

The accumulated surpluses from previous years should be used to reduce Special Fund assessments. This amount covers more than two years of the proposed transfer from the Shared Services Fund.

Income from sale of liturgical resources

The sale of copies of *An Australian Prayer Book* and *A Prayer Book for Australia* generated very substantial income for the General Synod. Income continues to flow from these and similar resources, although at a much lesser rate. It is of great concern that the dioceses of the Church, through Statutory Fund assessments, were made to pay for the direct costs of writing and administrative costs of producing these works but none of the subsequent considerable income was credited to the Statutory Fund. It is not appropriate that these sources of income are now paid to Broughton Publishing rather than the General Synod. The SSC considers that, at the very least, the Broughton Publishing company should repay the loan from General Synod which has been, reportedly, written off. Surplus income from liturgical resources, after paying all appropriate costs, should be credited to the Statutory Fund.

General Synod Reserves

The funding of the General Synod is designed for the appropriate activities of the National Church to be funded by annual assessments on the dioceses. This properly reflects the fact that the General Synod Office and the bodies which work with it are service organisations and depend on the financial support of the members of the Church, through each diocese.

A series of windfall financial gains has meant that the General Synod has accumulated funds in excess of \$3 million. These surpluses should be used to reduce the heavy financial burden imposed each year on dioceses. Almost every part of the Australian Church is currently experiencing considerable financial difficulties and at least the annual income, if not part of the accumulated surpluses themselves, should be used to reduce Statutory Assessments. An immediate 10% reduction in assessments could easily be afforded and over time assessments should be reduced even further.

Large increase in Statutory Assessments

The Statutory assessments for the 2011 year are 23% greater than the assessments for the 2010 year. This was documented in the letter Doug Marr wrote to you on 14 October last year. Attachment 2 is an extract of the relevant part of that letter. The SSC regards as unacceptable the 23% increase in total Statutory Fund assessments.

Operating costs of General Synod

In addition to the other matters raised in this letter, the SSC still holds the view that considerable savings could be made in the operating costs of General Synod without a significant negative impact. Some of these savings could be achieved in the General Synod Office and other savings could be made by changing arrangements for sessions of General Synod.

Episcopal Standards Commission

Concern was expressed at the last session of General Synod about costs associated with the Episcopal Standards Commission. It would be good for all dioceses to receive an update on this financial issue as soon as possible. If any amount is to be paid from the resources of the General Synod then it should come from the Reserve Fund.

Payment of 2011 Statutory Assessments

The Sydney Diocesan Secretariat has recently received an invoice from the General Synod Office seeking payment of \$78,000 being the first instalment of 2011 statutory assessments as determined by General Synod last year. Last October the Sydney Synod asked the SSC "to consider whether it should report on these matters to the 2011 session of Synod before arranging for payments to the General Synod in 2011" (see Attachment 1). The SSC has not yet formed a view on whether it should report to Synod before making payment. Please note that no payment of the recent or future invoices will be made until the SSC has made a decision.

In conclusion, I repeat that the SSC would like its representatives to meet with representatives of the GSSC in a spirit of goodwill to agree upon financial policies based on sound, fair and equitable principles which all dioceses of the Australian Church will willingly support.

Yours sincerely



ROBERT WICKS
Diocesan Secretary

cc. Diocesan Bishops and Registrars

ATTACHMENT 1

Sydney Synod 13 October 2010

Synod notes with concern the following financial decisions of the recent General Synod and the General Synod Standing Committee –

- (a) The 23% increase in the rate of Statutory Fund assessment between the 2010 and 2011 financial years;
- (b) the allocation of substantial funds in 2011, with expected similar allocations in future years, to cover the costs of the Episcopal Standards Commission investigations concerning the Bishop of Ballarat and the Bishop of The Murray without any requirement that the dioceses concerned pay any of the costs involved except as part of the normal General Synod assessment process;
- (c) implementation of changes in policy on the use of General Synod reserves without the issues being discussed by the General Synod;
- (d) the transfer of all royalties and profits from sales of liturgical texts to a separate company (Broughton Publishing Pty Limited) even though the costs associated with producing these texts are fully funded from the Statutory Fund;
- (e) the use of surpluses generated by the administration of the Long Service Leave Fund and surpluses from Telstra commissions to pay for the Primate's Assistant and to offset payments from the Special Fund rather than use these surpluses to reduce Statutory Fund assessments;
- (f) the changed arrangement whereby grants to various Australian and international bodies from the Special Fund are no longer fully covered by Special Fund assessments but instead other financial resources of the General Synod are used for these purposes.

Synod asks the Sydney Standing Committee to enter into urgent consultation with the General Synod Standing Committee to negotiate a more equitable financial outcome for the dioceses of the Australian Church.

Synod further asks the Sydney Standing Committee to consider whether it should report on these matters to the 2011 session of Synod before arranging for payments to the General Synod in 2011.

ATTACHMENT 2

Extract of letter from Doug Marr to Martin Drevikovsky dated 14 October 2010

Set out below are the total assessment amounts as found on pages 4-080 to 4-082 with the Statutory Fund and Consolidated amounts adjusted to reflect the \$35,000 change made on the last day.

	2010	2011	% Change
Consolidated	\$1,307,900	\$1,448,000	11% increase
Statutory	\$985,000	\$1,210,000	23% increase
Special	\$322,900	\$238,000	26% decrease

The 11% increase in Consolidated, although high, reflects inflation, the \$35,000 adjustment on the last day and some other items.

The 23% increase in Statutory and the 26% decrease in Special obviously reflect some changes in principle. This is one example of significant changes in assessment principles which were not discussed by the General Synod. There are other examples including use of surpluses from the Reserve Fund and the Shared Services Fund.

For 22 of the 23 dioceses the assessment increase from 2010 to 2011 will be 11% (ignoring the consequences resulting from changes in member numbers of General Synod). For 1 diocese (Sydney) the assessment will increase by 23% (plus an additional amount because of increased membership).

There are two possible views on the reasons behind the changes in assessment principles and in particular how these changes impact on the Diocese of Sydney. A charitable view is that the massive increase in the assessment charge on Sydney is an unintended consequence of various changes made for valid reasons. A less charitable view is that the former Standing Committee members were actively seeking to make Sydney pay more, perhaps because of the concern/ alarm/outrage mentioned above.

Notes from a meeting with the Chairman of the Financial Principles and Policies Task Force

Background

1. On 30 May 2011, members of the consultation group appointed by the Sydney Standing Committee, namely Mr Neil Cameron, Mr Robert Tong, the Rev Gavin Poole and Mr Doug Marr met with Mr John McKenzie, chairman of the General Synod Standing Committee's Financial Principles and Policies Task Force. The purpose of the meeting was principally to discuss the extent to which the Financial Task Force intends to consider the matters raised in a letter from the Diocesan Secretary to the General Secretary dated 24 February 2011 in relation to General Synod finances.
2. Mr Robert Wicks and Mr Martin Drevikovskiy were also in attendance at the meeting.
3. In view of the size and composition of this meeting, the other members of the Sydney group, Rev Rick Smith and the Rev Dr Mark Thompson, did not attend.

Preliminary comments

4. Robert Wicks provided a brief summary of the process and circumstances which have led to the current meeting.
5. John McKenzie indicated that the Financial Task Force will approach this matter on a whole of church basis. Having said that, he acknowledged that the issues raised by Doug Marr at the General Synod last year and the resolution of the Sydney Synod concerning General Synod finances did provide the impetus for the creation of the Task Force.
6. John suggested that the meeting should focus on what will be in and outside the scope of the Financial Task Force's considerations. John will provide a report to the General Synod Standing Committee's Executive Committee on the matters that he considers are outside the scope and will relay these matters to Justice Peter Young for possible consideration in the context of the Unity Task Force.
7. Neil Cameron provided a brief historical context to the matters raised in the letter of 24 February, noting that the particular matters are symptomatic of long standing and underlying issues within the Anglican Church of Australia. In particular Neil noted that –
 - There was considerable resistance from Sydney to the adoption of the 1961 Constitution. A number of, ultimately unsuccessful, attempts were made to prevent the NSW Parliament from passing enabling legislation for the Constitution.
 - Assurances were given at the time the Constitution was adopted that individual dioceses would retain a high level of autonomy.
 - There was also an understanding at the time that the infrastructure surrounding the General Synod would be minimal. However Sydney did support the provision of an assistant to one of the initial Primates, Archbishop Grindrod because it was recognised that he needed particular assistance in administering the General Synod.
 - An on-going issue has been Sydney's objection to the use of monies for particular projects supported by a majority of the General Synod Standing Committee (GSSC). This is reflected in Sydney's decision not to pay voluntary assessments and, in recent times, has put pressure on certain aspects of the costs recovered by the general assessment.
 - The failure to use profits from the business activities of the General Synod generated from across Australia to reduce the general assessment is seen as a misuse of funds.
 - The issues referred to above have been aggravated by the nature of representation on the GSSC. Sydney has a feeling that it is not being listened to.
 - The Archbishop of Sydney has recently sent a letter to the Metropolitans indicating that he wants these matters to be resolved.
8. John thanked Neil for this historical background and at the present time had no questions in response. John did however indicate that he does have an awareness of the unhappiness of the Sydney diocese.
9. The meeting proceeded to consider the matters raised in the letter of 24 February 2011 for the purposes of categorising them as being "in" or "out" of the Financial Task Force's terms of reference.

Apportioning of assessments

10. The Sydney representatives confirmed that there is no objection to the underlying formula by which assessments are apportioned. In this regard it is accepted that Sydney's current proportion needs to be updated to represent a 60/224 share.

Authority of GSSC on financial matters

11. John asked what was meant by the reference in the letter to a more equitable and appropriate assessment?

12. In response, Gavin indicated that there was a concern about the total quantum of assessments levied, and the particular circumstances which led to a 23% increase of assessments payable by Sydney between 2010 and 2011.

13. John indicated that the Financial Task Force may look at "smoothing" for 2012 (taking into account the increase in 2011). However he pointed out that all dioceses had received the benefit of a 10% reduction in assessments in 2010 and that the increase in 2011 aligned expenditure with the long-term trend.

Financial transparency

14. It was noted that this matter has already been dealt with by the GSSC.

Shared services fund

15. John indicated that he is looking at the application of surpluses generated from the shared services fund as a question of principle for the Task Force. In particular, how should surpluses be used generally. The Task Force will be consulting on this issue around the dioceses, but not in a leading manner.

Special fund

16. The issues in relation to the special fund raises the same questions concerning the application of surpluses.

17. John indicated that the Task Force is also looking at what constitutes prudent reserves for the Special Fund.

Income from sale of liturgical resources

18. John indicated that the Financial Task Force will consider whether a "shareholder dividend" should be paid and if so how the shareholder dividend should be applied.

General Synod reserves

19. John indicated that the Financial Task Force will be looking at what constitutes a prudent level of reserves. However in this context, John wanted the Sydney group to acknowledge that there had been a 10% reduction in assessments in 2010.

Primate's assistant

20. John indicated that the use of funds raised by the general assessment is not something that the Financial Task Force will enter into. However he did note that in 2011 there is no amount in the general assessment attributed to the Primate's assistant because the Sydney Standing Committee originally objected to the cost of the Primate's assistant being funded from the general assessment. Since the change in the source of funding was intended to meet that objection, the current objection appears to be a shifting of the goal posts. He therefore took exception to comments made in the letter about Sydney's objection to the Primate's assistant being paid from surpluses from the shared services fund.

21. In response, Neil indicated that while Sydney is happy that the Primate's assistant is no longer being funded from general assessments, it continues to indirectly pay for the Primate's assistant to the extent surpluses from the Long Service Leave fund and the Telstra arrangement are generated from across the whole of the Australian Church.

Broughton Publishing

22. John indicated that the history behind the development and publication of liturgical resources such as AAPB and APBA is not something that the Task Force will look at. However the Task Force will be looking at the question of a shareholder dividend in respect of revenue raised from the sale of these resources and also the question of the purchase of the initial intellectual property.

Operating costs of General Synod

23. John was not clear whether this is something that the Financial Task Force should be looking at. He suggested that if the Sydney group had some particular proposals to reduce the structure of the General Synod office that such proposals should be put to the GSSC for consideration. In his view there is not much scope for reducing the size of the existing General Synod office.

24. In relation to moving to a 4 year cycle of General Synod sessions and reducing the length of sessions, he will be referring this matter to Peter Young for consideration. However on his calculations moving to a 4 year cycle will save in the order of \$44,000, and reduced the length of session will save only a few thousands of dollars. He will be providing these numbers to Peter Young.

Large increase in statutory assessments

25. John indicated that he does not perceive that people are going around saying "lets make Sydney pay more". He indicated that the 23% increase in relation to the general assessments in 2011 for Sydney was a result of modelling work done to relieve the level of voluntary assessments that dioceses are paying. He pointed out that although there has been a 23% increase in the assessments Sydney pays between 2010 and 2011, there

had been a 10% reduction in the level of 2010 assessments due to the GFC. Furthermore he considered that the long term increase in assessments was in the order of 4% per annum.

26. Doug Marr indicated that historically, the voluntary assessment has been about paying grants for special purposes, some of which are objectionable to Sydney. Doug therefore considers that subsidisation of these grants through shared services fund and other sources is not consistent with this historical position. If there is pressure on the grants that need to be made from the voluntary assessment, the proper approach is to cut back on the level of grants being made rather than subsidise them.

27. Neil indicated that the Diocese of Sydney has no objection to other dioceses paying for particular projects, whether among themselves or via the General Synod office. That said, Neil accepts that the decision to subsidise the voluntary assessment was not made with any ill intent.

28. Robert Tong noted that in his view the decision to subsidise the voluntary assessment was a pragmatic decision to deal with a particular problem. Robert asked whether there was a policy discussion about where business earnings of the General Synod should be applied? In response, John indicated that he did not believe that there had been a policy discussion in black and white terms on this matter. Therefore this matter will be looked at by the Task Force in the context of how surpluses should be applied.

Next steps

29. In terms of the next steps, John indicated that he would refer the matters that the Financial Task Force does not intend looking at to the Unity Task Force chaired by Peter Young.

30. The Financial Task Force will prepare a brief summary of the potential areas in which policy should be developed, set out the options and invite comment from the dioceses. After comments are received there are likely to be further opportunities for discussion, including with the Sydney group.

31. In terms of timing, John indicated that realistically he will not have a final report ready for the GSSC until the first meeting next year. Doug noted that this will be after the budget for 2012 has been finalised at the November 2011 meeting of the GSSC.

ROBERT WICKS
Diocesan Secretary

1 June 2011

Constitution Amendment (Section 30) Canon 2010

The General Synod prescribes as follows:

Title

1. This Canon may be cited as "Constitution Amendment (Section 30) Canon 2010".

Amendment to section 30

2. Section 30 is amended as follows:
 - (a) by the substitution of the following for all of the words in paragraph (a):

"Where the General Synod does not make a declaration under paragraph (b) of this section in relation to a canon, and the synod of a diocese (or the diocesan council thereof) declares that the canon affects:

 - (i) the ritual, ceremonial or discipline of this Church within such diocese; or
 - (ii) the order and good government of the Church within such diocese, or
 - (iii) the church trust property of such diocese,

such canon shall not come into force in such diocese unless and until the diocese, by ordinance of its synod adopts the said canon."; and
 - (b) by the omission of paragraph (c).

We certify that this bill was passed by the General Synod of The Anglican Church of Australia this _____ day
of _____ 2010.

General Synod 2010 Legislation

(A report from the Standing Committee.)

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Introduction

1. Under the constitution (“Constitution”) of the Anglican Church of Australia (set out in the Schedule to the Anglican Church of Australia Constitution Act 1961 - see www.sds.asn.au), the General Synod has power to make canons for the order and good government of the church. The General Synod also has power, by canon, to amend the Constitution.

2. Not all canons come into effect when they are passed. For example, where a canon affects the order and good government of the Church in a diocese then, under the Constitution, the canon does not come into effect in that diocese unless the diocese, by ordinance, *adopts* the canon. Further, a canon to amend the Constitution only comes into effect if the requisite number of dioceses *assent* to the canon. In the case of certain provisions of the Constitution the canon only comes into effect if it receives *assent* from all dioceses.

3. Where a proposed canon affects the ritual, ceremonial or discipline of the Church the usual procedure is that the canon is only passed provisionally. It then becomes known as a provisional canon. Under the Constitution, a provisional canon is referred to each diocese for *assent* or *dissent*. If all dioceses *assent* to the provisional canon then it becomes a canon. If a diocese *dissents*, the provisional canon must be reconsidered at a future session of General Synod. If at that future session the provisional canon is passed by a 2/3 majority of the members of each house of General Synod, it becomes a canon. If passed, but not by a 2/3 majority, it is again referred to diocesan synods for assent or dissent. In any event if the provisional canon becomes a canon, the canon does not have effect in a diocese until the diocese by ordinance *adopts* that canon.

Canons passed by the General Synod in 2010

4. In 2010 the General Synod passed the following canons –
- Appellate Tribunal Amendment (Part Heard Matters) Canon 2010*
 - Constitution Amendment (Appellate Tribunal Part Heard Matters) Canon 2010*
 - Constitution Amendment (Chapter V) Canon 2010*
 - Constitution Amendment (Diocesan Council) Canon 2010*
 - Constitution Amendment (Diocesan Council) Repeal Canon 2010*
 - Constitution Amendment (Section 30) Canon 2010*
 - Constitution Amendment (Sentences of Tribunals) Canon 2010*
 - Constitution of the Province of Western Australia 1914-1984 Amendment Canon 2009 (No 1 of 2009) Ratification Canon 2010*
 - Long Service Leave Canon 2010*
 - National Aboriginal and Torres Strait Islander Anglican Council Canon 2010*
 - Special Tribunal Canon 2007 Amendment (No 1) Canon 2010*
 - Special Tribunal Canon 2007 Amendment (No 2) Canon 2010*
 - The National Register Canon 2007 Amendment Canon 2010*
 - Trust Corporation Canon 2010*

Canons in force

5. Several of these canons have taken effect because they do not affect the order and good government or the church trust property of the Church in a diocese. These canons are –

- Trust Corporation Canon 2010*

*Constitution of the Province of Western Australia 1914-1984 Amendment Canon 2009 (No 1 of 2009)
Ratification Canon 2010*

Special Tribunal Canon Amendment (No 1) Canon 2010.

6. The Standing Committee considers that aspects of the Trust Corporation Act 2010 are beyond the legislative power of the General Synod. These views have been conveyed to the General Secretary of the General Synod and it is understood the matter has been referred to the Church Law Commission.

Canons not currently in force

7. The *Appellate Tribunal Amendment (Part Heard Matters) Canon 2010* has not come into effect and will not do so until the *Constitution Amendment (Appellate Tribunal Part Heard Matters) Canon 2010* comes into effect.

8. The *National Aboriginal and Torres Strait Islander Anglican Council Canon 2010* has not come into effect and will not do so until the Council consents to the canon.

9. The Synod assented to the *Long Service Leave Canon 2010* at its 2010 session. This Canon has not come into effect and will not do so until 1 January after the Canon has been assented to by each diocese participating in the long service scheme under the Canon.

Canons for adoption by our Synod

10. The Standing Committee considers that the *Special Tribunal Canon 2007 Amendment (No 2) Canon 2010* and *The National Register Canon 2007 Amendment Canon 2010* affect order and good government or the church trust property within the Diocese notwithstanding that they do not contain declarations to this effect.

11. Accordingly, if these canons are to have force in this Diocese, it is appropriate for the Synod to make the relevant declaration and adopt the canon by ordinance.

Special Tribunal Canon 2007 Amendment (No 2) Canon 2010

12. The Special Tribunal Canon 2007, among other things, establishes the Episcopal Standards Commission (the "ESC"), purports to confer certain powers on the ESC, and authorizes the ESC to prosecute diocesan bishops in the Special Tribunal. The canon also allows the Synod of a diocese to exclude the power of the ESC to prosecute the bishop of the diocese. However, this leaves open the possibility for the ESC to exercise the powers in the Canon when it cannot use the information resulting from the exercise of those powers to prosecute a diocesan bishop.

13. The purpose of this canon is to clarify the position by making it clear that the ESC can use the powers which may (or may not) be conferred on it by the Special Tribunal Canon 2007 where the Synod of Diocese has not excluded the ESC's power to prosecute its bishop.

14. The amendment also assists those who have a legitimate complaint against the bishop of a diocese which has excluded the prosecuting power of the ESC by referring them to someone who ought to be prosecuting their complaint if that course of action is appropriate.

15. The Canon preserves the right of diocesan synods to determine what course is appropriate to their circumstances.

16. For these reasons, the Standing Committee recommends that –

- (a) the Synod declare its opinion that the Special Tribunal Canon 2007 Amendment (No 2) Canon 2010 affects the order and good government of the Church within the Diocese of Sydney, and
- (b) the Synod adopt the Canon.

See separate explanatory statement and bill.

The National Register Canon 2007 Amendment Canon 2010

17. The Standing Committee is still considering the National Register Canon 2007 Amendment Canon 2010 and intends to make recommendations about this Canon in due course.

Canons for assent by our Synod

18. Each of the following canons amends the Constitution and do not come into effect until at least ¾ of the diocesan synods, including all of the metropolitan sees, have assented to the canon by ordinance with all such assents to be in force at the same time –

Constitution Amendment (Diocesan Council) Canon 2010

Constitution Amendment (Diocesan Council) Repeal Canon 2010

Constitution Amendment (Appellate Tribunal Part Heard Matters) Canon 2010

Constitution Amendment (Section 30) Canon 2010

Constitution Amendment (Sentences of Tribunals) Canon 2010

Constitution Amendment (Chapter V) Canon 2010

19. Following the outcome of the 2005 reference to the Appellate Tribunal concerning women bishops, the Standing Committee considers that no reliance can now be placed on representations by church bodies or officers as to the effect of amendments to the Constitution proposed by them. Accordingly since that time the Standing Committee has been taking a more cautious approach than previously in making recommendations concerning amendments to the Constitution.

Constitution Amendment (Section 30) Canon 2010

20. Section 30 of the Constitution covers the situation where a canon of the General Synod does not declare that it affects the order and good government or the property of a diocese but a diocese considers that the canon does affect these matters. The proposed amendment would require a diocese which makes a declaration of opinion under section 30 to provide reasons for its opinion by providing that if reasons are not given the opinion is ineffective.

21. For many years the General Synod Standing Committee (GSSC) adopted the practice of accepting the opinions of diocesan synods as to whether a canon affects order and government of the diocese. In recent times the GSSC has departed from that practice and, in exercising its powers under section 30(c) of the Constitution, has taken to rejecting the opinions of Diocesan Synods. At the same time the Appellate Tribunal has adopted a very restrictive view of the matters affecting order and good government.

22. The Standing Committee supported an alternative amendment to section 30 which it referred to the General Synod session in 2010 but which was not considered by the General Synod. The alternative amendment provides that if the General Synod does not make a declaration that a canon affects the order and good government or the property of a diocese but a diocese does make such a declaration, the canon will not come into effect in the diocese until adopted by ordinance of the diocesan synod. The alternative amendment enables the opinion of a diocesan synod to be conclusive on the basis that a diocesan synod is much better placed to determine the matters affecting the order and good government or property of its diocese than either the GSSC or the Appellate Tribunal.

23. The Standing Committee recommends that the Synod not assent to this Canon. The Standing Committee recommends that the Synod endorse the alternative amendment to section 30 of the Constitution which was supported by the Standing Committee for promotion to the General Synod in 2010.

24. A copy of the Canon and the Standing Committee's alternative bill for a canon are attached as Annexure 1 and Annexure 2 respectively.

Constitution Amendment (Chapter V) Canon 2010

25. From time to time there is a need to amend a canon to satisfy a change in government regulatory requirements (for example, in company law, taxation law and superannuation). Only General Synod can make or amend canons.

26. The Canon inserts a new section 28 in the Constitution to allow canons to be made other than at a General Synod session if at least $\frac{3}{4}$ of all diocesan synods including all Metropolitan Sees assent to it by ordinance and all assents are in force at the same time. In the case of bills for canons that will impose a financial liability on a diocese, all diocesan synods must assent with all assents being in force at the same time.

27. The mechanism cannot be used for canons which deal with or concern ritual, ceremonial or discipline of the Church.

28. The Standing Committee supports the canon as a helpful means of dealing with matters that are not controversial in between sessions of the General Synod.

29. The Standing Committee recommends that the Synod assent to this Canon. See separate explanatory statement and bill.

Canons still under consideration

30. The Standing Committee is still in the process of considering the following canons –

Constitution Amendment (Diocesan Council) Canon 2010

Constitution Amendment (Diocesan Council) Repeal Canon 2010

Constitution Amendment (Appellate Tribunal Part Heard Matters) Canon 2010

Constitution Amendment (Sentences of Tribunals) Canon 2010

31. Recommendations about these canons will be made in due course.

Summary of recommendations

32. The Standing Committee recommends that the Synod declare its opinion that the *Special Tribunal Canon 2007 Amendment (No 2) Canon 2010* affects the order and good government of the Church in the Diocese and that the Canon be adopted.

33. The Standing Committee recommends that assent be given to the *Constitution Amendment (Chapter V) Canon 2010*.

34. The Standing Committee recommends that assent not be given to the *Constitution Amendment (Section 30) Canon 2010*.

35. The Standing Committee recommends that the Synod endorse the alternative amendment to Section 30 of the Constitution attached as Annexure 2 which was supported by the Standing Committee for promotion to the General Synod in 2010.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

11 August 2011

Annexure 1

Constitution Amendment (Section 30) Canon 2010

A canon to amend Section 30 of the Constitution.

The General Synod prescribes as follows:-

1. This Canon is the Constitution Amendment (Section 30) Canon, 2010
2. Section 30 of the Constitution is amended by adding immediately after the word 'thereafter' in proviso (c) the words 'of its opinion and its reasons therefor'.
3. Section 30 of the Constitution is further amended by adding immediately after the word 'opinion' where first occurring in proviso (c)(ii) the words 'as aforesaid'

Certification of copy of Canon as passed [SO63(20)]

We certify that the Canon above is a copy of the Canon as passed on 19 September 2010.

L.R. Snell
Clerical Secretary

Date: 19/9/2010

A. Skamp
Lay Secretary

Date: 19/9/2010

**Standing Committee's alternative bill for a canon –
Constitution Amendment (Section 30) Canon 2010**

The General Synod prescribes as follows:

Title

1. This Canon may be cited as "Constitution Amendment (Section 30) Canon 2010".

Amendment to section 30

2. Section 30 is amended as follows:

- (a) by the substitution of the following for all of the words in paragraph (a):

"Where the General Synod does not make a declaration under paragraph (b) of this section in relation to a canon, and the synod of a diocese (or the diocesan council thereof) declares that the canon affects:

- (i) the ritual, ceremonial or discipline of this Church within such diocese; or
 - (ii) the order and good government of the Church within such diocese, or
 - (iii) the church trust property of such diocese,

such canon shall not come into force in such diocese unless and until the diocese, by ordinance of its synod adopts the said canon."; and

- (b) by the omission of paragraph (c).

We certify that this bill was passed by the General Synod of The Anglican Church of Australia this _____ day
of _____ 2010.

General Synod 2010 Session

(A report from the Standing Committee.)

Introduction

1. The 15th General Synod was held in Melbourne from 18-23 September 2010.
2. The 15th General Synod consisted of 253 members of whom 61 were from the Diocese of Sydney. 167 resolutions were passed and 14 canons and 8 rules were made. A number of elections also took place for General Synod boards and committees.

Resolutions

3. Many of the 167 resolutions related to formal matters concerning the business of General Synod. Others were of more significance. The resolutions that may be of particular interest are extracted in the Appendix.

Canons

4. In 2010 the General Synod passed the following canons –
 - Appellate Tribunal Amendment (Part Heard Matters) Canon 2010*
 - Constitution Amendment (Appellate Tribunal Part Heard Matters) Canon 2010*
 - Constitution Amendment (Chapter V) Canon 2010*
 - Constitution Amendment (Diocesan Council) Canon 2010*
 - Constitution Amendment (Diocesan Council) Repeal Canon 2010*
 - Constitution Amendment (Section 30) Canon 2010*
 - Constitution Amendment (Sentences of Tribunals) Canon 2010*
 - Constitution of the Province of Western Australia 1914-1984 Amendment Canon 2009 (No 1 of 2009) Ratification Canon 2010*
 - Long Service Leave Canon 2010*
 - National Aboriginal and Torres Strait Islander Anglican Council Canon 2010*
 - Special Tribunal Canon 2007 Amendment (No 1) Canon 2010*
 - Special Tribunal Canon 2007 Amendment (No 2) Canon 2010*
 - The National Register Canon 2007 Amendment Canon 2010*
 - Trust Corporation Canon 2010*
5. Some of these canons have already taken effect, others will not take effect unless the requisite majority of diocesan synods assent by ordinance, and still others will not take effect in Sydney until they are adopted by our Synod. The canons are the subject of a further report prepared for the Synod.

Elections

6. The following persons from Sydney were elected to the following General Synod boards and committees –

*Council of the Australian College
of Theology*

Mr Garth Blake SC
The Rev Dr Peter Bolt
The Rev Philip Bradford
Bishop Glenn Davies
Mrs Susan Hooke
The Rev Dr Mark Thompson
Dr Ann Young

The Board Electors of the Primate

Mr Garth Blake SC
The Rev Dr Peter Bolt
Bishop Glenn Davies
Bishop Robert Forsyth
Mr Justice Peter Young

Standing Committee

Mr Garth Blake SC
Bishop Glenn Davies
Bishop Robert Forsyth
Mr Robert Tong
Mr Justice Peter Young

Long Service Leave Board

Mr Doug Marr

Appellate Tribunal

Mrs Gillian Davidson

*The Board of Assessors
(Appellate Tribunal)*

Bishop Glenn Davies

Defence Force Board

The Rev Andrew Nixon

Special Tribunal

Mr Robert Tong

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

11 August 2011

General Synod 2010 – Selected resolutions

23/10 Quadricentenary of the King James Bible

That this Synod:

- (a) gives thanks to God for the impact of the King James Version of the Bible on English speaking peoples over the past four centuries;
- (b) recognises that in 2011 the 400th anniversary of the King James Version of the Bible provides an opportunity to celebrate the contribution which that translation has made to shaping the life, language and culture of Australia and other nations;
- (c) commends the King James Version and other faithful translations of the Bible for personal and public instruction, affirming the importance of continuing biblical translation, scholarship and teaching;
- (d) notes with enthusiasm the events throughout 2011 organised by the Bible Society in Australia and the 2011 Trust in the United Kingdom;
- (e) requests that dioceses, parishes and all Anglicans support the celebrations of the King James Version of the Bible and undertake local initiatives, where possible, to promote and teach the Bible both within the Church and throughout the Australian community.

40/10 Improvement of educational outcomes for Indigenous Young People

That this Synod:

1. Gives thanks to God for the work and ministry of the Australian Anglican Schools Network, comprising over 150 schools and almost 150,000 students across the nation;
2. Commends the Network on its ground-breaking research project 'Building Relationships – Indigenous Education Initiatives in AASN Schools', which tells the stories, the successes and the struggles of indigenous young people in Anglican schools;
3. Notes the many and varied responses that Anglican schools – single sex and co-educational, long-established and newly-founded, boarding and day – are making to the challenge of providing indigenous young Australians with the educational opportunity that should be available for all Australians; and
4. Recognises how indigenous Australians are enriching the lives of students in Anglican schools, through building mutually rewarding relationships.

71/10 The Anglican Communion Covenant

That this General Synod:

- (a) thanks the Covenant Design Group for their faithfulness and responsiveness in producing the Anglican Communion Covenant;
- (b) recognizes that an Anglican Communion Covenant seeks to provide a means to strengthen and promote our common life as a Communion;
- (c) affirms the value of the relationships we share with the other member churches of the Anglican Communion;
- (d) renews our commitment to maintain and strengthen those relationships to further the mission we share; and further this General Synod:
- (e) receives the final text of the Anglican Communion Covenant as an expression of aspirations for the life of the Anglican Communion;
- (f) commends it for further study, dialogue and deliberation in the Dioceses;
- (g) requests the Synods of all dioceses to consider the question of the Anglican Church of Australia adopting the Covenant by resolution and report to the Standing Committee by December 2012;
- (h) requests the Standing Committee to produce a report for consideration at the Sixteenth Session of General Synod.

81/10 Sanctity of Life

That this Synod affirms the sanctity of life; that life is God's gift and that our task is to protect, nurture and sustain life to the best of our ability.

That this Synod makes this reaffirmation amidst media reports, so soon after a federal election, suggesting a future federal parliamentary debate about euthanasia.

91/10 Caring for the Creation: the need to acknowledge and respond to population issues

That this General Synod of The Anglican Church of Australia gives thanks to Almighty God for the gracious gift of human life and for the privilege of being divine image bearers.

Synod acknowledges:

- (a) That all human life comes from God, irrespective of age, gender, race, or ability, and that God does not delight in the death of any he has made, and notes:

- (b) Resolution I.8 of the Lambeth Conference 1998, which
- (i) reaffirms the Biblical vision of Creation according to which the divine spirit is present in Creation and human beings have responsibility to make personal and corporate sacrifices for the common good of all Creation; and
 - (ii) recognizes that unless human beings take responsibility for caring for the earth, the consequences will be catastrophic because of: overpopulation, unsustainable levels of consumption by the rich, poor quality and shortage of water, air pollution, eroded and impoverished soil, forest destruction, and animal extinction.
- (c) The encouragement in Resolution 14.15 of the Anglican Consultative Council in May 2009 for Provinces 'to advocate sustainable restorative economies with national governments, the United Nations through the Anglican Observers Office, and local constituencies'.

And requests:

- (1) Australian Anglican Dioceses and individuals to:
- (i) Grow in understanding of global and national environmental challenges, and the role of human population growth in contributing to them.
 - (ii) Use resources including those identified by the General Synod's Public Affairs Commission and Environment Working Group to assist in developing integrated views of issues and potential responses, and take action to reduce our impacts.
 - (iii) Contribute thoughtfully and prayerfully to public debate about how to
 - achieve justice not only for current Australians but for our descendants,
 - nurture and protect life on this fragile land with all its beauty and diversity,
 - share in a world of finite resources, showing love for our neighbours, particularly those who live in the two-thirds world.
 - (iv) Remain confident in the gospel of Jesus Christ to address environmental challenges as it calls people to turn from human selfishness and greed.
 - (v) Prayerfully consider and reduce their levels of consumption.
 - (vi) Explore ways to ensure that every child is welcomed and has the opportunity to reach his/her full potential.
- (2) The Australian Government to:
- (i) Recognise the role of population growth and unsustainable levels of consumption by the affluent in contributing to global and national environmental challenges, and avoid any reliance on continuing population growth to maintain economic growth.
 - (ii) Determine a sustainable population policy for Australia which is fair and just.
 - (iii) Consider carefully any incentive aimed specifically and primarily at increasing Australia's population while continuing to support low-income families and sustainable immigration.
 - (iv) Support agricultural research both to care for our land and to preserve our ability to produce food.
 - (v) Contribute more generously to improving the welfare of people in the least developed nations, and other life in their environments, in particular by including support for family planning and women's reproductive health programmes with a view to development, in ways that respect the cultures of those people and take account of Christian values including respect for the sanctity of all human life.
- (3) The reporting of the outcome of this Motion to the United Nations Anglican Observers' Office.

93/10 Jerusalem Declaration

That General Synod notes the publication of the Jerusalem Declaration and acknowledges the particular context in which it has arisen. The General Synod encourages its study by dioceses and parishes in this Church to assist our understanding of some of the current issues facing the Anglican Communion.

105/10 Fresh Expressions of Church

That this Synod:

- affirms the mixed economy of existing and fresh expressions of church, working in partnership, as a most promising mission strategy in a fast changing culture;
- recommends that each diocese should have a strategy for the encouragement and resourcing of church planting and fresh expressions of church, reflecting the network neighbourhood reality of society and of mission opportunity;
- recommends that the initial training of all ministers, lay and ordained, should include a focus on cross-cultural evangelism, church planting and fresh expressions of church;
- encourages those responsible for vocations and training in dioceses and parishes to promote the imaginative recruitment, training and deployment of ordained and lay pioneer ministers:

- commends the Back to Church Sunday initiative to dioceses;
- requests that Fresh Expressions Australia give particular attention to the development of the following aspects of the mission-shaped church in the next triennium (2010-2012), namely –
 - (a) the ongoing growth of fresh expressions in suburban, rural, regional and remote Australia;
 - (b) the challenge of multicultural contexts;
 - (c) the need for collaboration between dioceses;
 - (d) the development of pioneer training for lay and ordained leaders;
 - (e) the consolidation of a network of practitioners; and
 - (f) the consideration of partnership with Anglican schools in the development of Fresh Expressions, especially in new and growing housing areas.

110/10 Freedom of Religion

That this General Synod calls on the Commonwealth, State and Territory governments to reaffirm their commitment to religious freedom and to take all practical steps necessary to ensure that the following six freedoms are safeguarded in Australia within the constraints of the civil and criminal law generally applicable:

- freedom to manifest a religion through religious observance and practice;
- freedom to appoint people of faith to organisations run by faith communities;
- freedom to teach and uphold moral standards within faith communities;
- freedom of conscience to discriminate between right and wrong;
- freedom to teach and propagate religion; and
- freedom of a person to change their religion.

125/10 Human Rights

That this Synod:

1. affirms that every human being is made in the image of God and has inherent dignity and worth; and that it is essential to protect the human rights that reflect this inherent dignity of all people, especially of the most vulnerable;
2. notes the June 2009 submission of the General Synod Standing Committee of the Anglican Church of Australia to the National Human Rights Consultation;
3. supports Commonwealth Government's initiatives to increase funding and efforts to promote human rights education, to provide a statement of compatibility with human rights when introducing new legislation and to set up a Parliamentary Committee on Human Rights to scrutinise legislation for compliance with human rights.

132/10 Diaconal or Lay Celebration of the Holy Communion

That General Synod:

1. Recalls the opinion of the Appellate Tribunal of 24 December 1997 that it is consistent with the Constitution of The Anglican Church of Australia to permit or authorise diaconal or lay celebration of the Holy Communion, but only under and in accordance with a Canon of General Synod.
2. Notes the opinion of the Appellate Tribunal of 12 August 2010 concerning diaconal or lay celebration of the Holy Communion and the Tribunal's opinion that no existing Canon of General Synod authorising diaconal or lay celebration at the Holy Communion has been identified; and
3. Noting the Tribunal's majority advice that "it is up to the Bishops and this Tribunal to see that the rules of the Church are upheld", encourages all diocesan Bishops in their task of upholding the rules of the Church.

134/10 School Chaplains

That the General Synod:

- (a) calls on the Commonwealth Government to reaffirm its commitment to the funding of the School Chaplains' Program and to defend the proposed challenge in the High Court to the validity of such funding; and
- (b) authorises the Standing Committee, if it considers it appropriate, to join in supporting, financially and otherwise, on behalf of this Synod opposition to such challenge in the High Court.

141/10 Gambling

That Synod notes the Productivity Commission's report into gambling which indicates that:

- (i) there are between 80,000-160,000 problem gamblers in Australia, along with another 230,000-350,000 vulnerable to problem gambling;
- (ii) poker machine users are disproportionately represented among the ranks of Australia's problem gamblers;
- (iii) 41% of the \$11.9 billion that Australians lose on poker machines annually comes from problem gamblers; and

- (iv) the public benefits and jobs creation, which the registered clubs claim to offer through their gambling profits are highly debatable.

General Synod recognises the dependence of all state and territory governments on revenue from poker machine gambling leads them to have a conflict of interest when considering strategies to reduce problem gambling. General Synod endorses efforts being proposed in Australia's Federal Parliament to reduce the impact and incidence of problem gambling, eg., by the introduction of a compulsory precommitment system for poker machine use.

Synod respectfully asks the Primate to inform all state governments and all political parties and independents in the Federal Parliament of General Synod's position.

152/10 Alcohol Abuse

That Synod notes the right of adult persons to enjoy alcohol in moderation, and the legitimate enterprise of making and supplying alcohol to responsible adults.

Synod however regrets:

- (i) the increasing practice of binge drinking in society, particularly among young persons,
- (ii) the scourge on society of alcohol-fuelled violence and property damage,
- (iii) the high levels of injuries suffered by police officers while attempting to quell late night pub brawls,
- (iv) the knock-on effects of alcohol abuse which are felt by our hospitals,
- (v) the carnage on our roads often caused by speeding drunk drivers,
- (vi) the alcohol-led physical assaults on many women and children in their own homes, and
- (vii) the practice of specifically targeting teenagers in some advertising of alcohol campaigns, which is directly contributing to the establishment of a binge drinking culture among young people.

Synod calls on all State and Territory governments to consider a range of drinking laws designed to address the problems brought on by alcohol abuse, and encourages our law makers to consider research which highlights the relationship between crime and extended liquor trading hours, when determining their response to community calls for an immediate cutback in licensing hours. Synod also encourages our politicians to examine other initiatives to limit the curse on society brought on by alcohol abuse.

Synod further requests the Primate to write to the Premiers and Chief Ministers of Australia, Leaders of the Opposition and Police Commissioners to encourage them to pursue this matter vigorously and to assure them of our support as they do so.

In light of this, Synod recalls the biblical teaching:

- (a) that "everything God created is good, and nothing is to be rejected if it is received with thanksgiving" (1 Timothy 4:4, cf John 2:1-11, Psalm 104:15);
- (b) that drunkenness is always to be avoided (1 Cor 6:10, Eph 5:18);
- (c) that civil rulers and church leaders must take special care in any consumption of alcohol (Prov 31:4-5, 1 Tim 3:3);
- (d) that Christians should avoid causing others to stumble by what they drink (Rom 14:21).

Synod also notes the Personal Behaviour section of our code of conduct *Faithfulness in Service* and particularly items 6.5, 6.6 and 6.16 which relate to the consumption of alcohol.

Synod therefore encourages Christian pastors and other leaders and teachers to proclaim scriptural truths concerning the use of alcohol and to set a godly example in regards to any personal use of alcohol. Synod especially encourages all Anglican church youth leaders to diligently teach their teenagers about the dangers of binge drinking culture, and to set a godly example to them in all things including refraining from excessive alcohol consumption.

155/10 Unity of The Anglican Church of Australia

Noting that this Session of General Synod is the closest scheduled meeting to the fiftieth anniversary of the commencement of the 1962 Constitution of The Anglican Church of Australia expresses its gratitude for the benefits that independence from the Church of England have brought.

It also acknowledges the serious stresses to the unity of the ACA that have developed over these 50 years and requests Standing Committee to appoint a representative commission to examine how the dioceses might better live together as a national body and bring to the next Session of Synod proposals, including constitutional amendments, which will allow the ACA to better express its unity and fellowship into its second 50 years.

156/10 Definition of Marriage

As the Greens political party is committed to the legislation of same sex marriages, this General Synod of The Anglican Church of Australia expresses its commitment to the present definition of Marriage under Commonwealth Law.

157/10 Asylum Seekers

That this General Synod requests the Primate to write to both the Prime Minister and the Leader of the Federal Opposition to communicate the following:

- (a) that members of the General Synod of The Anglican Church of Australia do not minimise the complexity of the issues surrounding the arrival on our shores of men, women and children; however
- (b) that the General Synod, affirming unambiguously the clear teaching of Scripture about the value of every person in the sight of God, urges that the Government take immediate and sufficient steps to ensure that all persons intercepted on their way to or arriving on our shores, by whatever means, are treated with dignity, respect and in a way which does not impact adversely their physical or mental well-being.

Glebe Administration Board Annual Report to the Synod for 2010

This Annual Report should be read in conjunction with the Annual Financial Report for 2010 for the Glebe Administration Board as trustee of the Diocesan Endowment.

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5	Access
6	Membership and Meetings
8	Structure
10	Committees of GAB
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15	Review of Investment Management and Investment Accounting
Diocesan Endowment	
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67	Renegotiation of Lease Terms

Constitution and Charter

- Glebe Administration Board ("GAB") is constituted by the *Glebe Administration Ordinance 1930* and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.
- GAB is the trustee and manager of the following property –
 - the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984* (the "Diocesan Endowment"), and
 - the property held on the trusts set out in the *St James' Sydney Phillip Street Property Ordinance 1962* ("St James' Hall").
- 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.
- Under clause 2 of the *Glebe Administration Ordinance 1930*, GAB must invest the property vested in it in a way which –
 - preserves the real value of the property, and
 - provides a reasonable income therefrom.

Access

- The principal office of GAB is Level 2, St Andrew's House, Sydney Square (PO Box Q 190, 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

- The members of GAB are the persons who are, from time to time, the members of Sydney Diocesan Secretariat, a body also incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*. The members of Sydney Diocesan Secretariat are appointed by the Standing Committee.
- The names of the persons who served as members of GAB during 2010 and their meeting attendance record follow –

Board Members	No of Meetings Eligible to Attend	No of Meetings Attended
Canon Bruce Ballantine-Jones OAM	11	9
Mr Mark Ballantyne	11	8
Bishop Robert Forsyth	11	9
Mr Ben Koo	11	10
Mr Andrew McLoughlin	11	11
Mr Ian Miller	11	6
Mr John Pascoe	11	10
Dr Laurie Scandrett	11	11
Mr Ross Smith*	1	1

* Appointed 6 December 2010.

Structure

8. GAB has no employees. Administration, secretarial and accountancy services are provided to GAB by Sydney Diocesan Secretariat on a fee for service basis. During 2010, the following executives of Sydney Diocesan Secretariat had the greatest authority for the strategic direction and management of GAB –

- Steve McKerihan Chief Executive Officer (until 28 April 2010)
- Mark Payne Acting Chief Executive Officer (from 17 February 2010)
Chief Executive Officer (from 17 November 2010)
- Michael Blaxland Chief Financial Officer
- Andrew Frankling Head of Investments

9. As a result of the review of the investments of the Diocesan Endowment, during 2010 the provision of investment management and investment accounting services (formerly undertaken by staff of Sydney Diocesan Secretariat on behalf of GAB) was outsourced to third party service providers.

Committees of GAB

10. During 2010 GAB reviewed its committee structure. The committee structure is as follows –

- (a) The Asset and Liability Committee – The overall purposes of this committee are –
- to review and make recommendations to GAB in connection with the investment of the Diocesan Endowment, and
 - to oversee, by way of monitoring, the work of the staff and external service providers in implementing the decisions of GAB in relation to the investment of the Diocesan Endowment and to report thereon to GAB.
- (b) The Audit and Risk Committee – The overall purposes of this committee are to monitor, report and make recommendations to the GAB about –
- the financial reporting processes of GAB to ensure the balance, transparency and integrity of published financial information, and
 - the internal control systems of GAB, and
 - the independent audit processes of GAB, and
 - the risk management systems of GAB.

11. The members of these committees were mainly drawn from the membership of GAB. The Asset and Liability Committee included two external non-Board members.

Progress of the implementation of recommendations concerning governance practices of GAB

12. In June 2009, Cameron Ralph Pty Ltd completed a comprehensive, independent assessment of the governance practices of GAB. While this review was prompted by the investment losses incurred in the Diocesan Endowment in 2008 (and which were fully reported to Synod in GAB's Annual Report for 2008), the scope of the review was not intended to address or explain the causes of the losses, nor propose specific actions in the area of investment management.

13. Cameron Ralph made recommendations to GAB covering the following matters –

Developing a plan for Board renewal

The board was encouraged to develop a renewal strategy covering matters such as the rotation of membership of the board, establishing tenure limits, reducing the number of members, establishing an induction program for new members and implementing regular reviews of the performance of the board and individual members.

Clarifying the respective roles of board and management

The board was encouraged to rethink what it should be spending its time on, and how it can maximise its “value add” to the business.

Addressing Board culture

The board was encouraged to think about how its culture may impact on its effectiveness and the mechanisms and processes which might be adopted to improve capacity to deal with future challenges, and was asked to think of new ways of operating to develop a more robust culture.

Reviewing the format and content of Board papers

A systematic approach to progressive review of the nature and format of information provided to the board was recommended, with a particular focus on value added analysis and non-financial key performance indicators.

Strengthening the Board's decision making by addressing meeting processes

Processes to strengthen decisions by the board were recommended such as extending the length of meetings to allow for substantive debate, revising the agenda structure, agreeing clear criteria and key performance indicators for each decision, and undertaking a short critique after each meeting about how the meeting was conducted.

Reviewing the committee structure

The recommendations included reviewing the charter of each committee to put more responsibility back into the hands of the board as a whole, focussing the attention of each committee on policy, risk levels and triggers for actions and delegations and setting clear criteria for assessing the performance of each committee.

Driving accountability

Initiatives were recommended to create an environment of greater accountability including developing more comprehensive board policies, ensuring that all management proposals have clear criteria by which they can be assessed and monitored, and establishing a process for post implementation.

14. GAB adopted the recommendations of Cameron Ralph and provided an interim report to the Standing Committee in May 2010 about the progress of their implementation. A further report about the implementation of the recommendations was provided to the Standing Committee in August 2010.

Review of Investment Management and Investment Accounting

15. Under clause 2 of the *Glebe Administration Ordinance 1930* the principal objective of GAB in relation to the investment of the property of the Diocesan Endowment is to maintain the real value of that property, and provide a reasonable income therefrom. Having regard to this objective, in early 2010, GAB reviewed the investment objective for the Diocesan Endowment, the investment risk tolerance, the nature of the asset classes in which the Diocesan Endowment invests, and the strategic asset allocations for those asset classes. In undertaking this review GAB was assisted by its asset consultant, Mercer Australia Pty Limited.

16. The framework for the investment of the property of the Diocesan Endowment is set out in its Investment Policy Statement, a copy of which can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

17. The investment objective for the Diocesan Endowment can be stated 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.”

18. A fuller explanation about the investment objective is set out in the Investment Policy Statement.

19. As at 31 December 2010 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 ¹	20	25	30

Asset Class	Min %	SAA %	Max %
Legacy Assets ²	0	0	3
Total Growth Assets	50	70	80
Australian Sovereign Bonds	0	10	20
Overseas Sovereign Bonds	0	7	20
Banking Services (net capital) ³	10	13	20
Other Cash (not included in Banking Operations)	0	0	30
Total Defensive Assets	20	30	50

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 legacy assets comprise a range of assets currently held by GAB which are being realised when the opportunity permits. By April 2011, the value of the legacy assets is expected to be less than \$50,000.
 3. The strategic asset allocation for the banking services reflects the amount of capital of the Diocesan Endowment allocated to the banking services (lending, deposit taking and treasury activities) undertaken by the Endowment.
20. Since June 2010, investments in the Australian shares, Overseas shares, Australian Sovereign bonds and Overseas Sovereign bonds asset classes have been 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.
21. 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.
22. GAB also determined to outsource the investment accounting responsibilities for the Diocesan Endowment to a third party provider. Such outsourcing was completed by the end of 2010.

Diocesan Endowment

Financial Results for 2010

23. The financial results for the Diocesan Endowment for 2010 are set out in Annual Financial Statements. Those results can be restated in the following simplified manner (with the inclusion of budget information) –

\$000s	Actual 2010	Budget 2010	Variance	Actual 2009
Income				
Income from interest	11,650	11,007	643	9,876
Net income from St Andrew's House Fund	4,559	1,807	2,752	(4,664)
Income from indirect property	131	157	(26)	(216)
Income from Australian shares	(1,812)	4,904	(6,716)	19,326
Income from Overseas shares	793	0	793	(58)
Other income	182	90	92	980
Total Income	15,503	17,965	(2,462)	25,244
Expenses				
Interest	7,216	7,287	71	6,921
Professional Fees	731	584	(147)	860
Other Expenses	4,344	4,302	(42)	6,114
Total Expenses	12,291	12,173	(118)	13,895
Net Surplus / (Deficit)	3,212	5,792	(2,580)	11,349

24. The negative variance between the actual surplus for 2010 and the budgeted surplus for 2010 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 which is reflected in the line "Income from Australian Shares". Further comment about the performance of the Australian shares asset class is made later in this report.

25. 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. Only \$100,000 of the income was cash distributed by the fund and received by the Endowment. 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 2010.

26. On the expense side, the unfavourable variance in relation to professional fees reflects, in part, additional unbudgeted fees incurred in undertaking the transition to the external investment management and investment accounting arrangements. The budget for 2011 envisages that professional fees will be significantly reduced. Significant reductions in other expenses are also expected.

27. The net assets of the Diocesan Endowment were \$109.8 million as at 31 December 2010, compared to \$110.8 million as at 31 December 2009. The balance sheet is set out in the Annual Financial Statements and can be restated in the following simplified manner –

\$000s	Actual 31 December 2010	Actual 31 December 2009
Assets		
Cash	52,741	51,405
Australian shares	26,752	47,104
Overseas shares	20,349	0
Australian bonds	10,953	18,343
Overseas bonds	4,297	0
Interest in the St Andrew's House Fund	31,629	28,475
Loans and mortgages	112,563	112,466
Other	1,084	3,087
Total Assets	260,368	260,880
Liabilities		
Provision for distribution	5,250	5,400
Glebe Income Account deposits	144,270	143,753
Other liabilities	1,030	886
Total Liabilities	150,550	150,039
Net Assets	109,818	110,841

28. The movement in the net assets of the Diocesan Endowment between 31 December 2009 and 31 December 2010 can be reconciled as follows –

	\$000s
Net Assets as at 31 December 2009	110,841
Plus capital returned from the Parish Cost Recoveries Fund in 2010	1,000
Plus additions to capital during 2010 from parish ordinances	15
Plus Surplus for 2010	3,212
Less Provision for Distribution	5,250
Net Assets as at 31 December 2010	109,818

29. As at 31 December 2010, GAB had no bank debt. An undrawn line of credit (originally \$50 million but reduced to \$15 million during 2010) remained in place to provide liquidity, if required. However, that line of credit was not drawn during 2010, and has not been drawn subsequently.

Investment performance during 2010

30. The following table sets out the strategic asset allocation (SAA) for the investments of the Diocesan Endowment adopted by GAB in June 2010, together with the actual allocation and investment value by asset class as at 30 June 2010 and 31 December 2010 –

Assets	SAA	As at 30 June 2010		As at 31 December 2010	
	%	\$000s	% weight	\$000s	% weight
Growth Assets					
Australian Shares	25	25,499	24.6	26,752	24.4
Overseas Shares – Developed	18	16,109	15.6	17,530	16.0
Overseas Shares – Emerging	2	1,784	1.7	2,820	2.6
St Andrew's House	25	27,912	27.0	31,629	28.8
Legacy Assets	0	2,307	2.2	1,032	0.9
Total Growth	70	73,611	71.1	79,763	72.6
Defensive Assets					
Australian Sovereign Bonds	10	9,682	9.4	9,953	9.1
Overseas Sovereign Bonds	7	4,320	4.1	4,297	3.9
Banking Services	13	13,806	13.3	14,070	12.8
Investment Cash	0	2,125	2.1	1,736	1.6
Total Defensive	30	29,933	28.9	30,056	27.4
Total (Net Assets)	100	103,544	100.0	109,819	100.0

31. The performance of the investments of the Diocesan Endowment during the six months ended 31 December 2010 (being the period during which the management of the Australian Shares, Overseas Shares, Australian Sovereign Bonds and Overseas Sovereign Bonds was undertaken by Mercer) and for the year ended 31 December 2010 was as follows –

Assets	6 Months ended 31 December 2010 %			Year ended 31 December 2010 %		
	Return (after fees)	Index	Variance	Return (after fees)	Index	Variance
Growth Assets						
Australian Shares	10.4	13.3	(2.9)	(1.5)	2.1	(3.6)
Overseas Shares – Developed (hedged)	20.4	20.3	0.1	see note		
Overseas Shares – Developed (unhedged)	1.3	1.8	(0.5)	see note		
Overseas Shares – Emerging (unhedged)	4.3	4.4	(0.1)	see note		
St Andrew's House	13.3	3.8	9.5	16.8	7.7	9.1
Legacy Assets	5.6	3.8	1.9	see note		
Defensive Assets						
Australian Sovereign Bonds	0.4	0.3	0.1	5.7	5.4	0.3
Overseas Sovereign Bonds (hedged)	2.0	2.0	0.0	see note		
Banking Services	8.7	7.2	1.5	14.6	15.0	(0.4)
Cash	3.0	2.3	0.8	5.7	4.4	1.3
Total Return on Net Assets vs Weighted Index	8.7	7.2	1.5	3.8	6.2	(2.4)

Note: Investments in these asset classes were first made in May and June 2010. Accordingly, 12 month performance data for those asset classes is not available.

32. 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)

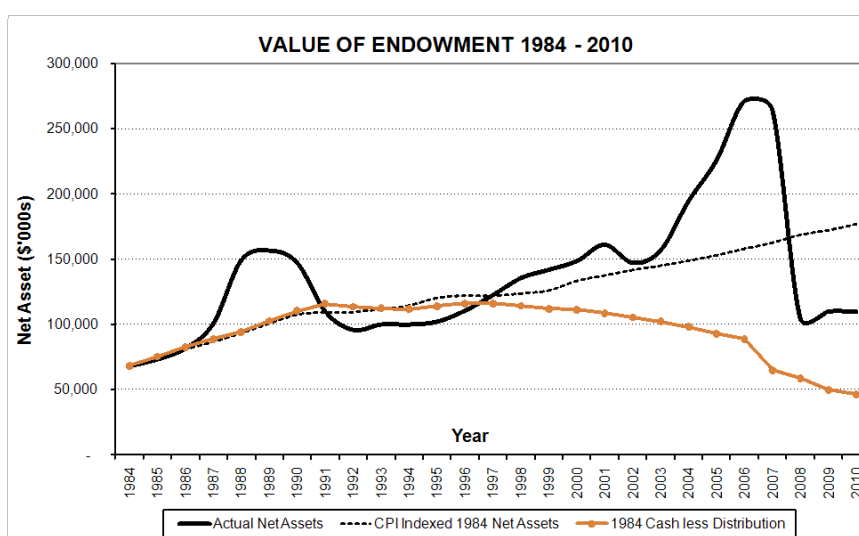
Asset Class	Index
Overseas Sovereign Bonds	JP Morgan Global Government Bond Index in \$A (Hedged)
Banking Services	Benchmark return of 15% pa
Cash	Reserve Bank of Australia cash rate

33. The following brief comments can be made about the performance of the relevant asset classes.
34. The underperformance of the Australian shares asset class compared to index is largely a stock selection issue. The investments in Australian shares are made through socially responsible funds. The underperformance of those funds compared to index has largely arisen because most socially responsible investment managers are underweight in resources stocks due to environmental concerns associated with mining. The resources sector was particularly strong during the latter months of 2010.
35. Over the 6 month period to 31 December 2010 the hedged portion of the Overseas shares – Developed asset class had returns in line with the index. The unhedged portion of the investment in this asset class was under index principally by reason of the impact of the appreciation of the Australian dollar.
36. The Emerging Markets, Australian Sovereign Bonds and Overseas Sovereign Bonds asset classes performed in line with benchmark over the 6 month period to 31 December 2010.
37. The value of the interest in the St Andrew’s House fund increased significantly, principally by reason of the revaluation of St Andrew’s House as at 31 December 2010. The revaluation reflects ongoing efforts to enhance income from the building and reduce the expenses of operating the building. In addition, during 2010, the debt of the St Andrew’s fund was reduced which also contributed to an increase in the net assets of the fund and the value of the Endowment’s interest.
38. Banking services comprises the lending, deposit taking and treasury activities undertaken by the Diocesan Endowment. For prudential purposes, a portion of the capital of the Endowment is allocated to banking services – that portion is 12.5% of the total amount of the loans made by GAB from time to time. The return on capital for the 6 months ended 31 December 2010 was significantly ahead of the index by reason of income enhancement and cost control initiatives.
39. The investment portfolio was reviewed by the asset consultant in March 2011, as part of the “annual health check” of the investment of the property of the Diocesan Endowment. As a consequence, some changes to the SAA were made to reflect the illiquid nature of the St Andrew’s House investment, and the need to hold a minimal amount of investment cash for operational purposes.

Maintenance of the real value of the Diocesan Endowment

40. 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 there from. Clause 2 was inserted into the 1930 Ordinance in 1984. Prior to that time there was no requirement in the ordinance that GAB invest with the purpose of maintaining the real value of the property of the Endowment.

41. The movement in the value of the Diocesan Endowment from 1984 to 2010 compared to the real value is illustrated on the following chart –



42. The dark line in the chart shows the movement in the actual value of the net assets of the Diocesan Endowment. In 1984, the net assets of the Endowment were about \$60 million, and, in 2010, about \$110 million. The dotted line is the value of the net assets of the Endowment in 1984, indexed each year by the changes in the Consumer Price Index. This represents the growth in the value of the Diocesan Endowment required to maintain the real value. In a year where the actual net assets exceed the value of the CPI Indexed 1984 Net Assets, the

real value of the assets has increased. Conversely, if the actual net assets are less than the CPI Indexed 1984 Net Assets, the real value of the assets has declined.

43. The light line in the chart shows the value of the net assets in 1984 indexed annually according to the average cash rate each year over the period 1984 to 2010, less the distributions made from the Diocesan Endowment each year since 1984. Further comment about what this line shows is made later in this report.

44. Up until the end of the 1980s, the property of the Diocesan Endowment was mainly invested in commercial property assets. This led to a significant increase in the real value of that property during the favourable commercial property conditions of the late 1980s. This was followed by a major reduction in value in the early 1990s. Following that experience a more diversified investment portfolio was established.

45. The extent of the increase in the real value of the property of the Diocesan Endowment during 2002 to 2007 was attributable to very favourable investment markets accentuated by a gearing strategy by which borrowed money was used to boost the overall level of investments. While the Diocesan Endowment has taken deposits for many years, the level of gearing was boosted from 2002 onwards by borrowing money from banks.

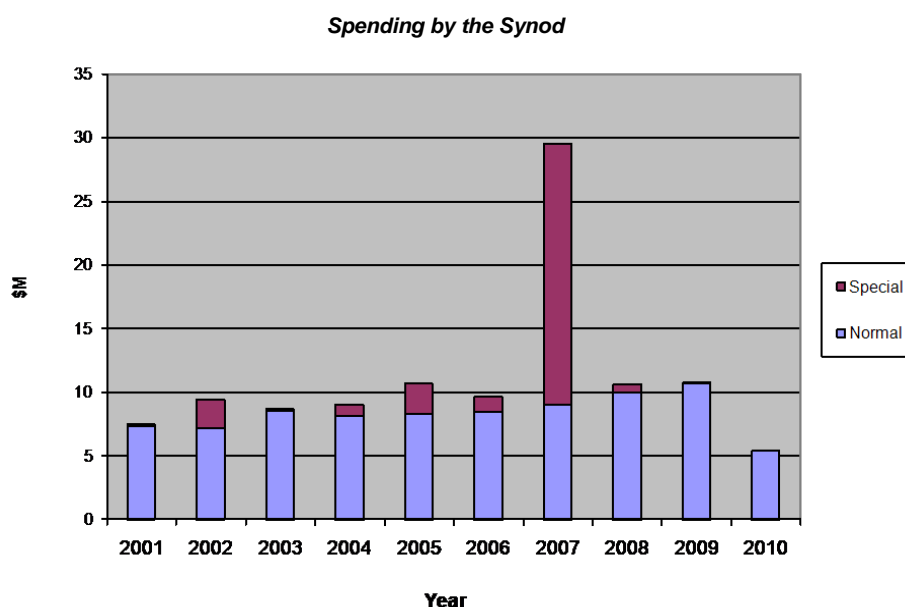
46. The reduction in the net assets in 2008 was a result of the large falls in investment markets, accentuated by the gearing in the balance sheet. The value of net assets remains significantly less than the value of the CPI indexed 1984 Net Assets.

47. It will be seen that as at 31 December 2010, the actual value of the net assets of the Endowment was significantly less than the CPI indexed 1984 Net Assets. This indicates that over the period 1984 to 2010, the real value of the net assets has not been maintained. While this is an outcome of the significant declines in the investment markets, particularly since 2007, it also reflects that distributions from the fund which have been spent by the Synod, and the costs of administering the Diocesan Endowment, have been too high.

48. The light line showing the value of the 1984 assets indexed annually by the average cash rate each year, less actual distributions paid in that year, indicates that had the assets of the Diocesan Endowment been invested in cash investments only, the net assets of the Endowment would have been less than \$50 million in 2010, given the actual distributions made between 1984 and 2009. This indicates that if the real value of the Diocesan Endowment is to be maintained, and a reasonable income earned, reasonable investment risk needs to be incurred – investing in cash investments only will not enable the real value of the Endowment to be maintained and a reasonable income earned. But the line also suggests that, historically, distributions from the fund for spending by the Synod have been too high to enable the real value of the Endowment to be maintained.

Distributions from the Diocesan Endowment

49. The following chart sets out the level of spending by the Synod from distributions paid from the Diocesan Endowment from 2001 through to 2010 –



50. In each year, the first component is the normal distribution determined by the Standing Committee. The second component are the special additional distributions approved by the Standing Committee.

51. The most notable special distribution was an amount of \$20 million allocated to the Mission Property Committee in 2007. This money has been used to fund the acquisition of land for future church construction in new growth corridors and also to assist in some construction projects on existing church sites.

52. Under the *Diocesan Endowment (Special Distribution) Ordinance 2009* the amount of the distribution to be provided for 2009 and spent by the Synod in 2010 was \$5.4 million. This is the amount reflected in the abovementioned chart for 2010. Under the same ordinance, the amount of the distribution to be provided for in

2010 for spending in 2011 is \$5.25 million. Accordingly, a provision for distribution of \$5.25 million has been created in the financial accounts of the Endowment as at 31 December 2010.

53. In August 2010 GAB reported to the Standing Committee that by reason of the performance of the investment markets during the first 6 months of 2010, the real value of the Diocesan Endowment was unlikely to be maintained during 2010. In response, the Standing Committee declined to reduce the amount of the distribution of \$5.25 million to be provided for in 2010 for spending in 2011.

54. In December 2010, GAB provided a further report to the Standing Committee about the level of distributions paid from the Diocesan Endowment and the methodology for calculating the amount of the distributions. GAB reported that it considered that the current level of distributions was too high to enable the real value of the property of the Diocesan Endowment to be maintained.

55. GAB has recommended a new methodology for calculating the amount of the distribution. Under this new methodology, the amount of the distribution to be provided for in 2011 for spending by the Synod in 2012 will be reduced to about \$3.64 million.

Expenses of administering the Diocesan Endowment

56. The outsourcing of the investment management and investment accounting functions has enabled GAB to substantially reduce the costs of administering the Diocesan Endowment. GAB aims to limit the total costs of administering the Endowment to an amount of not more than 1.1% of the net assets of the Endowment. In 2011, the costs of administering the Endowment are estimated to be \$1.15 million (being 1.05% of the net assets of the Endowment as at 31 December 2010) compared to the total cost of administering the Endowment of \$3.813 million in 2010 (being 3.75% of the net asset of the Endowment as at 31 December 2010). For these purposes, the costs of providing the banking services are not considered to be part of the costs of administering the Endowment, since the cost of banking services are taken into account when determining the return from banking services.

Conclusion

57. 2010 was an important year in reshaping the way in which the investments of the Diocesan Endowment are managed. Following a comprehensive review with the assistance of its asset consultant, GAB adopted an investment policy statement which outlined the investment objective of the Endowment, the investment risk tolerance, the nature of the asset classes in which the Endowment invests and the strategic asset allocations for those asset classes. Subsequently, the management of many of the asset classes has been outsourced, together with the investment accounting function. GAB has reviewed the distribution policy and made recommendations to the Standing Committee. The costs of administering the Diocesan Endowment have also been reviewed and are expected to be substantially reduced in 2011. GAB believes that each of these steps will better enable it to fulfil its principal objective to maintain the real value of the Endowment and provide a reasonable income therefrom.

St James' Hall

Introduction

58. GAB is also the trustee of the St James' Hall fund. The principal asset of that 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*.

59. The building is managed on behalf of GAB by Jones Lang LaSalle. The parish of St James' King Street is consulted in relation to major issues concerning the building, and receives regular reports about the management of the building.

60. The income of the fund is applied in accordance with the *St James' Phillip Street Sydney Property Ordinance 1962* although, as at 31 December 2010, a significant portion of the income earned from the fund in 2010 remained to be distributed pending the completion of a review of the 1962 Ordinance.

Financial Results

61. The financial results of the St James' Hall fund for 2010 were as follows –

\$000s	Actual 2010	Budget 2010	Variance	Actual 2009
Income				
Net Property Income	1,838	1,765	73	1,855*
Other income	15	3	12	4
Property Revaluation	4,656	-	4,656	(2,754)
Total Income	6,509	1,768	4,741	(895)
Expenses				
Fund Expenses	424	442	18	259
Net Surplus	6,085	1,326	4,759	(1,154)

* The actual result for 2009 included the recovery of sums which had previously been provided for as bad debts.

62. The income from the property revaluation is the recognition of the revaluation of the St James' Hall building as at 31 December 2010.

63. The net assets of the St James' Hall fund were \$23.413 million as at 31 December 2010, compared to \$17.512 million as at 31 December 2009. The assets and liabilities of the fund were –

\$000s	Actual 31 December 2010	Actual 31 December 2009
Assets		
Cash	837	157
Receivables	145	47
Property	26,300	21,250
Other	9	22
Total Assets	27,291	21,476
Liabilities		
Payables	78	40
Loans	3,800	3,924
Total Liabilities	3,878	3,964
Net Assets	23,413	17,512

64. The increase in cash reflects in large part cash which has been retained from income earned in 2010, and which remained to be distributed as at 31 December 2010 because the necessary distribution ordinance had not been passed.

Distributions from the Fund

65. 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 intention of the ordinance was to ensure that distributions from the income of the building were 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.

Major Capital Expenditure

66. In March 2010 a major project to refurbish all the toilets in the building was completed.

Renegotiation of Lease Terms

67. A number of the leases of premises in the building expire during the period 2011-2013. GAB commenced the negotiation of new leases with the existing tenants during 2010.

MARK PAYNE
Chief Executive Officer

11 April 2011

Glebe Administration Board as trustee for the Diocesan Endowment Annual Financial Report for 2010

Report by the Chief Executive Officer

For the year ended 31 December 2010

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 2010

In 2010 the DE recorded a surplus on a consolidated basis of \$3,211,713 (2009 surplus \$11,349,109).

The result for 2010 was unfavourably affected by the subdued performance of the Australian shares market, 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 2010.

Overall, the value of the net assets of the DE declined to \$109,818,486 as at 31 December 2010 (\$110,840,546 as at 31 December 2009). The amount provided in 2010 for distribution in 2011 of \$5,250,000 was a significant factor in the decline in the net asset value.

Significant events during 2010

Investment management

At the end of 2009, GAB appointed Mercer Australia Pty Limited as its asset consultant to provide advice about the investment of the property of the DE. Subsequently, with the assistance of Mercer, GAB reviewed the investment objectives of the DE, the nature of the asset classes in which the DE invests, the strategic asset allocations and ranges for those asset classes, and the investment policies relevant to the DE. An Investment Policy Statement was prepared. A copy of this Statement can be found on GAB's web page. It is reviewed periodically.

Subsequently, GAB determined to outsource the management of the investment funds (being the property of the DE other than its interest in the St Andrew's House fund, its loan assets, cash and short term deposits and certain "legacy" assets) to Mercer Investment Nominees Pty Limited, by way of investment in multi-manager funds operated by Mercer.

Formerly, the management of those funds had been overseen by staff of Sydney Diocesan Secretariat.

The transition to the new arrangements for the management of the investment funds was completed in June 2010.

GAB considers that these new arrangements are in the best interest of the DE for the following reasons –

- the arrangements involve the provision of strategic advice by Mercer, including an annual "health" check of the portfolio,
- Mercer has significant experience in selecting, monitoring and reviewing investment managers,
- the style of the investment management is expected to provide an enhanced return over the long term, and
- the overall costs of managing the DE will be significantly reduced.

Investment risk

During 2010, GAB reviewed the methodologies by which risk associated with the investment of the property of the DE is assessed. Key methodologies to assess and manage risk include the Value at Risk methodology, and scenario testing.

Investment accounting

GAB determined to outsource the investment accounting for the DE to a professional external service provider and this decision had been implemented by the end of the year.

Banking operations

During 2010, GAB also undertook a strategic review of the banking operations of the DE. These operations 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. GAB confirmed that the strategic reasons for undertaking the banking operations are –

- the banking operations, treated as an asset class, brings greater diversification to the investments of the portfolio of the DE, and
- there is relatively less volatility in the returns from the banking operations compared to other asset classes, and
- the banking operations provide a valued service to parishes and diocesan organisations, through the provision of the Glebe Income Accounts, and the availability of loans.

The policies for the making of loans and the investment of cash were reviewed.

The bank standby facility of \$15 million, which provides additional liquidity support to the banking operations, was renewed for further term of 2 years.

Distributions

GAB considers that the level of distributions provided or paid from the property of DE in recent years is too high to enable GAB to fulfil the primary object of maintaining the real value of the property of the DE. In August 2010, GAB reported to the Standing Committee of the Synod that the real value of the property of the DE was unlikely to be maintained during 2010. However, the Standing Committee declined to reduce the amount of the distribution of \$5,250,000 to be provided in 2010 for the purposes of spending by the Synod.

In December 2010, GAB provided a full report to the Standing Committee about the level of distributions from the DE and recommended a new methodology for determining an appropriate level of distributions. This methodology recognises that there are 3 distinct activities of the DE (investments, banking operations and the investment in the St Andrew's House fund), and that different principles should apply to determining distributions attributable to each of those activities if the principal objective of the maintenance of the real value of the property of the DE is to be maintained. The application of this new methodology in 2011 will result in a substantial reduction in the level of the distribution to be provided for in that year, compared to the amount of the distribution provided for in 2010.

Costs

In the later months of 2010 GAB reviewed the costs of managing the investments of the DE, and managing the affairs of the DE more generally. It is expected that those costs will be significantly reduced in 2011, compared to 2010.

The reduction in the amount of the distribution to be provided for, and the costs of managing the DE, are expected to have a significant impact on the ability of GAB to maintain the real value of the DE in 2011.

Governance

In 2009 an external consultant undertook an independent assessment of the governance practices of GAB. While this review was prompted by the investment losses incurred in the DE in 2008, the scope of the review was not intended to address or explain the causes of those losses. The consultant provided a comprehensive report and made a number of recommendations. The implementation of those recommendations commenced in late 2009, and continued during 2010.

In March 2010, GAB provided an interim report to the Standing Committee about the progress of the implementation of those recommendations. A copy of that report was circulated to members of the Synod. A further report about the implementation of the recommendations was provided to the Synod in October 2010.

Conclusion

2010 was a year of review and restructure in relation to the activities of the DE, the distributions provided from the DE and the costs of managing the DE. The purpose of such review and restructure is to better ensure that GAB is able to fulfil its principal object in relation to the DE, namely to maintain the real value of the property of the DE and provided a reasonable income there from.

MARK PAYNE
Chief Executive Officer

30 March 2011

Statutory Report of the members of the Glebe Administration Board as trustee for the Diocesan Endowment

For the year ended 31 December 2010

In accordance with a resolution of the Board, the members of the Glebe Administration Board submit herewith the financial reports as at 31 December 2010 –

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. The Glebe Administration Board as trustee for the Diocesan Endowment will be 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, domiciled in Australia. Its registered office and principal place of business is –

Glebe Administration Board
Level 2, St Andrew's House
Sydney Square NSW 2000

Principal activities

The object of the 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 Andrew's House, is a surplus of \$3,211,713 (2009: \$11,349,109 surplus).

Distributions

Dividends are not paid by the Board, but the Board has made distributions of \$5,400,000 (2009: \$10,770,925) from the provision for distribution account.

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 three 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 2010.

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 42

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 7 December 2009.

Bishop Robert Forsyth, age 61

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 and a member of the St Andrew's Cathedral Chapter. First appointed to the Board in May 2000.

Mr Ben Koo, BCom, BEc, age 34

Mr Koo is a Bank Analyst with Goldman Sachs JBWere, with 2 years experience in Corporate Restructuring, 2 years experience in Corporate Finance and the last 9 years as a research analyst. He attends Narrabeen Anglican Church. Previously he was a warden at the Anglican Church at Annandale. Appointed to the Board 7 December 2009.

Mr Andrew McLoughlin, BBus, CPA, MTax, age 48

Mr McLoughlin is Deputy Inspector-General of Taxation, with over 21 years in banking, financial services and taxation. He has held executive level positions. He attends East Lindfield Anglican Church. Appointed to the Board 7 December 2009.

Mr Ian Miller BA, LLM, ThL, GAICD, age 58

Mr Miller is a partner in Hunt and Hunt Lawyers with over 33 years legal experience. He is a Director of Hope Healthcare, Hammond Care, Church Missionary Society Trust 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 Standing Committee, Board of Enquiry, Sydney Diocesan Representative on General Synod and Provincial Synod and serves on the Ordinance Review panel of the Standing Committee and Parish Relationships Ordinance panel. He attends Beecroft Anglican Church. First appointed to the Board in August 1999

Mr John Pascoe, FCA, BEc, age 50

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, Finance and Loans Board and the Mission Board Strategy Committee. He and his family are partners in the ministry at St Andrews Cathedral. Appointed to the Board 7 December 2009.

Dr Laurie Scandrett, ME, PhD, MAICD, SAFin, AAIM, JP, (Deputy Chairman), age 54

Dr Scandrett is the CEO of Sydney Anglican Schools Corporation. He is a member of the Standing Committee and St Andrew's House Corporation and is a Diocesan Representative on General Synod and Provincial Synod. He and his family attend St Matthias Anglican Church Centennial Park. First appointed to the Board in November 1990. Appointed Chairman of ALCO on 16 December 2009.

Mr Ross Smith, MAppinFin, BEc, age 44

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 Caringbah Anglican Church. Appointed to the Board on 6 December 2010.

Non Director Committee members**Mr Michael Monaghan, BA (Actuarial Studies), FAICD, FIAA, age 56**

Mr Monaghan was appointed by the Board to ALCO on 26 March 2008. He has extensive experience in investment management and is a partner of Deloitte Actuaries and Consultants. Former CEO Deutsche Asset Management Australia and CEO of Intech Investment Consultants. Mr Monaghan attends Lindfield Anglican Church. Resigned on 31 December 2010.

Mr Peter Berkley BEc, LLB, MAICD, age 47

Mr Berkley was appointed by the Board to ALCO on 9 November 2009. He is Managing Director of Chronomos Advisers and has extensive experience in finance and investment. Mr Berkley is a parish councillor at St Ives Anglican Church and a Synod representative.

Mr Steve McKerihan B Com (Hons), CPA, MBA, age 54

Mr McKerihan was appointed Chief Executive Officer in July 2007. He is the former CFO of St George Bank, and has 30 years experience in banking. He is not a Board member. He is a member of the Standing Committee and the Mission Board. He attends Caringbah Anglican Church. Resigned on 28 April 2010.

Secretary**Mr John Chapman, B Com, FCPA, GradDipACG, age 62**

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 2010	Members Meetings		Committee Meetings			
			ALCO		Audit and Risk	
	A	B	A	B	A	B
Non Executive members						
B Ballantine-Jones	11 c	9 c				
M Ballantyne	11	8	11	7		
P Berkley			11	9		
R Forsyth	11	9			4	2
B Koo	11	10	11	10		
A McLoughlin	11	11	11	8	4	3
I Miller	11	6				
M Monaghan #			11	11		
J Pascoe	11	10			4 c	4 c

Year Ended 31 December 2010	Members Meetings		Committee Meetings			
			ALCO		Audit and Risk	
	A	B	A	B	A	B
L Scandrett	11	11	11 c	10 c		
R Smith*	1	1	1	1		
Executive members						
S McKerihan			5	1		

- A = meetings eligible to attend # = Mr Monaghan resigned as at 31 December 2010
 B = meetings attended * = Mr Smith was appointed 6 December 2010
 c = Chairman ■ = not a committee member

Continuation in office of Members

Bishop R Forsyth and Mr I Miller were re-elected by the Standing Committee in December 2010 for a further term of three years. The position regarding Dr L Scandrett is that a successor was not elected, so in accordance with clause 2(2) of Sydney Diocesan Secretariat Ordinance 1973, he remains a member until a successor is appointed.

Board Delegation

The Board has delegated to the CEO, and through the CEO to other senior executives, responsibility for the everyday management of the business. The scope of and limitations to that delegated authority is documented.

Board Committees

The Board had two Committees that operated during the year, namely:

- Asset and Liability Committee (ALCO)
- Audit and Risk Committee

The Committees, as they operated in the year 2010, had the following responsibilities as delegated by the Board:

ALCO

The function of the Committee is to assist the Board in achieving the objectives set forth in the Glebe Administration Ordinance 1930 with respect to the Diocesan Endowment and the business plans as adopted by the Board. The Committee is expected to assist the Board by making appropriate recommendations with respect to reviewing investment policies, strategies, transactions and performance; credit and market risk policies, procedures and reporting; and balance sheet management policies, procedures and reporting. The Committee has oversight for the design, approval and evaluation of the investment strategies, policies and other business initiatives of the Board.

Audit and Risk Committee

The functions of the 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. In relation to risk the function of the Committee is to ensure there are appropriate processes for identifying, assessing and responding to risks and evaluating the effectiveness of the risk management framework.

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 \$8,192 (2009: \$7,248) 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 subsequent to the end of the year

No matter or circumstance has arisen since 31 December 2010 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.

Auditors' 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

30 March 2011

L A Scandrett
Member

30 March 2011

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 2010, 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 as trustee for the Diocesan Endowment and the entities it controlled during the period.

K Stubbins
Partner
PricewaterhouseCoopers

Sydney
31 March 2011

Liability limited by a scheme approved under Professional Standards Legislation.

Corporate Governance Statement for the year ended 31 December 2010

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 was involved in corporate governance practices during the year through the continuation of its various committees and through its internal control framework and delegation authorities.

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 various committees.

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 dealing with conflicts of interest.

Corporate policies

The Sydney Diocesan Secretariat has issued policies on the following subjects in order to provide guidance for staff on proper governance and management of the organisation –

- Developing and approving governance documentation
- Commercially significant contracts
- Managing conflicts of interest
- Sensitive external communications
- Obtaining external legal advice
- Privacy
- Data management
- Email usage
- Information technology security

Five year financial summary – consolidated

\$'000 (unless otherwise indicated)	2006	2007	2008	2009	2010
Consolidated income statement for the year ended 31 December					
Investment income/(loss)	96,462	55,682	(149,183)	32,747	15,831
Borrowing costs	(16,555)	(18,996)	(18,442)	(6,921)	(7,216)
(Surplus)/deficit attributable to minority interests	(13,407)	(6,002)	17,326	(8,145)	(277)
Net investment income/(loss)	66,500	30,684	(150,299)	17,681	8,338
Fee and other income	3,582	1,634	751	649	45
Net operating income/(loss)	70,082	32,318	(149,548)	18,330	8,383
Operating expenses	(12,377)	(9,558)	(10,480)	(6,981)	(5,171)
Total income/(loss) and expense before tax	57,705	22,760	(160,028)	11,349	3,212
Income tax expense	-	-	-	-	-
Total income/(loss) and expense after tax	57,705	22,760	(160,028)	11,349	3,212
Distributions provided for	11,109	29,921	10,913	5,439	5,250
Consolidated balance sheet as at 31 December					
Investments, loans and mortgages	582,204	583,993	240,067	234,773	245,925
Cash and other assets	76,503	50,515	70,266	55,142	54,581
Total assets	658,707	634,508	310,333	289,915	300,506
Payables	41,383	2,988	1,447	1,798	1,217
Interest bearing liabilities	274,822	295,487	168,486	143,752	144,270
Other liabilities	21,671	22,887	11,605	6,191	5,402
Share of net assets attributable to minority interest	48,421	47,943	23,881	27,333	39,799
Total liabilities	386,297	369,305	205,419	179,074	190,688
Net assets	272,410	265,203	104,914	110,841	109,818
Ratios					
Total liabilities to net assets (%)	141.8%	139.3%	195.8%	161.6%	173.6%
Investment income/(loss) on average investment assets (%)	16.2%	9.5%	(36.2)%	13.8%	6.6%
Surplus/((deficit) after income tax on net assets (%)	21.2%	8.6%	(152.5)%	10.2%	2.9%
Operating expense to net operating income/(loss) (%)	17.7%	29.6%	(7.0)%	38.1%	61.7%
Operating expenses less fee income to total assets (%)	1.3%	1.2%	3.1%	2.2%	1.7%

a) 2007 includes a special distribution of \$20,000,000 to Anglican Church Property Trust Mission Property Fund.

b) Distribution provided

Less write-back of provision for distribution

Net provision per accounts

10,913

(10,632)

281

As a result of the change in the Ordinance governing the distribution to Synod, the provision for 2008 and 2010 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 2010

	Notes	Consolidated		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenue from continuing operations	4	11,317,452	38,059,344	16,092,393	23,308,266
Share of net profit/ (loss) of St Andrew's House Corporation (SAHC) accounted for using the equity method	14	4,559,319	(4,663,884)	-	-
Borrowing costs	5(a)	(7,216,451)	(6,920,934)	(7,344,274)	(6,924,689)
(Surplus) attributable to non-controlling interests		(277,174)	(8,144,838)	-	-
Other expenses	5(b)	(5,171,433)	(6,980,579)	(4,827,993)	(5,631,180)
Surplus from continuing operations before income tax		3,211,713	11,349,109	3,920,126	10,752,397
Income tax expense	6	-	-	-	-
Surplus from continuing operations after income tax		3,211,713	11,349,109	3,920,126	10,752,397
Other comprehensive income		-	-	-	-
Income tax relating to other comprehensive income		-	-	-	-
Other comprehensive income after tax		-	-	-	-
Total comprehensive income		3,211,713	11,349,109	3,920,126	10,752,397

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

Statements of financial position as at 31 December 2010

	Notes	Consolidated		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	7	52,985,538	53,285,656	52,259,316	50,863,761
Receivables	8	1,595,881	1,856,782	1,051,617	2,994,872
Loans and mortgages	9	18,426,057	3,326,612	18,426,057	3,326,612
Other financial assets at fair value through profit or loss	11	101,732,393	95,136,358	35,631,083	19,496,663
Investments in controlled entities	12	-	-	26,752,298	45,173,719
Total current assets		174,739,869	153,605,408	134,120,371	121,855,627
Non-current assets					
Loans and mortgages	10	94,137,317	109,139,430	96,637,317	113,536,471
Investments in controlled entities	13	-	-	456,000	-
Investment in St Andrew's House	14	31,629,318	27,169,999	31,629,318	27,169,999
Total non-current assets		125,766,635	136,309,429	128,722,635	140,706,470
Total assets		300,506,504	289,914,837	262,843,006	262,562,097
Current liabilities					
Payables	15	1,217,517	1,797,684	899,657	707,667
Interest bearing liabilities	16	141,010,857	138,537,593	143,616,334	141,107,485
Provisions	18	5,401,962	6,190,791	5,250,000	5,400,000
Non-controlling interests		39,798,769	27,333,027	-	-
Total current liabilities		187,429,105	173,859,095	149,765,991	147,215,152
Non-current liabilities					
Interest bearing liabilities	17	3,258,913	5,215,196	3,258,913	5,215,196
Total non-current liabilities		3,258,913	5,215,196	3,258,913	5,215,196
Total liabilities		190,688,018	179,074,291	153,024,904	152,430,348
Net assets		109,818,486	110,840,546	109,818,102	110,131,749
EQUITY					
Capital	19	34,678,160	33,661,933	34,678,160	33,661,933
Reserves	20	1,130,390	103,629	-	-
Accumulated surplus	21	74,009,936	77,074,984	75,139,942	76,469,816
Total equity		109,818,486	110,840,546	109,818,102	110,131,749

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 2010

Consolidated	Notes	Capital \$	Reserves \$	Accumulated surplus \$	Total \$
Balance 1 January 2009		33,645,407	-	71,268,706	104,914,113
Total comprehensive income		-		11,349,109	11,349,109
Share of SAHC's movement in maintenance reserve	20	-	103,629	(103,629)	-
Provision for distribution during the year	18	-	-	(5,439,202)	(5,439,202)
Gifts received	19	16,526	-	-	16,526
Balance 31 December 2009		33,661,933	103,629	77,074,984	110,840,546
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		1,000,000	-	-	1,000,000
Gifts received	19	16,227	-	-	16,227
Balance 31 December 2010		34,678,160	1,130,390	74,009,936	109,818,486

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 2010

Parent entity	Notes	Capital \$	Reserves \$	Accumulated surplus \$	Total \$
Balance 1 January 2009		33,645,407	-	71,156,621	104,802,028
Total comprehensive income		-	-	10,752,397	10,752,397
Provision for distribution during the year	18	-	-	(5,439,202)	(5,439,202)
Gifts received	19	16,526	-	-	16,526
Balance 31 December 2009		33,661,933	-	76,469,816	110,131,749
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		1,000,000	-	-	1,000,000
Gifts received	19	16,227	-	-	16,227
Balance 31 December 2010		34,678,160	-	75,139,942	109,818,102

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 2010

	Notes	Consolidated		Parent Entity	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash flows from operating activities					
Management and service fees		48,337	654,245	44,608	647,311
Interest received		11,112,109	9,419,235	11,077,659	8,409,594
Dividends and distributions		2,572,821	7,616,194	1,483,621	4,130,580
Other revenue		458,584	414,277	379,667	277,404
Finance costs		(2,147,662)	(2,926,795)	(2,275,485)	(2,930,550)
Payments to suppliers		(5,267,736)	(6,978,772)	(4,821,333)	(5,636,908)
Net cash inflow from operating activities	23	6,776,453	8,198,384	5,888,737	4,897,431
Cash flows from investing activities					
Proceeds from sale of investments		117,300,438	80,165,888	65,048,167	24,485,999
Payments for investments		(111,620,727)	(70,305,796)	(62,806,311)	(17,272,647)
Net decrease/(increase) in loans provided		(97,332)	10,848,368	1,799,709	9,168,588
Net cash inflow from investing activities		5,582,379	20,708,460	4,041,565	16,381,940
Cash flows from financing activities					
Distributions to Synod		(5,400,000)	(10,630,000)	(5,400,000)	(10,630,000)
Distributions to other Anglican organisations		-	(140,925)	-	(140,925)
Return of funds from Parish Cost Recoveries		1,000,000	-	1,000,000	-
Distributions to minority interests		(339,293)	(1,261,181)	-	-
Repayments of borrowings		-	(14,000,000)	-	(14,000,000)
Net (decrease) in Glebe Income Accounts		(4,186,559)	(15,239,125)	(4,150,974)	(12,674,374)
Gifts received		16,227	16,526	16,227	16,526
Units issued to minority interests		23,674,852	2,210,755	-	-
Redemptions paid to minority interests		(27,424,177)	(5,724,863)	-	-
Net cash (outflow) from financing activities		(12,658,950)	(44,768,813)	(8,534,747)	(37,428,773)
Net (decrease)/increase in cash held		(300,118)	(15,861,969)	1,395,555	(16,149,402)
Cash and cash equivalents at the beginning of the year		53,285,656	69,147,625	50,863,761	67,013,163
Cash and cash equivalents at the end of the year	7	52,985,538	53,285,656	52,259,316	50,863,761

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 2010

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 aspects 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.

At 31 December 2010 the parent entity and consolidated group had an excess of current liabilities over current assets. 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 \$141,010,857 (2009:\$ 138,537,593) 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 26 June 2011.

Management have undertaken a number of activities in response to the expiry of the exemption. These include:

- maintaining contact with APRA seeking guidance and assurance in relation to the renewal of the class order exemption.
- raising awareness of the expiry of the class order exemption with other Diocese through the General Synod office and Diocesan Registrars network.
- scenario planning a possible regulation model should APRA decide to impose some regulation.
- meeting with a range of other religious denominations to discuss the exemption.

APRA has advised that it has commenced work on how the Banking Act will apply in future to religious charitable development funds' such as the GIA product.

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 2010 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

- (ii) *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 has no intention to adopt these standards and interpretation early.

- (iii) *AASB 2010-4 Further Amendments to Australian Accounting Standards arising from Annual Improvements Project* (Applicable 1 January 2011)

The objective of this Standard is to make amendments to:

- AASB 1 First-time Adoption of Australian Accounting Standards*
- AASB 7 Financial Instruments: Disclosures*
- AASB 101 Presentation of Financial Statements*
- AASB 134 Interim Financial Reporting*
- Interpretation 13 Customer Loyalty Programmes*

Early adoption is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2011. They are not expected to have any significant impact on the group's disclosures.

- (iv) *AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on the group's disclosures.

The group has no intention to adopt these standards and interpretations early.

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 2010 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. They are deconsolidated from the date that control ceases. 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.

(c) Investment in St Andrew's House Corporation

Glebe Administration Board as trustee for The Diocesan Endowment has a 50% beneficial interest in St Andrew's House Corporation (SAHC), of which the principal activities are to manage and control 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)".

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 Corporation 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 SAHC at fair value, measured as 50% of the Corporation'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 Corporation 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 arise 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.

(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.

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(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 \$5,250,000 for 2011. Due to the exceptional decline in net assets in 2008 the basis of calculating the distributions is currently being reviewed. A proposal for providing \$3,500,000 in 2011 for distribution in 2012 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.

Prime responsibility for financial risk management is with the Board Asset Liability Committee (ALCO) under policies approved by the Glebe Administration Board. ALCO identifies, evaluates and mitigates financial risks. ALCO provides written principles for overall financial risk management, as well as written policies and limits covering specific areas, such as financial instruments and non-derivative financial instruments, credit risk and investment of excess liquidity. Other risk management is carried out by the Board Risk & Compliance Committee.

The Group and the parent entity hold the following financial instruments –

	Consolidated		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
Financial assets				
Cash and cash equivalents	52,985,538	53,285,656	52,259,316	50,863,761
Loans and mortgages	112,563,374	112,466,042	115,063,374	116,863,083
Receivables	1,595,881	1,856,782	1,051,617	2,994,872
Equity investments	86,450,833	75,488,425	20,349,523	-
Property related investments	31,476	1,304,878	31,476	1,304,878
Interest related investments	15,250,084	18,343,055	15,250,084	18,191,785
Investments in controlled entities	-	-	27,208,298	45,173,719
	<u>268,877,186</u>	<u>262,744,838</u>	<u>231,213,688</u>	<u>235,392,098</u>
Financial liabilities				
Payables	1,217,517	1,797,684	899,657	707,667
Interest bearing liabilities and loans	144,269,770	143,752,789	146,875,247	146,322,681
Provision for income distribution	5,401,962	6,190,791	5,250,000	5,400,000
Share of net assets attributable to minority interests	39,798,769	27,333,027	-	-
	<u>190,688,018</u>	<u>179,074,291</u>	<u>153,024,904</u>	<u>152,430,348</u>
Net financial assets	<u>78,189,168</u>	<u>83,670,547</u>	<u>78,188,784</u>	<u>82,961,750</u>

(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 a 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% (2009: +/- 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	
	2010 +/- \$	2009 +/- \$	2010 +/- \$	2009 +/- \$
Australian equities - ASX	2,675,230	4,695,979	2,675,230	4,695,979
Foreign equities	2,034,952	-	2,034,952	-
	<u>4,710,182</u>	<u>4,695,979</u>	<u>4,710,182</u>	<u>4,695,979</u>
Parent Entity				
Index	Impact on surplus/(deficit)		Impact on equity	
	2010 +/- \$	2009 +/- \$	2010 +/- \$	2009 +/- \$
Australian equities - ASX	2,675,230	4,517,372	2,675,230	4,517,372
Foreign equities	2,034,952	-	2,034,952	-
	<u>4,710,182</u>	<u>4,517,372</u>	<u>4,710,182</u>	<u>4,517,372</u>

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) *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 and 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:

Index	2010		2009	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	5.70	52,985,538	4.54	53,285,656
Loans and mortgages	6.51	112,563,374	5.64	112,466,042
Interest related investments	5.70	15,250,084	4.73	18,343,055
Interest bearing liabilities	4.55	(144,269,770)	4.03	(143,752,789)
Net exposure to cash flow interest rate risk		<u>36,529,226</u>		<u>40,341,964</u>

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 2010, 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 \$365,292 lower/higher (2009 – change of 100 bps: \$403,420 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

Parent entity interest rate sensitivity

At 31 December 2010, 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 \$356,975 lower/higher (2009 – change of 100 bps: \$395,959 lower/higher), mainly as a result of lower/ higher interest expense on interest bearing liabilities.

(a) 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-2 are accepted. For investments in Corporate Paper only issuers with a minimum rating of Standard and Poors A-2 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 2010 there are no receivables, mortgages and loans that are impaired or past due but not impaired except a loan of \$969,644 to Marion McDowell Pty Limited. No provision for impairment of this loan is required as there is sufficient collateral held to recover the full value of the loan.

Majority of loans to diocesan organisations including Anglican Church Property Trust as trustee for parishes and Endowment of the See are unsecured with appropriate negative pledge provisions incorporated into the loan documentation. Total consolidated collateral held against mortgages and loans is \$200,000,000 (2009: \$198,470,000). Collateral held by the parent entity is \$200,000,000 (2009: \$198,470,000).

	Consolidated		Parent entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Receivables				
Not rated	1,595,881	1,856,782	1,051,617	2,994,872
Cash and cash equivalents				
Not rated - no defaults in the past. Includes Sydney Diocesan Secretariat current account. Standard and Poores A-2 rating or better	970,992	1,425,136	489,123	883,529
	52,014,546	51,860,520	51,770,193	49,980,232
	52,985,538	53,285,656	52,259,316	50,863,761
Loan and mortgages				
Not rated	112,563,374	112,466,042	115,063,374	116,863,083

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.

(b) 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 cashflows.

Group 31 December 2010	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
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
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
	173,951,828	15,999,084	3,043,712	526,242	-	193,520,866	190,688,018

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Group	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
31 December 2009	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
Non-interest bearing	1,797,684	-	-	-	-	1,797,684	1,797,684
Provisions	3,290,791	2,900,000	-	-	-	6,190,791	6,190,791
Variable rate	101,190,397	-	-	-	-	101,190,397	101,190,397
Fixed rate	30,419,821	7,485,551	3,368,448	2,441,398	-	43,715,218	42,562,392
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
Share of net assets attributable to minority interests	27,333,027	-	-	-	-	27,333,027	27,333,027
	<u>165,231,720</u>	<u>10,385,551</u>	<u>3,368,448</u>	<u>2,441,398</u>	<u>-</u>	<u>181,427,117</u>	<u>179,074,291</u>
Parent entity							
31 December 2010	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
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
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	-
	<u>136,288,714</u>	<u>15,999,084</u>	<u>3,043,712</u>	<u>526,242</u>	<u>-</u>	<u>155,857,752</u>	<u>153,024,904</u>
Parent entity							
31 December 2009	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
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
Non-interest bearing	707,667	-	-	-	-	707,667	707,667
Provisions	2,500,000	2,900,000	-	-	-	5,400,000	5,400,000
Variable rate	103,760,307	-	-	-	-	103,760,307	103,760,289
Fixed rate	30,419,821	7,485,551	3,368,448	2,441,398	-	43,715,218	42,562,392
Bank guarantee	1,200,000	-	-	-	-	1,200,000	-
	<u>138,587,795</u>	<u>10,385,551</u>	<u>3,368,448</u>	<u>2,441,398</u>	<u>-</u>	<u>154,783,192</u>	<u>152,430,348</u>

(c) 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 2010:

Group 31 December 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
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
Parent				
31 December 2010	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
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
Group				
31 December 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit and loss				
Listed equities	75,488,425	-	-	75,488,425
Unlisted property	-	-	1,304,878	1,304,878
Unlisted interest investment	-	18,343,055	-	18,343,055
	75,488,425	18,343,055	1,304,878	95,136,358
Parent				
31 December 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through profit and loss				
Unlisted property	-	-	1,304,878	1,304,878
Unlisted interest investment	-	18,191,785	-	18,191,785
Investment in controlled entities carried at fair value	-	45,173,719	-	45,173,719
Investment in St Andrew's House carried at fair value	-	-	27,169,999	27,169,999
	-	63,365,504	28,474,877	91,840,381

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.

Group		Other \$	Total \$
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
Parent	SAHC	Other	Total
	\$	\$	\$
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
Group		Other	Total
		\$	\$
Balance 1 January 2009		10,424,301	10,424,301
Proceeds from sale		(8,344,284)	(8,344,284)
Net realised and unrealised loss - included in total of \$779,440 in note 4		(775,139)	(775,139)
Balance 31 December 2009		1,304,878	1,304,878
Parent	SAHC	Other	Total
	\$	\$	\$
Balance 1 January 2009	33,407,721	10,424,308	43,832,029
Proceeds from sale	-	(8,344,284)	(8,344,284)
Revaluation of beneficial interest in SAHC	(6,237,722)	-	(6,237,722)
Net realised and unrealised loss - note 4	-	(775,146)	(775,146)
Balance 31 December 2009	27,169,999	1,304,878	28,474,877

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Revenue/(loss) from continuing operations				
Property related investments:				
St. Andrew's House Corporation distribution	-	-	100,000	1,573,838
Distributions from other property trusts	66,811	563,864	66,811	537,542
Revaluation of beneficial interest in SAHC	-	-	4,459,319	(6,237,722)
Net realised and unrealised gains and (losses)	64,549	(779,440)	64,549	(775,146)
Income/(loss) from property related investments	131,360	(215,576)	4,690,679	(4,901,488)
Interest related investments:				
Interest and distributions	4,078,698	2,848,740	4,068,783	2,807,295
Net realised and unrealised gains and (losses)	(58,800)	(254,051)	(67,744)	(251,935)
Income from interest related investments	4,019,898	2,594,689	4,001,039	2,555,360
Income from loans and mortgages	7,635,165	7,280,988	7,635,165	6,251,962
Equity related investments:				
Dividends and distributions	3,229,130	5,863,581	1,725,109	4,611,272
Net realised and unrealised gains and (losses)	(3,743,133)	21,943,817	(2,004,207)	14,201,317
Income/(loss) from equity related investments	(514,003)	27,807,398	(279,098)	18,812,589
Other investments				
Net realised and unrealised gains and (losses)	-	(57,498)	-	(57,498)
Income/(loss) from other investments	-	(57,498)	-	(57,498)
Total investment income/(loss)	11,272,420	37,410,001	16,047,785	22,660,925
Fee income:				
Fund administration fees	45,032	12,828	44,608	10,826
Property management fees	-	636,515	-	636,515
Total fee income	45,032	649,343	44,608	647,341
Total revenue/(loss) from continuing operations	11,317,452	38,059,344	16,092,393	23,308,266

Dividends and distributions include franking credits of \$406,887 (2009: \$2,420,075).

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Borrowing costs				
Interest on Glebe Income Accounts - Churches, Anglican organisations and other Christian organisations	3,985,762	3,545,754	4,113,585	3,549,509
Interest on other Glebe Income Accounts	2,592,282	2,545,612	2,592,282	2,545,612
Interest on bank loans	440,076	712,899	440,076	712,899
Amortisation of deferred borrowing costs	198,331	116,669	198,331	116,669
	<u>7,216,451</u>	<u>6,920,934</u>	<u>7,344,274</u>	<u>6,924,689</u>

(b) Other expenses

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Management fees from Sydney Diocesan Secretariat	3,855,600	5,684,520	3,659,100	4,918,632
Subsidy to Glebe Asset Management Limited	-	-	264,000	-
Professional fees	827,369	866,071	458,004	378,718
Office operating expenses	322,415	310,375	322,415	310,375
Insurance	157,561	115,584	115,991	23,275
Marketing expenses	6,868	3,824	6,868	-
Other expenses	1,620	205	1,615	180
	<u>5,171,433</u>	<u>6,980,579</u>	<u>4,827,993</u>	<u>5,631,180</u>

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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Surplus from continuing operations before income tax	3,211,713	11,349,109	3,920,126	10,752,397
Less surplus from non assessable entities	2,311,100	10,753,346	3,920,126	10,752,397
Surplus from continuing operations before income tax	<u>900,613</u>	<u>595,763</u>	<u>-</u>	<u>-</u>
Income tax (expense) calculated at 30%	(270,184)	(178,729)	-	-
Permanent differences	18,273	14,777	-	-
Movement of temporary differences not brought to account	233,210	363,656	-	-
Tax losses not brought to account	18,701	(199,704)	-	-
Current tax	-	-	-	-
Income tax expense comprises				
Tax payable - current year	-	-	-	-
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The directors estimate that the potential future income tax benefit at 31 December 2010 in respect of tax losses not brought to account is \$474,955 (2009: \$493,656).

The benefit for tax losses will only be obtained if:

- 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
- the consolidated entity continues to comply with the conditions for tax deductibility imposed by tax legislation, and
- 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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Current				
Cash at bank	769,851	2,958,841	43,629	536,946
Deposits at call	3,380,386	4,531,054	3,380,386	4,531,054
Term deposits	48,835,301	45,795,761	48,835,301	45,795,761
	<u>52,985,538</u>	<u>53,285,656</u>	<u>52,259,316</u>	<u>50,863,761</u>

8. Current assets – Receivables

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Distributions receivable	426,049	608,681	87,241	1,840,161
Prepayments	-	183,331	-	183,331
Accrued interest	959,731	970,147	959,731	970,147
Amounts owing on investments sold	200,000	83,560	-	-
Other	10,101	11,063	4,645	1,233
	<u>1,595,881</u>	<u>1,856,782</u>	<u>1,051,617</u>	<u>2,994,872</u>

There were no receivables which were past due or impaired.

9. Current assets – Loans and mortgages

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Loans	829,355	1,870,612	829,355	1,870,612
Mortgages	17,596,702	1,456,000	17,596,702	1,456,000
	<u>18,426,057</u>	<u>3,326,612</u>	<u>18,426,057</u>	<u>3,326,612</u>

10. Non-current assets – Loans and mortgages

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Loans	27,885,677	28,551,488	30,385,677	33,958,029
Mortgages	66,251,640	80,587,942	66,251,640	80,587,942
Provision for doubtful debts	-	-	-	(1,009,500)
	<u>94,137,317</u>	<u>109,139,430</u>	<u>96,637,317</u>	<u>113,536,471</u>
Summary:				
Anglican Diocesan organisations	94,083,253	92,647,986	96,583,253	98,054,527
Other	18,480,121	19,818,056	18,480,121	19,818,056
Provision for doubtful debts	-	-	-	(1,009,500)
Total current and non-current loans and mortgages	<u>112,563,374</u>	<u>112,466,042</u>	<u>115,063,374</u>	<u>116,863,083</u>

Repayments on loans and mortgages are generally interest only with the principal payable on maturity with terms between 1 and 22 years. However, in some instances the option of repayments comprising a mixture of principal and interest is available.

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 \$9,140,326 (2009: \$15,040,153).

11. Current assets – Other financial assets at fair value through profit or loss

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Current				
Equity investments				
Listed equities (at cost)	-	67,874,181	-	-
Fair value adjustment	-	7,614,244	-	-
Total listed equities at fair value	-	75,488,425	-	-
Unlisted equities (at cost)	1,783,393	1,783,393	1,783,393	1,783,393
Unlisted managed investment schemes (at cost)	80,400,538	-	19,861,677	-
Fair value adjustment	4,266,902	(1,783,393)	(1,295,547)	(1,783,393)
Total unlisted equities at fair value	86,450,833	-	20,349,523	-
Total equity investments	86,450,833	75,488,425	20,349,523	-
Property investments				
Other unlisted property investments (at cost)	1,672	1,776,208	1,672	1,776,208
Fair value adjustment	29,804	(471,330)	29,804	(471,330)
Total unlisted property investments at fair value	31,476	1,304,878	31,476	1,304,878
Total property investments	31,476	1,304,878	31,476	1,304,878
Interest investments				
Unlisted interest investment (at cost)	15,781,004	20,204,753	15,781,004	20,047,674
Fair value adjustment	(530,920)	(1,861,698)	(530,920)	(1,855,889)
Total unlisted interest investments	15,250,084	18,343,055	15,250,084	18,191,785
Summary:				
Equity investments	86,450,833	75,488,425	20,349,523	-
Property investments	31,476	1,304,878	31,476	1,304,878
Interest investments	15,250,084	18,343,055	15,250,084	18,191,785
	101,732,393	95,136,358	35,631,083	19,496,663

12. Current assets – Investments in controlled entities

	Principal activity	Ownership interest		Carrying amount	
		2010 %	2009 %	2010 \$	2009 \$
Directly controlled by Glebe Administration Board					
Glebe Equities Trust	Investment	0.00%	60.87%	-	45,173,719
Mercer Socially Responsible Australian Shares Fund	Investment	54.33%	0.00%	26,752,298	-
				26,752,298	45,173,719
Directly controlled by Glebe Asset Management Limited					
Glebe Equities Trust	Investment	0.00%	2.41%	-	1,786,074

Glebe Equities Trust was wound up on 4 June 2010.

All controlled entities are incorporated within Australia and the investments represent ordinary units.

13. Non-current assets – Investments in controlled entities

	Principal activity	Ownership interest		Parent entity carrying amount	
		2010 %	2009 %	2010 \$	2009 \$
Directly controlled by Glebe Administration Board					
Glebe Australia Limited	Administration	100	100	1,700,000	1,700,000
Provision for impairment of investments				(1,244,000)	(1,700,000)
				<u>456,000</u>	<u>-</u>
Directly controlled by Glebe Australia Limited					
Glebe Asset Management Limited	Funds management	100	100	2,975,000	3,070,000
Glebe Investment Company Pty Ltd	Dormant	100	100	-	2
Glebe Mortgage Finance Limited	Dormant	100	100	-	500,001
				<u>2,975,000</u>	<u>3,570,003</u>

During the year Glebe Investment Company Pty Ltd and Glebe Mortgage Finance Limited ceased operations and were wound up.

14. Non-current assets – Investment in St Andrew's House

	Consolidated		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
50% Beneficial interest in St. Andrew's House Corporation (note 2c)	<u>31,629,318</u>	<u>27,169,999</u>	<u>31,629,318</u>	<u>27,169,999</u>
Movements in carrying amounts:				
Balance 1 January	27,169,999	33,407,721	27,169,999	33,407,721
Share of profit/(loss) for the year	4,559,319	(4,663,884)	-	-
Distributions received	(100,000)	(1,573,838)	-	-
Revaluation of beneficial interest in SAHC	-	-	4,459,319	(6,237,722)
Balance 31 December	<u>31,629,318</u>	<u>27,169,999</u>	<u>31,629,318</u>	<u>27,169,999</u>
The carrying amount is comprised of:				
Capital invested	4,714,615	4,714,615	4,714,615	4,714,615
Refurbishment or replacement reserve	1,130,390	103,629	1,130,390	103,629
Accumulated surplus	25,784,313	22,351,755	25,784,313	22,351,755
	<u>31,629,318</u>	<u>27,169,999</u>	<u>31,629,318</u>	<u>27,169,999</u>

15. Current liabilities - Payables

	Consolidated		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
Interest payable	678,055	496,136	678,055	496,136
Amounts owing on investments purchased	-	908,622	-	-
Accounts payable and accruals	298,713	392,926	221,602	211,531
Other	240,749	-	-	-
	<u>1,217,517</u>	<u>1,797,684</u>	<u>899,657</u>	<u>707,667</u>

16. Current liabilities – Interest bearing liabilities

	Consolidated		Parent Entity	
	2010 \$	2009 \$	2010 \$	2009 \$
Deposits – Glebe Income Accounts	<u>141,010,857</u>	<u>138,537,593</u>	<u>143,616,334</u>	<u>141,107,485</u>

Liabilities to Glebe Income Account holders represent deposits held by Glebe Administration Board on behalf of individuals and or 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 26 June 2011.

Management have undertaken a number of activities in response to the expiry of the exemption. These include:

- maintaining contact with APRA seeking guidance and assurance in relation to the renewal of the class order exemption.
- raising awareness of the expiry of the class order exemption with other Diocese through the General Synod office and Diocesan Registrars network.
- scenario planning a possible regulation model should APRA decide to impose some regulation.
- meeting with a range of other religious denominations to discuss the exemption.

APRA has advised that it has commenced work on how the Banking Act will apply in future to religious charitable development funds' such as the GIA product.

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 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 \$109,875 (2009: \$463,237).

17. Non-current liabilities – Interest bearing liabilities

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Deposits – Glebe Income Accounts	3,258,913	5,215,196	3,258,913	5,215,196

18. Current liabilities – Provisions

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Provision for GAB distribution				
Balance 1 January	5,400,000	10,731,723	5,400,000	10,731,723
Provided during the period	5,250,000	5,439,202	5,250,000	5,439,202
	10,650,000	16,170,925	10,650,000	16,170,925
Paid during the period	(5,400,000)	(10,770,925)	(5,400,000)	(10,770,925)
Balance 31 December	5,250,000	5,400,000	5,250,000	5,400,000
Provision for distributions to Minority Interests				
Balance 31 December	151,962	790,791	-	-
	5,401,962	6,190,791	5,250,000	5,400,000

The Standing Committee has approved a distribution of \$5,250,000 for 2011. Due to the exceptional decline in net assets in 2008 the basis of calculating the distributions is currently being reviewed. A proposal for providing \$3,500,000 in 2011 for distribution in 2012 is currently being reviewed by the Standing Committee.

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
The composition of payments during the year were as follows:				
Synod	5,400,000	10,630,000	5,400,000	10,630,000
Other	-	140,925	-	140,925
	5,400,000	10,770,925	5,400,000	10,770,925

19. Capital

(a) Capital

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Capital	34,678,160	33,661,933	34,678,160	33,661,933

(b) Movement in capital

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance 1 January	33,661,933	33,645,407	33,661,933	33,645,407
Return of capital from Parish Cost Recoveries Fund	1,000,000	-	1,000,000	-
Gifts received	16,227	16,526	16,227	16,526
Balance 31 December	34,678,160	33,661,933	34,678,160	33,661,933

In accordance with the Parish Cost Recoveries (Return of Capital) Ordinance 2010, the sum of \$1,000,000 was transferred from the Parish Cost Recoveries Fund (PCR Fund) to the Diocesan Endowment. This is a partial repayment of \$1,300,000 seed capital provided from the Diocesan Endowment to the PCR Fund in 2005.

20. Reserves

(a) Reserves	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Refurbishment or replacement reserve	1,130,390	103,629	-	-

(b) Movement in deferred maintenance reserve	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance 1 January	103,629	-	-	-
Share of increase in SAHC's refurbishment or replacement reserve	1,026,761	103,629	-	-
Balance 31 December	1,130,390	103,629	-	-

(c) Nature and purpose of reserves

Refurbishment or replacement reserve

This represents the Board's share of the reserve of St Andrew's House Corporation to provide for refurbishment or replacement within St Andrew's House.

21. Accumulated surplus

(a) Accumulated surplus	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Accumulated surplus	74,009,936	77,074,984	75,139,942	76,469,816

(b) Movement in accumulated surplus	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Balance 1 January	77,074,984	71,268,706	76,469,816	71,156,621
Surplus after income tax	3,211,713	11,349,109	3,920,126	10,752,397
Share of SAHC's movement in refurbishment or replacement reserve	(1,026,761)	(103,629)	-	-
Provisions for distribution during the year	(5,250,000)	(5,439,202)	(5,250,000)	(5,439,202)
Balance 31 December	74,009,936	77,074,984	75,139,942	76,469,816

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
Mr M Ballantyne	Mr R Smith (appointed 6 December 2010)
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.

Name	Position
Mr M A Payne	Chief Executive Officer (appointed 17 November 2010)
Mr M A Blaxland	Chief Financial Officer
Mr R J Wicks	General Manager, Diocesan and Corporate Services (included from 1 January 2010)
Mr A J Frankling	General Manager, Investment and Banking Services (included from 1 January 2010)
Mr S G McKerihan	Chief Executive Officer (resigned 28 April 2010)

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.

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Short-term benefits	454,000	494,000	406,000	427,000
Long-term benefits	15,000	-	13,000	-
Other benefits	-	148,000	-	128,000
	<u>469,000</u>	<u>642,000</u>	<u>419,000</u>	<u>555,000</u>

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:

	Loan Balance		Interest Paid	
	2010	2009	2010	2009
	\$	\$	\$	\$
Glebe Administration Board loan to:				
Glebe Investment Company Pty Limited	-	1,009,500	-	-
Glebe Mortgage Finance Limited	-	-	-	1,339,236
Glebe Australia Limited	2,500,000	4,397,041	-	-
	<u>2,500,000</u>	<u>5,406,541</u>	<u>-</u>	<u>1,339,236</u>
Glebe Australia Limited loan to:				
Glebe Investment Company Pty Limited	-	85,129	-	-
	<u>-</u>	<u>85,129</u>	<u>-</u>	<u>-</u>

The unsecured loan to Glebe Mortgage Finance Limited from Glebe Administration Board as trustee for the Diocesan Endowment was repaid on 31 December 2009. The interest on this loan was based on the bank bill swap rate (mid rate 90 days) set at the beginning of each quarter and paid monthly.

The unsecured loan to Glebe Investment Company from Glebe Administration Board as trustee for the Diocesan Endowment was forgiven during the year. The loan was interest free and repayable upon written notice. It was fully provided for at the parent level.

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.

Transaction with St Andrew's House Corporation

Glebe Administration Board holds a beneficial interest of 50% in St Andrew's House Corporation. The distributions received this year from St Andrew's House Corporation total \$100,000 (2009: \$1,573,838).

At 31 December 2010, an unsecured loan was provided from Glebe Administration Board for \$23,000,000 (2009: \$23,889,421). This represents a facility to assist in the funding of improvements to Town Hall Square and St Andrew's House. Interest charged to St Andrew's House Corporation in respect of this loan was \$1,485,610 (2009: \$1,266,925). As at 31 December 2010 the loan had a limit of \$23,000,000 (2009: \$24,000,000). Interest is based on 90 day bank bill rate plus 1%.

Management fees of \$Nil (2009: \$564,485) was charged from Glebe Administration Board to St Andrew's House Corporation. Management fees are now charged directly to St Andrew's House Corporation by Sydney Diocesan Secretariat.

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 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	
	2010	2009	2010	2009
	\$	\$	\$	\$
Transactions with the Glebe Administration Board:				
Mercer Socially Responsible Australian Shares Fund	26,634,795	-	1,000,000	-
Glebe Equities Trust	1,310,942	2,437,160	42,992,544	13,920,000
Transactions with Glebe Asset Management:				
Glebe Equities Trust	-	47,856	1,645,999	-

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	
	2010	2009
	\$	\$
Glebe Administration Board	3,659,100	4,918,632
Glebe Asset Management Limited	196,500	455,628
Glebe Mortgage Finance Limited	-	310,260

- (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)	
	2010	2009	2010	2009
	\$	\$	\$	\$
Glebe Administration Board	109,875	463,237	4,625	(2,388)
Glebe Asset Management Limited	434,586	283,546	4,077	1,845
Glebe Investment Company Pty Limited	-	1,312	12	31
Glebe Mortgage Finance Limited	-	255,083	1,534	1,712
Glebe Australia Limited	47,283	1,666	326	116

- (iii) An unsecured loan provided by Glebe Administration Board to the Endowment of the See was repaid during the year. As at 31 December 2009 the loan had a limit of \$1,950,000 and was drawn to \$1,870,612. Interest charged for the year ended 31 December 2010 was \$37,316 (2009: \$195,353).

- (iv) Secured loans with other related parties were provided as follows:

	Loan Balance		Interest Paid	
	2010	2009	2010	2009
	\$	\$	\$	\$
Glebe Administration Board loan to:				
St Andrews Cathedral School	21,349,993	21,924,993	1,489,813	284,331
St James Hall	3,800,000	3,923,801	283,572	-
Glebe Mortgage Finance Limited loan to:				
St Andrews Cathedral School	-	-	-	975,704
St James Hall	-	-	-	209,557

23. Reconciliation of surplus/(deficit) after income tax to the net cash flows from operating activities

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Surplus from continuing operations after income tax	3,211,713	11,349,109	3,920,126	10,752,397
Net realised and unrealised (gain)/loss on investments	(625,875)	(14,615,106)	(3,181,819)	(6,879,016)
Interest capitalised on Glebe Income Accounts	4,703,538	4,505,923	4,703,538	4,505,923
Amortisation of facility establishment fee	183,331	116,669	183,331	116,669
Dividends reinvested	(997,482)	(16,839)	(119,747)	(880,258)
Interest reinvested	-	(10,897)	-	-
Surplus attributable to minority interests	277,174	8,144,838	-	-
Changes in assets and liabilities				
(Increase)/decrease in receivables	(63,654)	(939,709)	191,318	(2,382,992)
Increase/(decrease) in payables	87,708	(335,604)	191,990	(335,292)
Net cash inflow from operating activities	6,776,453	8,198,384	5,888,737	4,897,431

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 \$12,305 (2009: \$110,896), and Glebe Administration Board consolidated is \$180,057 (2009: \$174,638).

	Consolidated		Parent Entity	
	2010	2009	2010	2009
	\$	\$	\$	\$
Pricewaterhouse Coopers Australia				
Audit	175,460	174,638	123,059	110,896
Taxation	19,260	19,240	-	-
Other services	-	-	-	-
	<u>194,720</u>	<u>193,878</u>	<u>123,059</u>	<u>110,896</u>
KPMG Australia				
Audit	4,597	-	-	-
Taxation	6,300	-	-	-
Other services	-	-	-	-
	<u>10,897</u>	<u>-</u>	<u>-</u>	<u>-</u>

26. Events occurring after reporting date

On 30 March 2011 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 2010.

This financial report was authorised for issue on 30 March 2011 by the Board.

Members' Declaration

In the members opinion –

- (a) the financial statements and notes set out on pages 287 to 350 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 2010 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

L A Scandrett
Member

30 March 2011

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 2010.

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 \$5,250,000 has been made for distributions by the Diocesan Endowment under the Diocesan Endowment (Special Distribution) Ordinance 2009. The provision for doubtful debts is \$Nil. It is not necessary to make any 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 that have arisen since 31 December 2010 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 30 March 2011.

Clause 14e – Risk Management*Summary of Key Risks*

The key risk areas that were identified in 2010 were:

- a. Management of investment portfolios**, the Diocesan Endowment is the most significant, reflecting factors such as investment strategy, manager choice and surveillance, credit risk, market movements, liquidity etc with the consequential risk of funding shortfall for the Diocesan mission. The banking operation reflects such risks as credit, legislative, liquidity, price sensitivity and depositor confidence.
- b. People management**, reflecting factors such as leadership, staff morale, communications, recruitment, retention, training, performance/engagement, health and safety etc.
- c. Revenue loss**, reflects the risk associated with some clients having a lessened ability to pay for services. Recognises the need to respond with reduced cost and higher efficiency levels.
- d. Regulatory and contractual obligations**, reflecting obligations to external parties in respect to regulatory compliance, monitoring regulatory changes, and adherence to contractual obligations.
- e. Systems and processes**, reflecting factors such as system design, state of technology, documentation, access control, backup, continuity planning, training, delegation, segregation and controls.
- f. Business continuity**, reflecting factors such as failure of technology, lack of access to St Andrew's House, poor documentation and loss of key staff.
- g. Reputation**, reflecting factors such as investment performance, mission alignment, Christian ethos, commerciality, relationship management, professionalism, actions of other organisations, unethical investments etc.
- h. Service expectations**, reflecting factors such as relationship management, process failure, potential funding shortfall, resource failure, communications and culture.
- i. Security**, reflecting the need to comply with regulatory requirements for our physical facilities overlaid with high quality protection against malicious intrusion of our technology or physical facilities.
- j. Project management**, reflecting factors such as business planning, "over enthusiasm" on projects, emotional attachment, project management skills, review and accountability, documentation, scope creep, objective analysis, resource contention etc.

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. Management of investment portfolios**. Extensive controls are in place to manage market risk, through diversification and regular review of investment strategy, governance, and supporting operations through updated policies and procedures.
- b. People issues and management**. Extensive policies and procedures are in place to manage the risks in this area including formal OH&S consultation, structure management training and annual staff survey on work conditions. Greater emphasis is also being placed on values and behaviours in the context of recruitment and staff appraisal.
- c. Revenue loss**. The risks in this area are controlled by Service Level Agreements with key clients, the outsourcing of certain activities and focus upon efficiency and cost reduction.

- d. **Regulatory and contractual obligations.** The risks in this area are controlled by standard operating procedures, regular reporting and compliance alerts received from external providers. The current focus is on systematic compliance reporting to the Audit and Risk Committee.
- e. **Systems and processes.** The risks in this area are primarily controlled through robust design, division of duties, documentation, training, account reconciliations and regular review. The adequacy of these controls is currently being assessed.
- f. **Business continuity.** The risks in this area are controlled by regularly tested business continuity and disaster recovery plans. Succession planning addresses key person risk.
- g. **Reputation.** The risks in this area are managed by a no surprises culture of escalating key issues to the CEO and clear lines of communication with external stakeholders.
- h. **Service expectations.** We propose addressing this risk area by understanding client expectations, articulating service standards, reviewing performance, seeking client feedback and reviewing the services provided.
- i. **Security.** Risks extend beyond data and system security to physical security and reliability of data. We concluded that our processes are robust, but ongoing vigilance is required.
- j. **Project management.** Several risks were identified around the scoping and management of projects. Action plans have included ceasing direct management of certain projects and introducing mandatory post project reviews.

Breach Reporting

The Board has resolved that breach reporting in respect of the management of investment portfolios will be to the Asset and Liability Committee (ALCO). ALCO meets monthly and receives reports on any breaches.

Breaches associated with any of the other top risks are reported to Audit and Risk Committee as part of the quarterly risk management report.

John Pascoe
Member

L A Scandrett
Member

30 March 2011

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 287 to 254] of Glebe Administration Board as trustee for the Diocesan Endowment (the Board), which comprises the statement of financial position as at 31 December 2010, 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 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 and fair presentation of the financial report 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. 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. In Note 2, the members also state, in accordance with Accounting Standard ASB 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by members or management.

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 is in accordance with the Corporations Acts 2001, including –
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2010 and of their performance for the year ended on that date; and
 - (ii) complying 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

KRISTIN STUBBINS
Partner

Sydney
31 March 2011

3/10 Glebe Board Charter

(A report from the Standing Committee.)

Item	Contents
1	Introduction
2	Executive Summary
3	Background
13	Maintenance of the real value of the Diocesan Endowment
21	Distributions from the Diocesan Endowment
26	Methodologies used for calculating distributions
51	Balancing the requirement to maintain the real value of the Endowment and provide a reasonable income therefrom
61	Ongoing management of the Endowment
79	Conclusion
81	Recommendation

Introduction

1. On 11 October 2010, the Synod of the Diocese of Sydney resolved as follows (resolution 3/10) –
- “Synod requests the Standing Committee to produce a detailed report for the 2011 session of Synod regarding the operational application of the charter supplied to the GAB for its management of the Diocesan Endowment – as directed in the Glebe Administration Ordinance 1930 (section 2) and subsequent amending ordinances.*

The report to include (but not be limited to) the following areas –

1. *The formula(s) actually applied and actions taken to ‘preserve the real value of the DE’ in each year from 1975 to 2009.*
2. *The formula(s) and decisions applied in determining what constitutes ‘a reasonable income from the DE’ and how this was calculated in each year (or applicable budget triennium) from 1975 to 2009.*
3. *The weighting and/or priority order applied to each of the two principles in each year from 1975 to 2009 and reasons as to why such a weighting and/or priority order was applied in each case.*
4. *An examination of the ongoing appropriateness of both guiding principles for the future management of the DE including recommendations as to –*
 - (a) *future application of ‘preserving the real value’,*
 - (b) *future application of ‘providing a reasonable income’,*
 - (c) *future interaction (weighting and/or priority order) of the two principles in determining each future budget of Synod, and*
 - (d) *any additional principle statements that might be added to the two present guiding principles for GAB management of the DE.”*

Executive Summary

2. The main matters addressed by this report can be summarised as follows –
- Since 1984, the principal object of GAB in relation to the property known as the Diocesan Endowment has been to preserve the real value of that property and provide a reasonable income therefrom.
 - Consistent with the status of the Diocesan Endowment as a long term investment fund, the requirement to preserve the real value of the Endowment embodies the principle of “intergenerational equity”, that is, the maintenance of the value of the capital for the benefit of both current and future generations.
 - The real value of the property of the Diocesan Endowment over the period 1984 to 2010 has not been maintained reflecting, particularly –
 - the impact of the significant declines in the investment markets in recent years,
 - the impact of bank gearing which resulted in realised losses when the gearing was repaid at a time when asset values were low, and
 - distributions from the Endowment for spending by the Synod have been too high.
 - Since 1984 there have been various methodologies adopted for determining the amount to be distributed from the Endowment each year for spending by the Synod –

- from 1984 to 2001, the amount of each distribution was calculated by reference to the “Operating Surplus” of the Diocesan Endowment, and
 - from 2001 to 2007, the amount of each distribution was calculated by reference to the “Net Asset Value” of the Diocesan Endowment, and
 - in 2008 the amount of the distribution was calculated by reference to a “Yale” type formula, the purpose of which was to minimise the impact of short term movements in investment markets on the amount of each distribution, and
 - in 2009 and 2010, as a consequence of the impact of the Global Financial Crisis, the amount of each distribution was specifically prescribed by the Standing Committee.
- Changes in the distribution methodologies applied from time to time were made following concerns that the then current distribution methodology allowed distributions to be made which were too high having regard to the need to maintain the real value of the Endowment.
 - With the passage of time it is difficult to articulate specifically how, since 1984, GAB sought to balance the requirements to maintain the real value of the Endowment and maintain a reasonable income therefrom. GAB has regarded the requirement to maintain the real value to be a long term objective and has invested the property of the Endowment in asset classes which are expected to experience short term volatilities in returns.
 - GAB has sought to meet the demands for income for spending by the Synod, so far as it was possible to do so. GAB has also sought to generate other sources of income but generally such other sources have not been sustainable.
 - Since 2010 GAB has not sought to recommend that the Standing Committee review the terms of clause 2 of the 1930 Ordinance. Rather, it has reviewed the investment charter, the distribution policy and the expenses of the Endowment in light of the existing requirements to maintain the real value of the Endowment and provide a reasonable income therefrom.
 - GAB has determined, as a matter of policy, that it will not borrow for investment purposes.

Background

3. The *Glebe Administration Ordinance 1930* (the “1930 Ordinance”) provided for the establishment of the Glebe Administration Board to manage and control the properties then known as the St Philip’s Sydney Glebe and the St James’ Sydney Glebe. The ordinance specified the powers of the Board, and provided for the application of the rents and other income earned from the properties. Different provisions applied for the rents and other income of each property.

4. The provisions for the application of the rents and other income from the properties were varied subsequently, particularly those relating to the rents and other income received from the St Philip’s Glebe. Until 1967, the Ordinance prescribed the specific purposes for which the rent and other income was to be applied, and the specific amounts of such applications.

5. During the 1960s, GAB also became trustee of the Bishopsthorpe Estate at Forest Lodge, the St Mark’s Glebe at Randwick, and the St John’s Glebe at Parramatta.

6. By the *Glebe Administration Ordinance 1930-1967 Further Amendment Ordinance 1968* new provisions were made for the application of the rents and other income from the glebes. Under those provisions –

- GAB had to prepare for the Standing Committee each year a statement as to the gross surplus of the rents and other income arising from the glebes, other than the Bishopsthorpe Estate; and
- the Standing Committee by resolution was to determine annually a sum, not exceeding $\frac{3}{4}$ of the gross surplus, which was to be applied by the Synod by ordinance.

7. These provisions were further amended by the *Glebe Administration Ordinance Further Amendment Ordinance 1970* to limit the distribution to an amount which was the greater of $\frac{3}{4}$ of the gross surplus, and the sum which GAB notified the Standing Committee was available for distribution.

8. The *Glebe Administration Ordinance 1930-1981 Amending Ordinance 1984* substantially amended the terms of the 1930 Ordinance. One amendment was to insert a new clause 2 into the 1930 Ordinance in the following terms –

- “2. *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 the property; and*
 - b. *provides a reasonable income therefrom.*”

9. Previously, there was no requirement in the 1930 Ordinance that GAB act to preserve the real value of the Diocesan Endowment. Clause 2 is still current.

10. The Diocesan Endowment is a long term investment fund. The requirement in clause 2 to preserve the real value of the Endowment embodies the principle of “intergenerational equity”, that is, the maintenance of the value of the capital of the Endowment in perpetuity, for the benefit of both current and future generations. The

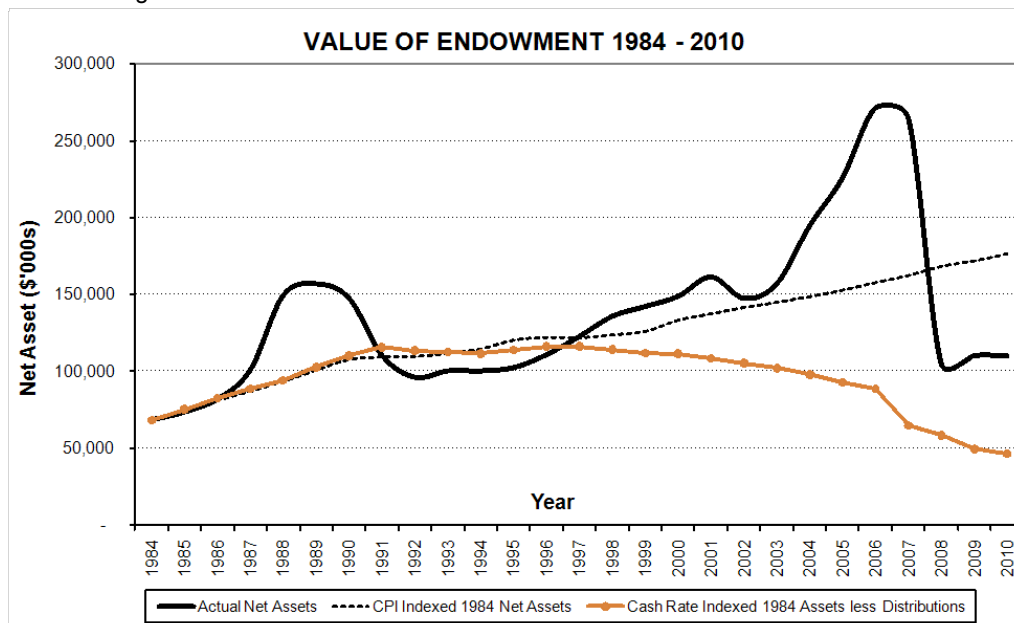
additional requirement to provide a reasonable income from the investment of the Endowment, such income to be enjoyed by the current generation, needs to be understood in light of the capital maintenance requirement. Generally, distributions of income are only considered to be "reasonable" to the extent that they allow the real value of the Endowment to be maintained.

11. The provisions for the application of the income of the property of the Endowment were removed from the 1930 Ordinance and re-enacted in the Diocesan Endowment Ordinance 1984 (the "1984 Ordinance"). Those provisions have been amended subsequently. A later section of this report considers the provisions for the application of income set out in the 1984 Ordinance, the changes which have been made to those provisions and the reasons why those changes were made.

12. Resolution 3/10 requests that information be provided about the formulas applied, actions taken and decisions made since 1975 in connection with the maintenance of the real value of the Endowment and the provision of a reasonable income therefrom. However, the resolution is in error in so far as it assumes that GAB has been required since 1975 to maintain the real value of the Endowment and provide a reasonable income therefrom. As has been indicated, this requirement was only inserted into the 1930 Ordinance in 1984. Accordingly, for the purposes of this report, 1984 has been taken as the year from which the information requested by the Synod is to be provided.

Maintenance of the real value of the Diocesan Endowment

13. The movement in the value of the Diocesan Endowment from 1984 to 2010 compared to the real value is illustrated on the following chart –



14. The dark line in the chart shows the movement in the actual value of the net assets of the Diocesan Endowment. In 1984, the net assets of the Endowment were about \$60 million, and, in 2010, about \$110 million. The dotted line is the value of the net assets of the Endowment in 1984, indexed each year by the changes in the Consumer Price Index. This represents the growth in the value of the Diocesan Endowment required to maintain the real value. In a year when the value of the actual net assets exceeds the value of the CPI Indexed 1984 Net Assets, the real value of the assets has increased. Conversely, if the actual net assets are less than the CPI Indexed 1984 Net Assets, the real value of the assets has declined.

15. The light line in the chart shows the value of the net assets in 1984 indexed annually according to the average cash rate each year over the period 1984 to 2010, less the distributions made from the Diocesan Endowment each year since 1984. Further comment about what this line shows is made later in this report.

16. Up until the end of the 1980s, the property of the Diocesan Endowment was mainly invested in commercial property assets. This led to a significant increase in the real value of that property during the favourable commercial property conditions of the late 1980s. This was followed by a major reduction in value in the early 1990s. Following that experience a more diversified investment portfolio was established.

17. The extent of the increase in the real value of the property of the Diocesan Endowment during 2002 to 2007 was attributable to very favourable investment markets accentuated by a gearing strategy by which borrowed money was used to boost the overall level of investments. While the Diocesan Endowment has taken deposits for many years, the level of gearing was boosted from 2002 onwards by borrowing money from banks.

18. The reduction in the net assets in 2007-2008 was a result of the large falls in investment markets, accentuated by the bank gearing in the balance sheet. The repayment of the bank gearing required the sale of a significant portion of the investment portfolio. This resulted in realised losses when the markets were low, and the repayment of the gearing precluded the Endowment from benefiting when investment markets subsequently

improved. This outcome reflected a failure in risk management in relation to gearing. GAB has subsequently determined that it will not borrow for investment purposes (see paragraph 60 of this paper).

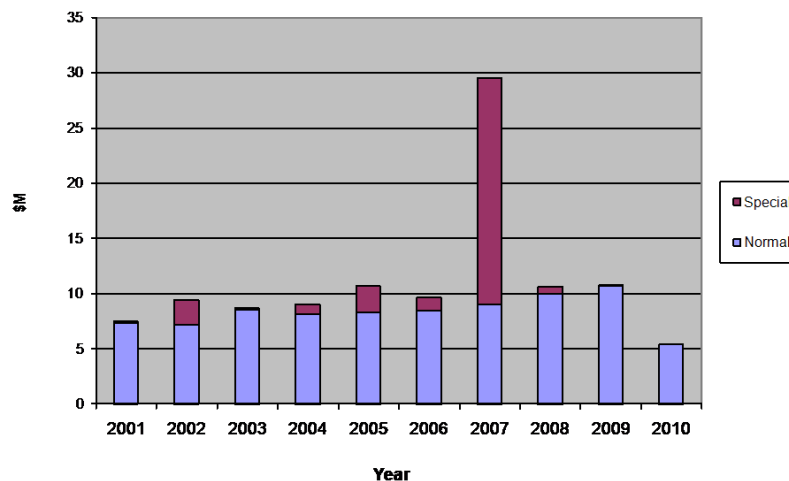
19. The chart shows that as at 31 December 2010, the actual value of the net assets of the Endowment was significantly less than the CPI indexed 1984 Net Assets. This indicates that over the period 1984 to 2007, the real value of the net assets was maintained, but the significant reduction in the value of the Endowment since 2007 means that over the period 1984 to 2010 the real value of the net assets has not been maintained. The reduction in the value of the Endowment since 2007 reflects the significant declines in the investment markets (which were exacerbated by bank gearing), and also that distributions from the fund for spending by the Synod have generally been too high. The following sections of this report consider the distributions from the fund, and the way in which those distributions have been calculated.

20. The light line showing the value of the 1984 assets indexed annually by the average cash rate each year, less actual distributions paid in that year, indicates that had the assets of the Diocesan Endowment been invested in cash investments only, the net assets of the Endowment would have been less than \$50 million in 2010, given the actual distributions made between 1984 and 2009. This indicates that if the real value of the Diocesan Endowment is to be maintained, and a reasonable income earned, reasonable investment risk needs to be incurred – investing in cash investments only will not enable the real value of the Endowment to be maintained and a reasonable income earned. But the line also indicates that, historically, distributions from the fund for spending by the Synod have been too high to enable the real value of the Endowment to be maintained.

Distributions from the Diocesan Endowment

21. The following chart sets out the level of spending by the Synod from 2001 through to 2010 from distributions paid from the Diocesan Endowment –

Spending by the Synod



22. In each year, the first component is the normal distribution determined by the Standing Committee. The second component are the special additional distributions approved by the Standing Committee.

23. The most notable special distribution made in recent years was an amount of \$20 million allocated to the Mission Property Committee in 2007. This money was used to fund the acquisition of land for future church construction in new growth corridors and also to assist in some construction projects on existing church sites. Other purposes for which special distributions were made include funding the new capital project and the mission executive. The Standing Committee has now determined that before consideration is given to any further proposal for a special distribution from the Diocesan Endowment, the Standing Committee will refer the proposal to GAB for its advice in light of all the circumstances available at that time.

24. Under the *Diocesan Endowment (Special Distribution) Ordinance 2009* the amount of the distribution provided for in 2009 and spent by the Synod in 2010 was \$5.4 million. This is the amount reflected in the abovementioned chart for 2010. Under the same ordinance, the amount of the distribution to be provided for in 2010 for spending in 2011 is \$5.25 million. Accordingly, a provision for distribution of \$5.25 million was created in the financial accounts of the Diocesan Endowment as at 31 December 2010.

25. GAB considered that the level of distributions remained too high and, in December 2010, proposed a new methodology for calculating the amount of distributions. GAB's proposal is referred to later in this report. The proposal has been accepted by the Standing Committee for the purpose of calculating the amount of the distribution to be provided for in 2011 for spending by the Synod in 2012.

Methodologies used for calculating distributions

26. The methodology originally adopted in the 1984 Ordinance for determining the distributions to be made from the Diocesan Endowment was based on the "Operating Surplus" of the Endowment. Subsequently, the methodology for determining distributions was changed to be based on the "Net Assets" of the Endowment.

Later, by further modification, the methodology was based on the application of a "Yale" type formula. In 2009, the impact of the Global Financial Crisis resulted in the distribution methodology prescribed by the 1984 Ordinance being suspended.

Distributions by reference to "Operating Surplus"

27. When passed, the 1984 Ordinance provided that each year ("Year 2") the Standing Committee was to recommend to the Synod the amount to be distributed in the year after the year in which the recommendation was made ("Year 3"). The amount so recommended was to be that part of the "Operating Surplus" of the Endowment in the year before the recommendation was made ("Year 1") as did not exceed the aggregate of –

- (a) $\frac{3}{4}$ of the amount of the Operating Surplus of the Endowment in Year 1, and
- (b) the additional amount (if any) which GAB as trustee of the Endowment notified the Standing Committee as could be prudently distributed from the Endowment from the Operating Surplus of the Endowment in Year 1, or a prior year.

28. For these purposes, the "Operating Surplus" in a year was defined to be all revenue derived from the property of the Endowment during that year, and the realisation of such property, less –

- (a) all expenses incurred in connection with that revenue or the property, and
- (b) all losses (whether of a capital or revenue nature) so incurred.

29. The 1984 Ordinance also provided that the term "Operating Surplus" did not include –

- (a) any gain or loss on the disposal of any part of the property more than 12 months after it was acquired or agreed to be acquired (whichever first occurred), or of any interest therein, or
- (b) any extraordinary items, being items of revenue or expense or other gains or losses brought into account in the relevant year which were attributable to events or transactions outside the ordinary operations of GAB, or
- (c) any gains arising from the repurchase by GAB of its own debentures, or
- (d) any gains arising from the purchase of securities acquired to provide moneys to redeem debentures of GAB.

30. Otherwise, the "Operating Surplus" was to be determined in accordance with generally accepted accounting principles consistently applied.

31. In essence therefore, the distributions from the Endowment were determined having regard to the ordinary income of a revenue (as opposed to capital) nature.

32. From 1985 to 1995 distributions equal to 75% of the Operating Surplus in the relevant year were made on 7 occasions, distributions of 90% of the Operating Surplus were made twice, and a distribution equal to 61.8% of the Operating Surplus was made once.

33. In 1996, the Standing Committee asked that its Finance Committee consider and report about the level of distributions from the Endowment. The Finance Committee reviewed the capital of the Endowment from 1985 to 1995, and concluded that the real value of that capital had declined by an average of 1.5% per annum over that period. The Finance Committee considered that the main factor giving rise to a decline in the real value of the Endowment were the relatively high distribution rates from 1985 to 1995.

34. To protect the real value of the capital of the Endowment, and allow for modest growth, the Finance Committee recommended that the 1984 Ordinance be amended so that 70% (rather than 75%) of the amount of the Operating Surplus was the maximum amount which could be distributed. Subsequently, the Standing Committee passed the *Diocesan Endowment Ordinance 1984 Amendment Ordinance 1997* to amend the 1984 Ordinance to provide that the maximum amount of the Operating Surplus available to be distributed was 70% in 1997, reducing by 1% per annum until 2002 so that the maximum amount available for distribution would be 65%. The 1984 Ordinance retained the provision allowing for a greater amount to be distributed if GAB advised that a greater distribution could be prudently made.

35. However, the scheme for reducing the maximum amount of the Operating Surplus available for distribution was soon modified. By the *Diocesan Endowment Ordinance 1984 Amendment Ordinance 1999* the 1984 Ordinance was further amended so that the maximum amount able to be distributed in each of 1999, 2000 and 2001 was 75% of the Operating Surplus in the relevant year, with the maximum amount to be reduced to 65% in 2002.

Distributions by reference to "Net Asset Value"

36. In 2001 the Standing Committee received a report from GAB about its plans for the investment of the property of the Endowment from 2001 to 2005. The report dealt with a range of issues, including a proposal that the method for calculating distributions from the Endowment be changed from one based on the Operating Surplus of the Endowment, to one based on the Net Asset Value of the Endowment.

37. In short, GAB proposed that in 2002 and subsequent years the amount to be provided for in any year for distribution be 5.4% of the average net asset value of the Endowment for the previous 3 years.

38. GAB considered that the determination of distributions by reference to the "Operating Surplus" of the Endowment inhibited sound investment decisions because the methodology limited the free flow of investment

funds between asset classes and forced an inappropriate focus on income effects in investment decision making. The report contained the following example to illustrate the issue. If GAB wanted to convert part of its investment in equities to an investment in fixed interest, the realisation of the equities might give rise to a profit would form part of the “Operating Surplus”, and become distributable. This meant that any large movement between asset classes could artificially inflate the Operating Surplus.

39. GAB indicated its intention to change its investment methodology from a focus on producing (or not producing) income for distribution purposes, to one which focussed on the total return of the portfolio and individual asset classes. GAB considered that the adoption of the proposed new distribution methodology would support this approach.

40. As mentioned, GAB proposed that the distribution from the Endowment in any year be 5.4% of the average net assets for the 3 preceding years. The rate of 5.4% was chosen because it resulted in the same projected distribution being available for the Synod in 2005 (being the end of the then planning period covered by GAB’s report) as was projected to be available in 2005 if the then current methodology for determining distributions (based on the Operating Surplus) was continued. It was also said that the purpose of averaging net assets over 3 years was to minimise the impact of short term fluctuations in the investment markets on the amounts to be distributed to the Synod.

41. The Standing Committee appointed a subcommittee to consider and review a range of matters referred to in GAB’s report, including the proposal for the change in methodology for determining the distributions to be paid from the Endowment. In relation to that proposal, the subcommittee raised the following issues, and was provided with the following responses –

- (a) Why not simply redefine the concept of “Operating Surplus”? The subcommittee was advised that GAB had considered redefining the concept but no matter the redefinition the investment decision making process continued to be distorted. GAB preferred a total return methodology which the proposed new distribution formula supported.
- (b) What about the distribution of unrealised gains? GAB said it recognised that under the “Operating Surplus” method of determining distributions, only realised gains could be distributed. GAB acknowledged that under the proposed distribution methodology based on net asset values unrealised gains may need to be distributed. The subcommittee was advised that GAB had undertaken cash flow forecasting, and was confident that cash holdings in the Endowment would be sufficient to enable distributions to be made without realising assets specifically for that purpose.

42. The subcommittee subsequently recommended that the proposal and the Standing Committee made the *Diocesan Endowment Ordinance 1984 Amendment Ordinance 2002* to implement the new methodology for calculating distributions.

Distributions by reference to a “Yale” type formula

43. During late 2006 there was further consideration about the level of distributions from the Endowment having regard to GAB’s objective in clause 2 the *Glebe Administration Ordinance 1930* to maintain the real value of the Endowment and earn a reasonable income therefrom.

44. In December 2006 the Standing Committee requested that GAB report by July 2007 about, among other things, the sustainability of the methodology adopted in 2002 for calculating distributions from the Endowment having regard to the objective of GAB to maintain the real value of the Endowment.

45. GAB’s report was provided in August 2007. In addressing the level of distributions in light of the objective to maintain the real value of the Endowment, GAB considered the following matters –

- (a) *Projected investment returns for the Endowment.*

On the basis of advice received, GAB advised that a projected future total return of about 9% per annum was considered reasonable for the Endowment. With an assumed inflation rate of 3% per annum, this meant that a real rate of return of 6% per annum could be allocated among retained earnings of the Endowment, the expenses of managing the Endowment, and the annual distributions to be made from the Endowment for the purposes of the Synod.

- (b) *The need to retain earnings*

Having regard to the volatility associated with the investment of the Endowment and the potential impact of that volatility on the distributions to the Synod, GAB advised that it was considered best practice to retain some of the expected return from the investment of the Endowment to preserve the real value of the Endowment between years, to protect the Synod fund against volatility from investment market returns and provide a steady and predictable flow of income to the Synod fund, and to protect the Synod fund against continued unfavourable market conditions across a number of years.

Based on advice received by GAB that it was appropriate to structure its investment strategy to have a 70% probability of meeting the objective of preserving the real value of the capital of the Endowment, GAB projected that the level of earnings to be retained to reach that probability would be in excess of 1% per annum.

(c) *The level of expenses for managing the Endowment.*

GAB noted that the management of the Endowment involved a number of aspects, including investment management, managing the “banking” services (treasury, deposit plan, and loans) and managing a range of legal and regulatory issues.

GAB also noted that in recent years the level of expenses of managing the Endowment (less those associated with the banking services) had averaged 1.5% of the assets of the Endowment, and that GAB had targeted an expense level of 0.8% of the assets of the Endowment. (An expense level of 0.8% was not subsequently achieved.)

(d) *Distributions to the Synod*

GAB noted that the formula for calculating distributions approved by the Standing Committee in 2002 provided for a distribution based on 5.4% of the net assets on the Endowment, averaged over 3 years.

GAB also noted that in the 10 years prior to the date of its report the actual “ordinary” distributions from the Endowment had averaged 5.2% per annum of the net tangible assets of the Endowment. If special distributions from the Endowment were taken into account, the average annual distribution rate had been about 6% of net assets.

46. GAB’s report concluded that to enable the retention of an amount of 1% of net assets, an expense level of 1.5% of net assets, and a distribution to Synod of 5.2%, a real return of 7.7% was required to be earned from the investment of the Endowment. Allowing for an inflation rate of 3% per annum, this required a return of 10.7%, which was about 1.7% per annum more than the projected annual total return of 9% per annum from the Endowment. In GAB’s view, this indicated that the distribution formula providing for a distribution of 5.2% per annum was unsustainable, and would not allow GAB to achieve its objective of maintaining the real value of the Endowment.

47. GAB considered several formulas which could be adopted for implementing a sustainable distribution formula, including methodologies which averaged net assets over 3 years, or 12 calendar quarters. But it recommended the adoption of a “Yale” type formula (so named because it is based on a formula used by the manager of the Yale University Endowment Fund in the United States to determine annual distributions from that fund) under which the amount to be available for distribution from the Endowment in any year was to be calculated as the sum of 2 parts, being –

- (a) the prior year’s distribution adjusted by inflation, weighted at 70%, and
- (b) the average market value (over the previous 3 years) of the Endowment multiplied by a “predetermined percentage”, weighted at 30%.

48. The weighting between the 2 parts (70% versus 30%) was suggested based on experience of other endowment funds researched by GAB at the time. GAB recommended that the “predetermined percentage” referred to in the second part of the formula be 4.2%. This was based upon an expected annual real return of 6% from the investment of the Endowment, less the amount proposed to be retained (being 1% per annum) and an amount on account of the costs of managing the Endowment (being 0.8% per annum, which was specified to be GAB’s aspirational objective for the costs of managing the Endowment – the then current rate being 1.5% per annum).

49. GAB’s recommendations in relation to the level of distributions from the Endowment were adopted by the Standing Committee and, by the *Diocesan Endowment Amendment Ordinance 2007*, the new methodology for determining annual distributions was enacted with effect from 2009. Under this new methodology an amount of \$10.63 million was appropriated from the Endowment in 2008 for distribution in 2009.

Impact of the Global Financial Crisis

50. The Global Financial Crisis of 2008-2009 resulted in a substantial decline in the value of the net assets of the Endowment. As a consequence, the determination of the level of distribution by reference to the “Yale” formula was suspended and other arrangements substituted. By the *Diocesan Endowment (Special Distributions) Ordinance 2009*, as amended, the amount to be appropriated from the Endowment in 2009 (for spending in 2010) was specified to be \$5.4 million, and in 2010 and 2011 a total of \$10.5 million was to be appropriated for distribution (in 2011 and 2012). On the advice of GAB, the Standing Committee has subsequently agreed to appropriate a lesser amount in 2011 for spending in 2012.

Balancing the requirements to maintain the real value of the Endowment and provide a reasonable income therefrom

51. With the passage of time it is difficult to articulate specifically how, since 1984, GAB sought to balance the requirements of clause 2 of the 1930 Ordinance to maintain the real value of the Endowment and provide a reasonable income therefrom. The 1930 Ordinance appears to imply that the requirement to provide a reasonable income from the Endowment needs to be understood in light of the capital maintenance requirement and that, generally, distributions of income would only be “reasonable” to the extent that they allow the real value of the Endowment to be maintained.

52. GAB has regarded the requirement to maintain the real value of the Endowment as a long term objective, rather than a short term objective, and it has invested the property of the Endowment on the basis that short term fluctuations in the value of that property are to be expected. This reflects that the requirements of clause 2 to

both maintain the real value of the property and generate a level of income consistent with the Synod's expectations requires that investment risk be assumed. However, in accepting risk (even within acceptable risk tolerances), there is no cast iron guarantee or assurance that expected returns will be achieved.

53. From 1984 the property of the Endowment has been invested in asset classes which are expected to experience short term volatilities in returns. For example, until the early 1990s the property of the Endowment was invested mainly in commercial and industrial real estate. During the late 1980s and early 1990s, the property market declined, and the value of the Endowment dropped significantly (as indicated in the graph in paragraph 13).

54. To reduce the risk associated with the over exposure to the commercial and industrial property markets, in the early 1990s GAB diversified the investments of the Endowment into other asset classes, such as equities. The strategy of investing the property of the Endowment in a diversified range of asset classes has been maintained by GAB since then, although the nature of the asset classes and the allocations towards different asset classes have changed from time to time. Typically, those asset classes are subject to short term volatilities in returns. This approach is consistent with the approach taken by the trustees of other perpetual endowments, such as university endowments.

55. Alternatively, GAB could have invested the property of the Endowment into cash investments, or other investments where the capital value is better assured. However, as the graph in paragraph 13 indicates, had the investments of the Endowment been invested in this way, the value of the Endowment would have been significantly less than at present, given the distributions made for spending by the Synod over that period. Put another way, if the property of the Endowment had been invested in cash, the distributions to the Synod for spending would have needed to have been significantly reduced beyond the actual distributions made if the real value of the Endowment was to be maintained over the period from 1984.

56. Investment markets operate on the basis of cycles during which there will be periods during which markets will perform better than long terms averages, and periods where they will underperform. The failure to have due regard to the nature of the investment cycles may have contributed to some unwise practices in managing the Endowment.

57. For example, it is apparent that decisions about special distributions were made during the period when investment markets were performing strongly. As the graph in paragraph 13 shows during the period from 2002, the value of the Endowment grew significantly as investment returns exceeded long term averages. During that period the total amount distributed from the Endowment also grew significantly. In retrospect, it is apparent that decisions about distributions (particularly special distributions) may not have given due consideration to the investment cycle, and the need to ensure that a proportion of the above long term average returns should be retained to compensate for the period in the investment cycle when investment markets would weaken.

58. It is to be recognised that this period corresponded with a period where there were significant demands for income for spending by the Synod, and a desire by GAB to meet those demands so far as was possible.

59. The desire of GAB to meet the income needs of the Synod can be seen in the development of other initiatives by GAB, with a view to generating additional income. Since the mid 1990s, such other initiatives have included the launch of the Glebe Income Accounts and the operation of funds management and financial advisory businesses. The Glebe Income Accounts continue to be operated as part of GAB's banking services but the other initiatives were found not to be sustainable, and have been discontinued.

60. The bank gearing also contributed to the failure to maintain the real value of the Endowment. The gearing amplified the impact of favourable markets 2002 until 2008: but it exacerbated the impact of declining markets during 2008 and 2009, and investment losses were crystallised when GAB decided to liquidate investments to repay the bank debt. Given the nature of the risks associated with gearing, GAB has subsequently determined as a matter of policy –

“GAB will not borrow for investment purposes. The prohibition on borrowing does not apply to the Glebe Income Accounts ... and does not prevent borrowing by way of overdraft or similar to meet short term cash flow needs.”

Ongoing management of the Endowment

61. GAB has not sought to recommend that the Standing Committee review of the terms of clause 2 of the 1930 Ordinance. Given that the Endowment is a perpetual endowment, it is appropriate that the long term objective is to maintain the real value of the Endowment and, in the interim, to provide a reasonable income therefrom. Accordingly, since 2010, GAB has reviewed the investment charter, the distribution policy, and the expenses of the Endowment in light of those objectives.

Review of Investment Charter for the Endowment

62. In June 2010, after undertaking a review of the investment strategy of the Endowment, GAB adopted a new investment objective for the Endowment having regard to the requirements of clause 2 of the 1930 Ordinance. The investment objective was further reviewed in March 2011 and is now in the following terms –

“To achieve a real rate of return over rolling 5 year periods of 5% per annum net of external investment management expenses and adjusted for tax effects, subject to –

- (a) preserving the real value of the DE over rolling 10 year periods with a 70% probability, and
- (b) the sum of the distributions from the DE plus administrative and other costs (not including external investment management expenses) not exceeding 5%, on average, over rolling 5 year periods.”

63. There are a number of points to be made about the investment objective.

64. First, the objective expressly envisages the maintenance of the real value of the Endowment, measured over a 10 year period. This is intended to reflect the period of the investment cycle – over a 10 year period, it would be expected that investment markets would run through the cycle of both outperforming and underperforming long term average rates of return.

65. Secondly, the investment objective does not envisage a guarantee that the real value of the Endowment will be maintained over that period. It will be seen that the objective states that the probability of maintaining be 70%. This means that there is a 30 % chance (or risk) that the real value will not be obtained over a 10 year period. This reflects that a certain level of risk needs to be undertaken if there are to be reasonable income distributions from the portfolio over the period. A probability of 70% is considered to be an appropriate level of risk to be assumed by a portfolio such as the Endowment. The Annexure sets out further information about the probability of achieving the investment objective, and provides a comparison with less aggressive and more aggressive investment objectives.

66. Thirdly, the investment objective includes both a return objective and a distribution policy. The return objective is that over rolling 5 year periods, it is expected that the return from the Endowment will be 5% per annum, over the inflation rate. If the real value of the Endowment is to be maintained then the amount available for distribution must be no more than 5% per annum measured over the same rolling 5 year period.

67. From the investment objective, a strategic asset allocation has been determined, and the property of the Endowment invested in different asset classes in accordance with that allocation. The strategic asset allocation has regard to the 3 distinct activities undertaken by GAB – the holding of investment assets, the undertaking of banking services, and the holding of an interest in the St Andrew’s Houses fund.

68. Having regard to the Investment Objective, in December 2010 GAB recommended a different methodology for determining the distributions to be provided from the Diocesan Endowment for spending by the Synod. GAB recommended that distributions to the Synod from the Diocesan Endowment should be determined having regard to the 3 distinct activities of the Endowment. Each of these activities has different characteristics (particularly in relation to liquidity) which GAB considered must be taken into account in determining a distribution policy which is consistent with the objective of maintaining the real value of the Endowment.

69. In determining the amount of the distribution to be provided, the expenses of managing the Endowment must also be considered.

70. GAB proposed that this methodology apply to determine the amount of the distribution to be provided for in 2011 for spending by the Synod in 2012. The Standing Committee has adopted this proposal. It is also proposed that a similar methodology be adopted in future years for determining the amount to be distributed from the Diocesan Endowment.

Investment assets

71. In relation to the investment assets of the Endowment, GAB considers that a “Yale” type formula is the most appropriate method for determining the amount to be applied from the investment assets towards the calculation of the amount to be provided for distribution. Using such a formula, the amount to be applied from the investment assets in any year would be calculated as the sum of 2 parts, being –

- (a) the amount applied from the investment assets in the prior year adjusted for inflation, weighted at 70%, and
- (b) 5% of the average value (over the previous 3 years) of the investment assets, weighted at 30%.

72. In 2011 transitional provisions will apply so that the amount to be applied from the investment assets will be based upon the value of those assets as at 31 December 2010. It is considered inappropriate to use the value of the net assets from earlier years, given the substantial changes to the classes of assets which the Endowment now holds, and the value of its investments in recent years.

Banking services

73. GAB considers that the amount to be applied from the banking services activities towards the calculation of the amount to be provided for distribution should be a proportion of the surplus from those operations. The surplus from banking services is generally the net margin between the rates received from loans and treasury investments, and the rates paid on deposits, less the other costs of providing the banking services.

74. For the purposes of the calculation of the amount to be applied towards the calculation of the distribution to be provided for in 2011 for spending by the Synod in 2012, GAB considers that 75% of the surplus in 2010 is the appropriate proportion to be available for application having regard to the need to –

- maintain the real value of the capital of the Endowment allocated to banking services, and
- retain part of the surplus for the purposes of the costs of systems reviews and upgrades.

Interest in the St Andrew's House fund

75. GAB considers that the amount to be applied in relation to its interest in the St Andrew's House fund towards the amount to be provided for distribution should be a proportion of the cash distributions received by the Endowment from that fund.

76. For the purposes of the calculation of the amount to be applied towards the calculation of the distribution to be provided for in 2011 for spending by the Synod in 2012, GAB considers that 75% of the cash distribution received from the St Andrew's House fund in 2010 is the appropriate proportion.

Costs of administering the Diocesan Endowment

77. GAB expects that the total cost of administering the Endowment in 2011 will be \$1.15 million, which is substantially less than the total cost of administering the Endowment in 2010 and earlier years. For this purpose, the total cost of administering the Endowment does not include the costs of providing the banking services since the costs of those services are taken into account in determining the surplus from banking services.

78. GAB's aim is to limit the total costs of administering the Endowment to an amount which is not more than 1.1% of the net assets of the Endowment. The previous objective of limiting the total cost to 0.8% of the net assets of the Endowment was determined when the net assets of the Endowment were significantly greater, and it is to be expected that the total cost expressed as a percentage of net assets will fall as the value of the net assets increases. The estimated total cost of administering the Endowment in 2011 (being \$1.15 million) is 1.05% of the net assets of the Endowment as at 31 December 2010 (being \$110 million).

Conclusion

79. Since 1984, GAB has been required to invest the property of the Endowment in a way which preserves the real value of the property, and provides a reasonable income therefrom. Since 1984 there have been a variety of methodologies adopted to calculate distributions from the Endowment. Changes in those methodologies have been made from time to time to address concerns that the real value of the Endowment has not been maintained. In hindsight, it can be seen that the real value of the Endowment has not been maintained. There are several factors which have contributed to this. First, the nature of investment methodology adopted by GAB since 1984 is such that risk cannot be avoided and in accepting risk (even within acceptable risk tolerances) there is no cast iron guarantee or assurance that expected returns will be achieved. Secondly, successive decisions about the level of distributions to be made to support the income needs of the Synod have impacted the ability to maintain the real value of the Endowment. Thirdly, other decisions such as the decision to gear the portfolio by way of bank debt and the crystallisation of losses to repay that debt have contributed to the failure to maintain the real value of the Endowment.

80. Since 2010 GAB has sought to respond to these issues by reviewing the investment objective of the Endowment, the distribution policy and the expenses of the Endowment with a view to ensuring, within acceptable risk tolerances, the maintenance of the real value of the Endowment measured over the long term, and the provision of a reasonable income therefrom.

Recommendation

81. The Synod receive this report.

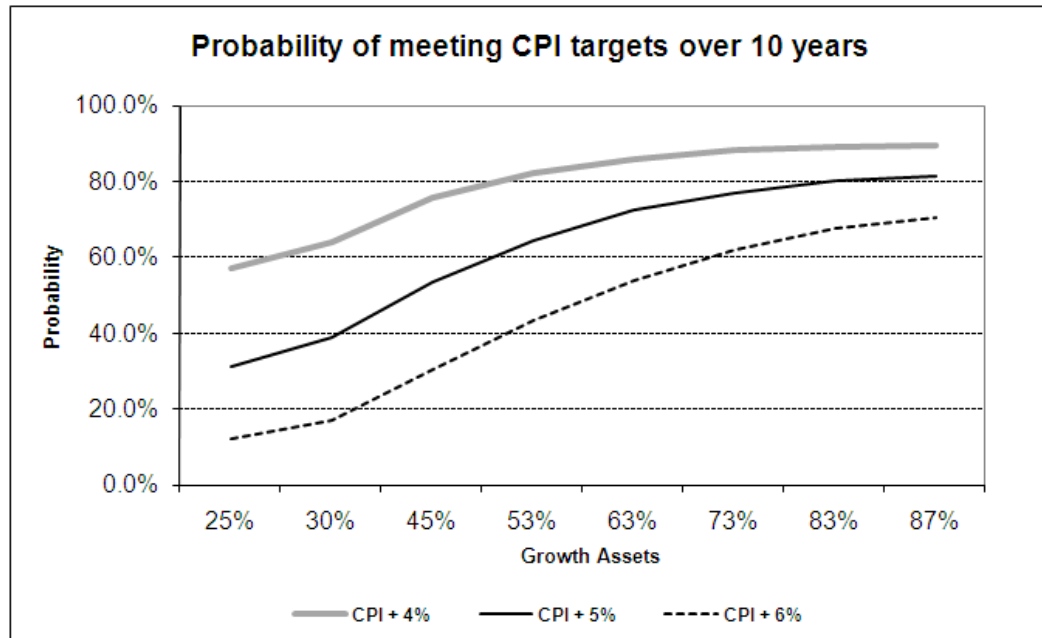
For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

22 August 2011

Annexure

- The following graph has been prepared by GAB's Asset Consultant, Mercer, to indicate the probabilities of achieving 3 different investment objectives, having regard to different proportions of growth defensive assets within the portfolio. It is intended to illustrate that there is an inverse trade off between risk and return, and that a judgement needs to be made as to the best balance between risk and return for the Diocesan Endowment.



- The 3 different 10 year investment objectives represented by the graph are –
 - CPI plus 4%. This is a less aggressive investment objective than that adopted for the investment of the Diocesan Endowment.
 - CPI plus 5%. This is the investment objective adopted for the Diocesan Endowment.
 - CPI plus 6%. This is a more aggressive investment objective than that adopted for the Diocesan Endowment.
- The x axis on the graph indicates the portion of the investment portfolio invested in growth assets (such as shares and property). Historically, growth assets classes have the greatest volatility in terms of return. The model assumes that the balance of the investment portfolio is invested in defensive assets (such as bonds and cash). There is considerably less volatility in the returns for these asset classes compared to growth.
- The y axis on the graph indicates the probability of achieving each investment objective over a 10 year term.
- From the graph the following points can be made –
 - There is a greater probability that a less aggressive investment objective (CPI plus 4%) will be achieved over a 10 year term, given a particular mix of growth and defensive assets in the portfolio, compared to a more aggressive investment objective.
 - However, even with a less aggressive investment objective, a higher probability of achieving the objective requires that a greater proportion of the portfolio be invested in growth assets.
 - Generally, once the proportion of growth assets in an investment portfolio reaches 70-75% of the portfolio, adding further to the proportion of growth assets does not significantly increase the probability that the relevant investment objective will be achieved. In any event, because of the nature of some of the assets currently held in the Diocesan Endowment, it would be difficult to increase the proportion of the growth assets significantly beyond 70%.
 - Even with a less aggressive investment objective risk remains in the portfolio. There remains a probability that the investment objective will not be achieved.

6. While the probability of achieving a less aggressive investment objective might be higher, given a particular mix of growth and defensive assets, adopting a less aggressive objective has important implications for the level of the distribution which can be made from the Fund. A less aggressive investment objective would reduce the amount of the distribution available to the Synod for spending. The substantial cuts in the distribution to be made for spending by the Synod in 2012 are to make the amount of the distributions consistent with the current investment objective of CPI plus 5%. If a less aggressive return objective was adopted (say CPI plus 4%), the amount available for spending by the Synod would reduce further. While detailed modelling about the extent of the reduction has not been undertaken, preliminary analysis suggests that an investment objective of CPI plus 4% would reduce the amount of the distribution proposed to be made available for spending by the Synod in 2012 by about \$600,000.
7. Accordingly, the determination of an appropriate investment objective requires a balance between risk and return.

43/10 Governance Policy for Diocesan Organisations

(A progress report from the Standing Committee.)

Introduction

1. At its session last year, the Synod passed resolution 47/10 as follows –

“Synod, noting the report on Diocesan Corporate Governance and the draft Diocesan Corporate Governance Policy attached to the report –

 - (a) refers the draft policy to the Standing Committee to be revised in a manner which reflects the in-principle decisions made by the Synod in 2010 concerning the draft policy, and
 - (b) requests that a copy of the revised form of draft policy together with any explanatory report be sent to each member of the Synod and to the board of each diocesan organisation for comments back to the Diocesan Secretary by 31 March 2011 (or such later time as the Diocesan Secretary permits), and
 - (c) requests that a further 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 on Structure, Funding and Governance, and
 - (d) requests that draft guidelines on the role and functioning of boards of diocesan organisations also be brought to the Synod in 2011.”
2. At its meeting on 28 March 2011, the Standing Committee –
 - (a) agreed to a revised draft of the policy following the Synod in 2010,
 - (b) requested that the revised draft be sent to Synod members, the boards of diocesan organisations and the Archbishop's Strategic Commission for comment by 6 June 2011, and
 - (c) requested that the Governance Committee bring a further revised form of the policy to the Standing Committee incorporating, as appropriate, changes made in response to any comments.
3. The Governance Committee circulated the revised draft for comment on 7 April 2011. In response, 22 submissions were received from Synod members, diocesan organisations and the Archbishop's Strategic Commission. In addition two submissions were received from affiliated non-diocesan bodies. Many of the submissions are lengthy and contain a number of substantive comments about the draft policy that will need to be carefully considered in preparing the next draft of the policy.
4. In view of the number and substantive nature of submissions and the likely focus on the recommendations of the Archbishop's Strategic Commission leading up to and during the Synod in 2011, the Standing Committee –
 - (a) encouraged the Governance Committee to continue its work in preparing a final draft of the policy for the Synod, and
 - (b) determined that a brief progress report should be provided to the Synod this year rather than a final draft of the policy.

Comments on submissions

5. The Governance Committee is grateful for the time taken by Synod members, diocesan organisations, diocesan schools and others in providing comments in response to the revised draft of the policy. The comments in the submissions are both considered and constructive and will assist greatly in the preparation of a final draft of the policy for consideration by the Synod in 2012.
6. While comments were made on most aspects of the revised draft, it is clear that certain matters attracted more attention than others. Particular issues that have been raised in the submissions for further consideration include –

General

- Whether the provisions of the revised draft should be more descriptive and less prescriptive of desirable governance outcomes and, in particular, whether there should be a greater focus on governing principles and less of a focus on the standards?
- Whether sufficient attention has been given to “stakeholder” as opposed to “shareholder” models of corporate governance in framing the provisions of the revised draft and, in particular, how should the interests of the Synod in diocesan organisations and schools be balanced with the interests of other stakeholders?
- Whether the losses experienced by the Glebe Administration Board which triggered a governance review for that organisation are an appropriate justification for reviewing and potentially altering the governance arrangements for other diocesan organisations and schools?

Board size and composition

- Whether it is necessary and/or desirable to prescribe an optimal range in the size of membership of diocesan boards given the diversity of the organisations governed by such boards?

- Whether it is necessary and/or desirable to prescribe a minimum number of clergy on diocesan boards in order to maintain the theological integrity of the board given the increased level of theological training and understanding etc among lay people?
- Whether gender or other issues of diversity should be expressly included in the standards for membership of diocesan boards and whether a board's progress in achieving membership diversity should be included in their annual report to the Synod?
- Whether it is desirable to prescribe a limit on the number of alumni appointed members on the boards of new diocesan schools?

Election, appointment and term of office of board members

- Whether alumni appointed members on the boards of diocesan schools should be permitted to sign a statement of support for the Christian ethos of the school as an alternative to signing a statement of personal faith?
- Whether the statement of personal faith proposed in the draft policy is too theologically narrow and therefore has the potential of reducing the pool of persons eligible to be appointed by the Synod (and others) to diocesan boards?
- Whether and how the need for board renewal should be balanced with the retention of board members with longer-term corporate memory etc.?
- How the views of diocesan boards about the skills and experience needed on the board should be accommodated in the processes by which persons are nominated for election by the Synod to the board?
- Whether a précis should be required for all nominees in Synod elections rather than just nominees for election to diocesan organisations which are bodies corporate?
- Whether the church attended by a person nominated for election by the Synod to a diocesan board is relevant to their election?

Chair of the board

- Whether it would be preferable to provide for the periodic review of the chair of a diocesan board rather than prescribe a maximum tenure of the chair?

Duties, powers, authorities and limits

- Whether the revised drafts should address the general duties and responsibilities that a board member has to the corporation at law (eg. duty of care and diligence, duty to act in the best interests, duty not to improperly use their position for personal gain etc)?
- Whether it is appropriate to involve the Synod and Standing Committee in mandating the borrowing limits and types of investments for diocesan organisations and schools?

Reporting to Synod

- Whether it is desirable to make annual reports of diocesan organisations and schools available to Synod members and, if so, on what basis?

Archbishop

- Whether the Archbishop exercising the role of "Visitor" to a diocesan organisation is a suitable alternative to his membership of the board of some organisations and, if so, what is the nature of this role?

7. The above is not intended to be a comprehensive list of all the matters raised in the submissions.

8. The Governance Committee will continue its work in reviewing the submissions with a view to preparing a final draft of the policy for consideration by the Synod in 2012.

9. Members of the Synod and diocesan organisations and schools are invited to make any further comments about the governance policy to the Diocesan Secretary.

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

21 September 2011

Mission Property Greenfield and Brownfield projects

(A report from the Standing Committee.)

1. The purpose of this report is to provide the Synod with an update on the outcome of the 2007 appropriation of \$20 million from the Diocesan Endowment for land acquisition and building projects across the Diocese in support of the Diocesan Mission.

2. In accordance with the requirements of the Mission Property (Appropriation and Amendment) Ordinance 2007, in March 2008 the Mission Board made an allocation of funding towards those projects in the Diocese which are experiencing or are likely to experience a rapid increase in population and projects which are likely to lead to a rapid increase in the number of persons attending churches in the Diocese. This includes the purchase of land on the urban fringe ("greenfield" projects) and building projects located on parish land within existing urban areas ("brownfield" projects).

Greenfield projects

3. An allocation of \$11.4 million was made for greenfield projects. This comprises a \$1.4 million contribution to the costs of the construction of a new ministry centre at Hoxton Park and \$10 million to buy land for future ministry centres in population growth areas of the Diocese.

4. The Mission Property Committee (MPC) has purchased land in strategic locations within the South West Growth Centre at Oran Park and Austral (North Leppington) and within the North West Growth Centre at Stanhope Gardens (Kellyville Ridge). The MPC is actively searching for land (including negotiations to purchase land) within other greenfield land release areas.

5. The MPC is also actively planning for the construction of a new ministry centre and rectory to support the new church plant located within the Anglican precinct at Oran Park also comprising the proposed Anglicare retirement village and Sydney Anglican Schools Corporation school. Planning approval is being sought to construct a new ministry centre on the Stanhope Gardens (Kellyville Ridge) site.

Brownfield projects

6. An allocation of \$8.6 million was made for brownfield building projects at Annandale, Auburn, Berrara, Broadway, Dapto, Glenmore Park, Marrickville, Naremburn and Rooty Hill. Attached is a summary of these projects.

7. The brownfield grants have led to the construction of the majority of these building projects being brought forward by a number of years. In some cases a lack of parish funds meant that the project would not have proceeded were it not for the funding provided by the Diocesan grant.

8. The MPC has provided regular monitoring of each project to completion. It is anticipated that all building projects (excluding Broadway) will be completed by the 2011 Synod.

Recommendation

It is recommended that the Synod receive this report and permit the MPC to make a 15 minute presentation to the Synod about the matters raised in this report.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

24 August 2011

Attachment

Parish	Diocesan Brownfields Grant Amount	Total Project Cost (GST incl)	Project Description	Contribution to Diocesan Mission	Completion Date
Annandale	\$1,000,000	\$2,200,000	Additions to existing church building	Seating capacity increased from 150 to 350+, meeting rooms, state of the art media resources	25 Sept. 2009
Auburn	\$450,000	\$480,000	Renovation of existing church hall and amenities	New hall and amenities for existing and mandarin church plant	Scheduled to be completed on 21 Sept. 2011
Berowra	\$900,000	\$2,900,000	Renovation of existing church and halls	Construction of new large hall 300+ seating capacity, car parking area (Stage 1). A later stage also involves an increase in church seating from 200 to 300.	Scheduled to be completed August 2011
Broadway	\$1,750,000	\$16,500,000	New ministry centre	Size of worship space doubled to 600 people, hall, meeting rooms, offices, catering facilities, underground car parking	Scheduled to be completed March 2012
Dapto	\$1,100,000	\$3,300,000	New ministry centre	Double seating capacity to 500, meeting rooms, offices, car parking area	Scheduled to be completed on 3 August 2011
Glenmore Park	\$900,000	\$2,200,000	New ministry centre	Double size of church to seat 450+, meeting rooms, amenities	Scheduled to be completed on 12 October 2011
Marrickville	\$170,000	\$170,000	Upgrade of existing ministry facilities	Renovation of hall, bathrooms and rearrangement of church seating for contemporary church plant	Scheduled to be completed October 2011
Naremburn	\$500,000	\$3,400,000	Addition to church building	Doubled seating capacity to 200+, separate hall, meeting rooms, office space and catering facilities.	11 December 2009
Rooty Hill	\$1,150,000	\$3,600,000	New ministry centre	New 500 seat auditorium, hall, meeting rooms, car parking area.	April 2010

Ordinances passed by the Standing Committee

(A report from the Standing Committee.)

Parish Cost Recoveries (Return of Capital) Ordinance No 29, 2010
Cathedral Ordinance 1969 Amendment Ordinance No 30, 2010
East Sydney (Darlinghurst) Sale Proceeds and Distribution and Variation of Trusts Ordinance 2005 Amendment Ordinance No 31, 2010
Hurlstone Park Sale Ordinance 1983 Amendment Ordinance No 32, 2010
Endowment of the See (Funding) Ordinance No 33, 2010
Hunters Hill (Woolwich) Ordinance 1994 Amendment Ordinance No 35, 2010
Manly Leasing and Variation of Trusts Ordinance 2006 Amendment Ordinance No 36, 2010
Austinmer (55 Moore Street) Land Sale Ordinance No 37, 2010
Cronulla Variation of Trusts Ordinance No 38, 2010
Shellharbour City Centre Land Sale Ordinance No 39, 2010
Merrylands Land Sale Ordinance No 40, 2010
St Andrew's House Income Ordinance No 1, 2011
Sydney Diocesan Educational and Book Committee Variation of Trusts and Repeal Ordinance No 2, 2011
St James' Sydney Phillip Street Property Amendment Ordinance No 3, 2011
Avalon with Palm Beach Leasing Ordinance No 4, 2011
Parish Administration Ordinance 2008 Amendment Ordinance No 5, 2011
Synod Appropriations and Allocations Amendment Ordinance No 6, 2011
Dural (Glenorie) Land Sale Ordinance 2000 Amendment Ordinance No 7, 2011
West Wollongong Land Sale Ordinance No 8, 2011
Eastgardens Land Sale Ordinance No 9, 2011
North Sydney Mortgaging Ordinance No 10, 2011
Diocesan Endowment (Special Distribution) Amendment Ordinance No 11, 2011
Manly Leasing and Variation of Trusts Ordinance 2006 Amendment Ordinance No 12, 2011
Kensington Land Sale Ordinance 1999 Amendment Ordinance No 13, 2011
North Sydney Leasing Ordinance No 14, 2011
Moore Theological College Ordinance 2009 Amendment Ordinance No 15, 2011
South Sydney Regional Council Land Sale Ordinance and Variation of Trusts Ordinance No 16, 2011
Penrith Leasing Ordinance No 17, 2011
Leichhardt Variation of Trusts and Mortgaging Ordinance 2004 Amendment Ordinance No 18, 2011
Synod (National Church Life Survey) Special Application Ordinance No 19, 2011
Synod Appropriations and Allocations Ordinance No 20, 2011
Synod Estimates Ordinance 1998 Amendment Ordinance No 21, 2011
Cost Recoveries (Parochial Network) Amendment Ordinance No 22, 2011
Synod Funds (Variation of Trusts) Ordinance No 23, 2011
Hoxton Park Land Sale Ordinance No 24, 2011
South Sydney Land Sale Ordinance No 25, 2011
St James King Street (East Lindfield) Land Sale Ordinance No 26, 2011
Berrima cum Moss Vale Variation of Trusts Ordinance No 27, 2011
Campbelltown Leasing Ordinance 2006 Amendment Ordinance No 28, 2011
East Sydney Land Sale and Variation of Trusts Ordinance No 29, 2011
St Luke's Liverpool Ordinance 1976 Amendment Ordinance No 30, 2011
Kurrajong Land Sale Ordinance No 31, 2011
Auditing Amendment Ordinance No 32, 2011
North Sydney (Ministry Centre) Mortgaging Ordinance No 33, 2011

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

21 September 2011

Safe Ministry Board and Professional Standards Unit Annual Report for 2011

(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)* and covers the period 1 July 2010 to 30 June 2011.
2. The Diocese of Sydney exercises 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 a clear statement of requirements and expectations 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, established under the *Safe Ministry Ordinance 2001*, has the dedicated policy task of ensuring that safe ministry and child abuse issues are dealt with comprehensively and in an ongoing way throughout the Diocese. The Board's functions are defined in clauses 5 and 6 of the Ordinance.
4. Members of the Safe Ministry Board (SMB) are: the Rev Dr Keith Condie (Chair), Mrs Sarah Clancy, Ms Stephanie Cole, the Rev Patrick Collins, the Rev Andrew Heron (resigned March 2011), the Rev Steven Layson, the Rev Christopher Moroney, Deaconess Pattie Mutton, the Rev Janine Steele, Dr Ruth Shatford AM, and Mrs Kylie Williams.
5. The SMB has met 10 times in the reporting period.

Professional Standards Unit

6. Jenni Woodhouse is the Unit's Chaplain to victims and survivors (of abuse). Miriam Stevenson serves within PSU as the Project Manager for Anglicare Care Leavers. Annelie Singh serves as a Personal Assistant and the Unit's Administrator. Glenn Murray has been the Director Professional Standards since August 2009.
7. The PSU provides the secretarial and administrative support to the Safe Ministry Board, which has the overall responsibility to ensure that all parishes and other units of the Diocese are child protection aware, compliant and responsive.
8. The Director has operational responsibility for the complaints and discipline procedure (*Discipline Ordinance 2006*) and the National Register (*National Register Canon 2007 Adopting Ordinance 2008*) in relation to clergy and church workers and is the CEO of the Safe Ministry Board. This position acts as head of PSU and is responsible for the PSU staff team.
9. The Chaplain maintains contact with, and supports, persons who have disclosed abuse by a member of the clergy or by a church worker and co-ordinates the provision of counseling as required. The Chaplain also has responsibility for the operation and co-ordination of the PSU Contact Persons.
10. The PSU undertakes screening of all clergy appointments on behalf of the Archbishop. It provides ongoing support and advice to office holders, parishes and organisations in this regard.
11. Commencing in June 2010 the PSU began screening all licence applications through the Anglican Church's National Register. This screening process is a additional to that provided to the PSU by the NSW Commission for Children and Young People who provide national criminal and NSW employment record screening for child-related offences.
12. Since October 2009 the PSU has been augmented with a part-time Care Leavers researcher and administrator who works on Anglicare's behalf assisting with persons who were in orphanages or the care of the Church of England during the period 1950 to 1975. This group of people have become known as *Care Leavers*. Some of this group of people claim they were abused while in care. Anglicare sought and obtained the Diocese's approval to place a resource in the PSU that could best handle these enquiries and complaints.
13. The functions of this position entail a pastoral care role as well as research and administration and a two year contract is in place. This role is known as the *Pastoral Case Manager* and reports through the Director to Anglicare. Anglicare fully funds this position and its costs, so that parish funds are not directly used for this purpose.

Staff Development

14. Each PSU staff member has been able to attend some self directed professional development programs over the reporting year which has both challenged and encouraged these staff members. In some cases this has been coupled with an opportunity to formally contribute to the same event.

Website

15. The safe ministry website www.psu.anglican.asn.au is maintained to enable ready access to all current policies and documents related to safe ministry, child protection and professional standards. The website is cross-linked to other important relevant resources such as the NSW Commission for Children and Young Persons Working with Children Check, the NSW Department of Family and Community Services, counseling services, other dioceses and other denominations.

Archbishop's Meetings with Victims

16. Throughout 2010 - 2011 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 personal apology on behalf of the Church.

17. Significantly, this role is of immense value in almost all cases and victims are appreciative of the effort taken by the Archbishop and the PSU Chaplain to take this step.

Screening of Lay Workers

18. Parishes obtain prohibited employment declarations for all child-related workers (including unpaid volunteers) and directly undertake working with children screening checks for those who are paid. Parishes are advised to also seek full disclosure of any relevant history and to fully complete reference checks with prior supervisors or employers.

19. In addition to secular legislative requirements, prohibited persons under the NSW State legislation (those convicted of serious sexual offences) cannot be appointed or elected as wardens, parish councillors or parish nominators.

20. The Safe Ministry Board has considered the adoption of extra-legislative screening of persons in volunteer children's ministry positions by the administering of comprehensive screening and disclosure questionnaires as recommended by the General Synod in 2004 and again in 2009. This is the last major recommendation which has not been fully adopted by the Diocese of Sydney.

Screening of Ministry/Ordination Candidates, Clergy & Paid Lay Ministers

21. All candidates for ordination and licensed by the Archbishop continue to be required to complete a comprehensive screening and disclosure questionnaire. This is administered by MT&D.

22. 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. This process is administered by the staff of Ministry Training and Development. The *Discipline Ordinance 2006* provides a mechanism for pre-ordination disclosure and consideration of prior sexual misconduct or child abuse. The General Synod *National Register Canon 2007* applies to the Diocese of Sydney.

23. As required by that Canon, the *General Synod – National Register Canon 2007 Adopting Ordinance 2008* clarified in what circumstances the Diocese will have access to the National Register and disclose information from it. As yet, extension of this facility to parish workers has not occurred.

Training of Volunteer Lay Children's and Youth Workers – Safe Ministry Essentials

24. The Diocese has become a member of the National Council of Churches' Safe Church Training Agreement. The *Safe Ministry Essentials* kit has been fully assessed against agreed national training standards and is accredited under the Agreement. There are currently 38 independent churches and other Dioceses who are members of the Safe Church Training Agreement across Australia.

25. This *Safe Ministry Essentials* course remains the mandated safe ministry training for the Diocese. Progress has been made in training and validating local trainers who in turn can train others in parishes using the kit.

26. Youthworks continues to administer and provide train the trainer training in the *Safe Ministry Essentials* course to provide the whole Diocese with a heightened level of child protection awareness and responsibility. The SMB and PSU are thankful that Youthworks carefully provides this essential whole-of-Diocese service to their high standards.

Training of Ministry/Ordination Candidates & Clergy

27. The Safe Ministry Board commissioned a sub-group to undertake a comprehensive survey of the content of all safe ministry training and to develop a diocesan-wide approach to such training. Modules have been developed and are being trialed by Moore College, Ministry Training and Development and Youthworks College in their courses and programs.

28. As this Report is being prepared, this revised program and the majority of its modules are complete and being used in safe ministry training for clergy and church workers.

29. The next round of the triennial *Safe Ministry* training for clergy is being prepared to be presented during September 2011.

Safe Ministry Representatives

30. The role of Safe Ministry Representatives in parishes continues to be pivotal in keeping parishes abreast of changes and possible church child and parishioner protection issues. The PSU telephone support service continues to provide a significant level of direct and enquiry support to parishes.

31. This report notes that Parish Safe Ministry Representative should be a person other than the minister in charge so as to provide a resource to the parish for this important role. The SMB and PSU do not intend for the role of Safe Ministry Representative to be an additional duty of the minister in charge.

32. PSU maintains and issues a Safe Ministry folder to each Safe Ministry Representative and each Minister in charge.

Safe Ministry Guidelines and Other Advice

33. 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 calls per week.

Care of Victims and Complainants

34. As Chaplain, Jenni Woodhouse, cares for complainants and their families. This important role supplements counseling and other emergency assistance which are provided to victims from PSU funds. This level of care for victims and complainants holds an equal place in PSU's role for the Diocese so that this group of men and women are initially supported and cared for, as they raise concerns about their abuse and some Diocesan action follows. This interim care of victims and survivors is a significant role in the partial healing of persons abused by clergy and church workers.

Care and Assistance Scheme

35. A care and assistance scheme is in place as an alternative to litigation to provide for financial assistance to victims to meet their needs which arise from clergy or church worker abuse or misconduct. It includes a mechanism for external assessment if necessary. This covers the uninsured aspect of claims.

36. Currently there are two identical schemes, one for matters that occurred within Diocesan responsibility, currently called Parish Care and Assistance, and one for matters which occurred in the Church of England Homes for which Anglicare has assumed responsibility, currently called Anglicare Care and Assistance.

37. Between 1 July 2010 and 30 June 2011 there has been one payment under the Parish scheme, and thirteen payments were funded under the Anglicare scheme.

Abuse and Sexual Misconduct Complaints Protocol

38. Since 1996, the Diocese has had in place a Protocol for receiving complaints and allegations of child abuse or sexual misconduct by clergy or church workers. Four independent Contact Persons, all trained counsellors, are available for people to contact. Through an abuse report line (**1800 77 49 45** or reportabuse@sydney.anglican.asn.au), the Contact Persons provide information and they support enquirers as they consider their options. They can then assist in the documenting and reporting of allegations or complaints of abuse or misconduct by members of the clergy or church workers.

39. Any complainant identifying possible criminal behaviour is encouraged to make a report to NSW Police. The Contact Person, the Chaplain or the Care Leaver's Project Manager continues to assist this person through reporting the matter to Police. During the past year a revised protocol has been established with NSW Police's Sex Crimes and Joint Investigation Response Squad's Intelligence Unit that reaffirms the Diocese's commitment to report possible crimes where the victim or survivor is unable to do so.

40. The Contact Persons meet four times a year for training and coordination in their roles.

Discipline Ordinance

41. The handling of complaints that are received under the Protocol regarding sexual 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.

42. Where a complaint is made directly to the PSU that contains an allegation including criminal behaviour, a report is made to NSW Police for their attention where the complainant is not able to make that report.

43. Complaints are accepted in writing, put to the respondent, and investigated under the direction of the Director of Professional Standards. The resulting evidence and responses are then put before the Professional Standards Committee for review. Where necessary, they may be referred to a Tribunal and recommendations made to the Archbishop for action. For laypersons, the strongest sanction available is a prohibition 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 or actions available in appropriate circumstances. The Archbishop is outside of the procedure. He considers the final recommendations and implements "discipline". He is entitled to enquire as to progress of matters and the Director is obliged to keep him informed.

Activity

44. The Director received 16 complaints that were permitted under this Ordinance during the reporting period.
45. The Professional Standards Committee considered 11 matters in the reporting period and met six times.
46. The Tribunal commenced hearing two matters referred to it in the reporting period and concluded one of these.

PSU Processes

47. The SMB has amended its 2008 *Policy for reviewing the processes of the PSU* in which the SMB considers process complaints about the actions of the PSU. During the reporting period there was one complaint against PSU. This complaint is yet to be concluded.

The Professional Standards Committee

48. This Committee comprises seven persons, at least one of whom is not an Anglican. Under the provision of the *Discipline Ordinance 2006*, the Committee's function is to review and recommend to the Archbishop on the complaints made to the PSU.
49. This Committee meets as necessary to consider all complaints handled by the Director and is currently meeting every second month.

Parish Recovery Teams

50. A group of nine volunteers has been trained by Pastor Tim Dyer of John Mark Ministries and they are available to assist parishes where allegations of abuse or misconduct by clergy or church workers have arisen. They are able to work in parishes to deal with the complex pastoral issues that arise and to aid personal and parish healing. These volunteers attended four one-day training sessions during the reporting period.
51. A new team of nine volunteer consultants began their training last year in conjunction with the existing team. Training involves the four one day workshops each year and working in conjunction with existing consultants in parishes. Some of our new volunteers have been engaged in this way.
52. In the reporting period, two teams have been deployed on new matters.

Co-Operation with Department of Community Services, NSW Police and other Churches

53. The Diocese continues to work as closely as possible with sister churches. Currently a group comprising officers in similar roles to those of PSU staff meet each quarter as the National Council of Churches *Safe Churches* Sydney group. This group is chaired by the PSU Chaplain, Jenni Woodhouse, and seeks to clarify and advance initiatives of child protection together. This group has been instrumental in making preparations for the *Safe as Churches 5* Conference to be held in July 2011 at Thornleigh.
54. Each quarter the Director meets as part of the NSW Police Child Protection and Joint Investigation Squad Advisory Council. Here too the Sydney Anglican Church is able to work with other churches and secular groups. However the major function of this NSW Police Squad Advisory Council is to work with this Squad on challenging adult and child protection matters.
55. A National Network of Directors of Professional Standards meets approximately each quarter and this is attended by the Diocese's Director. These two-day network meetings are crucial to building understanding and co-operation across the whole nation for Professional Standards Directors who are often isolated because of their particular role. This national network has been instrumental in process improvements for this Diocese and contributing to National register implementation changes and further efficiencies.
56. The Director contributes to the national professional standards agenda and its progress through his role as a member of the General Synod Professional Standards Commission. There are seven members of this Commission drawn from the National Anglican Church.

Finance

57. The financial control and administration of the PSU is the Director's responsibility with the able assistance of the Administrator, Annelie Singh and the SDS Finance staff. Reporting of all PSU income and expenditure has been enhanced by conversion to a cost centre model so as to provide improved tracking of income and expenditure. This includes costing allocation to discrete cases to better understand what further efficiencies might be achievable in the current challenging environment of contracting income.
58. The SMB receives an up to date summary each meeting of the progress of the PSU's finance both in income and expenditure results and balance sheet results. The summarised PSU accounts are reported in the Synod Funds reports elsewhere in the 2011 Synod papers.

Conclusion

59. The Board and the Diocese are well served by PSU staff Annelie Singh, Miriam Stevenson, and Jenni Woodhouse who have provided continuity of service over some years. The Board also records its appreciation of their work in this PSU's role in our Diocese.
60. The Director wishes to record his thanks for the challenge and support of PSU of his own role, that the SMB exercises each meeting. Additionally, he records his thanks to the PSU staff team who have worked hard in

the last two years to manage the increased work load of the additional Care Leavers' service and the necessary process changes to enhance recording and professional accountability.

For and on behalf of the Safe Ministry Board and Professional Standards Unit.

THE REV DR KEITH CONDIE
Chair

Safe Ministry Board
24 August 2011

GLENN MURRAY
Director

Professional Standards
24 August 2011

2/05 Stipends, Allowances and Benefits for 2012

(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 2011" (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 2012" and will be published on the SDS website later 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 figures for 2012 are therefore –

	% of Minister's Minimum Stipend	2012 Minimum Stipend \$ pa
Minister	100	55,867
Assistant Ministers & Lay Ministers –		
1 st and 2 nd year	85	47,487
3 rd and 4 th year	90	50,280
5 th and subsequent years	95	53,074
Youth and Children's Ministers (Diploma) –		
1 st to 3 rd year	65	36,314
4 th to 6 th year	75	41,900
7 th and subsequent years (Advanced Diploma only)	85	47,487
Youth and Children's Ministers (Theological degree) –		
1 st and 2 nd year	85	47,487
3 rd and 4 th year	90	50,280
5 th and subsequent years	95	53,074

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 Recovery Ordinance which is due to be considered by the Synod in October 2011. Superannuation for lay ministers is paid separately. The annual contributions proposed for 2012 are –

	2011	2012
Minister	9,045	9,497
Assistant Ministers & Lay Ministers –		
1 st to 6 th year	8,141	8,548
7 th and subsequent years	9,045	9,497
Youth and Children's Ministers (Diploma) –		
1 st to 6 th year	6,784	7,123
7 th and subsequent years (Advanced Diploma only)	7,688	8,072
Youth and Children's Ministers (Theological degree) –		
1 st to 6 th year	8,141	8,548
7 th and subsequent years	9,045	9,497

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 2012 is calculated in accordance with the following scale –

- (a) a fixed component of \$8,047 (2011 – \$7,747) per annum to cover depreciation, registration, insurance etc, plus
- (b) a reimbursement at the rate of \$246 (2011 – \$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. The recommended rates for clergy who take occasional services in 2012 are –

	2011 \$	2012 \$
For 1 service	80	80
For 2 or more services in a half day	105	105
For a whole day	160	160

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 for 2012 (2011 – 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 78 cents per kilometre to cover any travel costs incurred while performing their duties (2011 – 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 2012 is –

	% of Minister's Minimum Stipend	2012 \$ pa
Studying for a degree	12.5	6,984
Studying for a diploma	10.0	5,587

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) 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.
- (d) 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.

- (c) Superannuation contributions are payable if the remuneration exceeds \$450 per month.
- (d) 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.
- (g) Workers compensation insurance cover must be arranged by the parish.

For and on behalf of the Standing Committee

MARTIN THEARLE

Manager, Diocesan and Policy Services

10 August 2011

Sydney Diocesan Secretariat Annual Report to the Synod for 2010

This Annual Report should be read in conjunction with the Annual Financial Report for 2010 for Sydney Diocesan Secretariat.

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Constitution and Charter

1. Sydney Diocesan Secretariat ("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*.
2. The functions of SDS are set out in clause 6 of the 1973 Ordinance. 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.
3. The principal organisations served by SDS are the Synod, the Standing Committee and their subcommittees, parishes, Glebe Administration Board, Anglican Church Property Trust Diocese of Sydney, St Andrew's House Corporation, the Endowment of the See Committee, the Mission Property Committee and the Sydney Church of England Finance and Loans Board.

Access

4. 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

5. 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.
6. The names of the persons who served as members of SDS during 2010 and their meeting attendance records follow –

Board Members	No of Meetings Eligible to Attend	No of Meetings Attended
Canon Bruce Ballantine-Jones OAM	11	9
Mr Mark Ballantyne	11	8
Bishop Robert Forsyth	11	10
Mr Ben Koo	11	10
Mr Andrew McLoughlin	11	11
Mr Ian Miller	11	7
Mr John Pascoe	11	10
Dr Laurie Scandrett	11	11
Mr Ross Smith*	1	1

* Appointed 6 December 2010.

Structure

7. Attached as Annexure A is an organisational chart of the senior staff of SDS.
8. Mark Payne was appointed as Chief Executive Officer on 17 November 2010.
9. SDS staff numbers were reduced from 59.4 full time equivalents in December 2009 to 48.4 in December 2010.

Full Time Equivalent	December 2010 Actual	December 2009 Actual
Chief Executive Office	5.2	6.2
Parish & Property Services	-	18.4
Commercial Property	10.4	-
Parish Property Services	5.0	-
Diocesan & Corporate Services	6.8	6.8
Finance	7.0	13.0
Technology	7.0	8.0
Investment	7.0	7.0
Total	48.4	59.4

Governance

10. In 2009 an external consultant undertook an independent assessment of the governance practices of Glebe Administration Board. The consultant provided a comprehensive report and made a number of recommendations, which were also relevant to SDS. The implementation of the recommendations relevant to SDS commenced in late 2009, and continued during 2010. The recommendations addressed matters such as –

- The development of a plan for board renewal.
- Clarifying the respective roles of board and management.
- Addressing board culture.
- Reviewing the format and content of board papers.
- Strengthening the board's decision making by addressing meeting processes.
- Reviewing the committee structure.
- Driving accountability.

Committees of SDS

11. During 2010 SDS reviewed and reconstituted its board committees. SDS now has the following board committees –

- (a) The Audit & Risk Committee – The overall purpose of this Committee is to monitor, report and make recommendations to SDS about –
 - the financial reporting processes of SDS to ensure the balance, transparency and integrity of published financial information, and
 - the internal control systems of SDS, and
 - the independent audit processes of SDS, and
 - the risk management and compliance systems of SDS.
- (b) The Services & Resources Committee – The overall purposes of this Committee are –
 - to oversee the development and implementation of the policies for the recruitment, employment, remuneration, and other terms of service of the Chief Executive Officer and senior management, and
 - to recommend to SDS, for its advice to the Standing Committee, the skills and experience required of a candidate to fill a vacancy in the membership of SDS, and
 - to develop and implement induction programs for new members of SDS.

12. The members of the board committees were drawn from the membership of SDS.

Financial Results for 2010

13. For the year ending 31 December 2010, SDS recorded a surplus of \$ 159,451. The equity of SDS increased from \$2.151 million as at 31 December 2009 to \$2.310 million as at 31 December 2010.

14. The 2010 results of SDS can be summarised as follows (further information is in the audited annual financial report) –

\$000s	Actual 2010	Budget 2010	Variance	Actual 2009
Total Income	9,536	9,325	211	11,916
Staff Expenses	6,053	5,907	(146)	6,640
Other Expenses	3,324	3,418	94	3,773
Net Surplus	159	0	159	1,504

15. The income of SDS is principally fee income from the diocesan organisations served by SDS. Total income in 2010 was above budget primarily because of a payroll tax refund, unbudgeted sublease income and fee income from the provision of technology services.

16. Staff expenses were above budget primarily because of the additional costs of an organisational restructure which resulted in a number of staff positions being made redundant. Further comments about that restructure are made later in this report.

17. Other expenses were less than budget primarily due to a write back of outgoing charges which had been provided for in relation to the lease by SDS of part of level 1 and level 2 of St Andrew's House.

18. The balance sheet of SDS as at 31 December 2010 can be summarised as follows –

\$000s	31 December 2010	31 December 2009
Assets		
<i>Current Assets</i>		
Cash	4,414	4,304
Receivables	213	238
<i>Non-Current Assets</i>		
Investments	500	500
Fixed Assets	908	1,370
Total Assets	6,035	6,412
Liabilities		
<i>Current Liabilities</i>		
Payables	580	485
Interest Bearing Liabilities	1,906	2,585
Provisions	971	845
<i>Non-Current Liabilities</i>		
Provisions and other Liabilities	267	346
Total Liabilities	3,725	4,261
Equity		
Capital	2,062	2,062
Accumulated Surpluses	248	89
Total Equity	2,310	2,151

Service Provision and Organisational Structure

Service Provision

19. The work undertaken by SDS was impacted by decisions of certain diocesan organisations served by SDS to outsource some functions to third party providers –

- (a) In January 2010, St Andrew's House Corporation outsourced the property management of St Andrew's House to an external property manager.
- (b) During 2010, Glebe Administration Board outsourced the investment management and accounting functions for the Diocesan Endowment to third party providers. Anglican Church Property Trust Diocese of Sydney made similar decisions in relation to the investment management and accounting functions for the Long Term Pooling Fund.

20. Staff of SDS managed the outsourcing of these functions on behalf of the relevant organisations. However, as these functions had previously been performed by staff of SDS, the decisions would result in a substantial reduction in the fee income to be received by SDS in 2011, and necessitated a substantial restructuring of the organisation to reduce costs in 2011 and beyond. A major report about the future size and shape of SDS was provided to the Standing Committee in December 2010.

21. The change in the scope of services to be provided to Glebe Administration Board was the catalyst for SDS to review all service level agreements with the major organisations it serves. By the end of 2010, new service level agreements were in place. The agreements specify the services required to be provided, the standard of such services, and the required reporting requirements. The agreements form the basis upon which

each organisation and SDS can assess the standard of the services provided, and also form the basis for negotiating the fee payable by each organisation to enable SDS to recover its costs of serving that organisation.

22. Performance in accordance with each of the service level agreements is regularly monitored by the senior management of SDS, and by SDS through its Services and Resources Committee.

People, Learning & Culture

23. 2010 was a significant year for the staff of SDS.

24. Our Chief Executive Officer, Steve McKerihan, commenced sick leave on 11 February 2010 and resigned on 28 April 2010. Mark Payne, then General Manager, Parish & Property Services, was appointed Acting Chief Executive Officer on 24 February 2010 and Chief Executive Officer on 17 November 2010.

25. During 2010, the number of staff members in SDS was reduced from 59.4 full time equivalents to 48.4 full time equivalents. The reduction in staff numbers arose as a consequence of the need for SDS to reduce costs, particularly by reason of the outsourcing of the investment management and investment accounting functions previously undertaken for Glebe Administration Board and the Property Trust. The reduction in staff numbers was achieved partly by natural attrition, but also by way of a number of position redundancies which were announced in November 2010. While the outsourcing of the investment management and accounting functions were the principal catalysts for the reduction in costs, all divisions were impacted by the restructuring decisions.

New Organisational Structure

26. There were significant changes in the organisational structure of SDS. There are now 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) and Glebe Administration Board (in respect of St James' Hall).
- 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 banking services provided by the Diocesan Endowment (deposits in the Glebe Income Accounts, loans and treasury functions).
- Overseeing the Parish Planned Giving program (electronic collection and offertory and donations on behalf of parishes).

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.
- Overseeing the Diocesan Area Wide Network (by which broadband internet access is available for parishes) and the Parish Activity Manager.

27. A significant initiative during 2010 was the reinvigoration of the human resources function within SDS. This has been undertaken to enable SDS to better support and encourage its staff. Initially the focus of the human resources initiatives (referred to as People, Learning & Culture) was to ensure that the position descriptions of all staff were reviewed and updated, particularly in light of the organisational restructure. Subsequent initiatives have focussed on policy review and development in the following areas –

- Organisational values
- Remuneration
- Learning and development
- Performance review
- Grievance handling procedures
- Flexible work practices
- Occupational health and safety

28. A number of forums have been established to enable staff to have input and provide feedback about the work practices of SDS. SDS will undertake its next staff survey during the second half of 2011 to measure overall staff satisfaction.

Achievements in 2010

29. The following paragraphs summarise the key achievements of SDS during 2010 on behalf of the organisations it serves –

Synod and Standing Committee

- Successfully managing the meeting of Synod in October 2010, and the meetings of the Standing Committee and its subcommittees throughout the year.

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.
- Operating the Diocesan Area Wide Network which provides broadband internet access for parishes at competitive rates.
- Completing the program by which all parish properties were inspected for the presence of asbestos and other hazardous materials. The program was completed 1 year ahead of schedule.

Glebe Administration Board

- Developing the investment policy statement for the Diocesan Endowment.
- Managing the outsourcing of investment management and investment accounting.
- Managing the approval of 4 new loans totalling \$7.6 million, ranging in size from \$330,000 to \$5 million.
- Overseeing the negotiation of leases for the St James' Hall building.
- Completing the major capital works project involving the refurbishment of all toilets in the St James' Hall building.

St Andrew's House Corporation

- Preparing and reviewing long term financial projections for the St Andrew's House fund.
- Planning for the undertaking of capital works upgrade works in the building, upon the expiration of the lease of the major commercial tenant.
- Appointing the agent for the leasing of the tower upon the expiration of the lease of the major commercial tenant.
- Managing the outsourcing of the property management of St Andrew's House tower and arcade.
- Leasing of Ground Floor North.

- Overseeing a review of the operations of the car park.
- Undertaking capital works in accordance with approved budget.

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.
- Developing the investment policy statement for the Long Term Pooling Fund, and managing the outsourcing of investment management and investment accounting for that Fund.
- Managing the parish insurance program including negotiating the renewal of policies, the provision of information about policies, and the processing of claims.
- Overseeing the completion of major construction projects at Naremburn and Rooty Hill, and the commencement of major projects at Berowra, Broadway and Dapto.

Mission Property Committee

- Acquiring “greenfields” sites for new ministry centres at Oran Park, Leppington and Stanhope Gardens.
- Approving the commencement of major ministry centre construction projects at Berowra, Broadway and Dapto.

Sydney Church of England Finance & Loans Board

- Managing the approval of 10 new loans totalling \$1.9 million ranging in size from \$30,000 to \$520,000.
- Managing the introduction of new risk management and audit procedures.

Opportunities for 2011

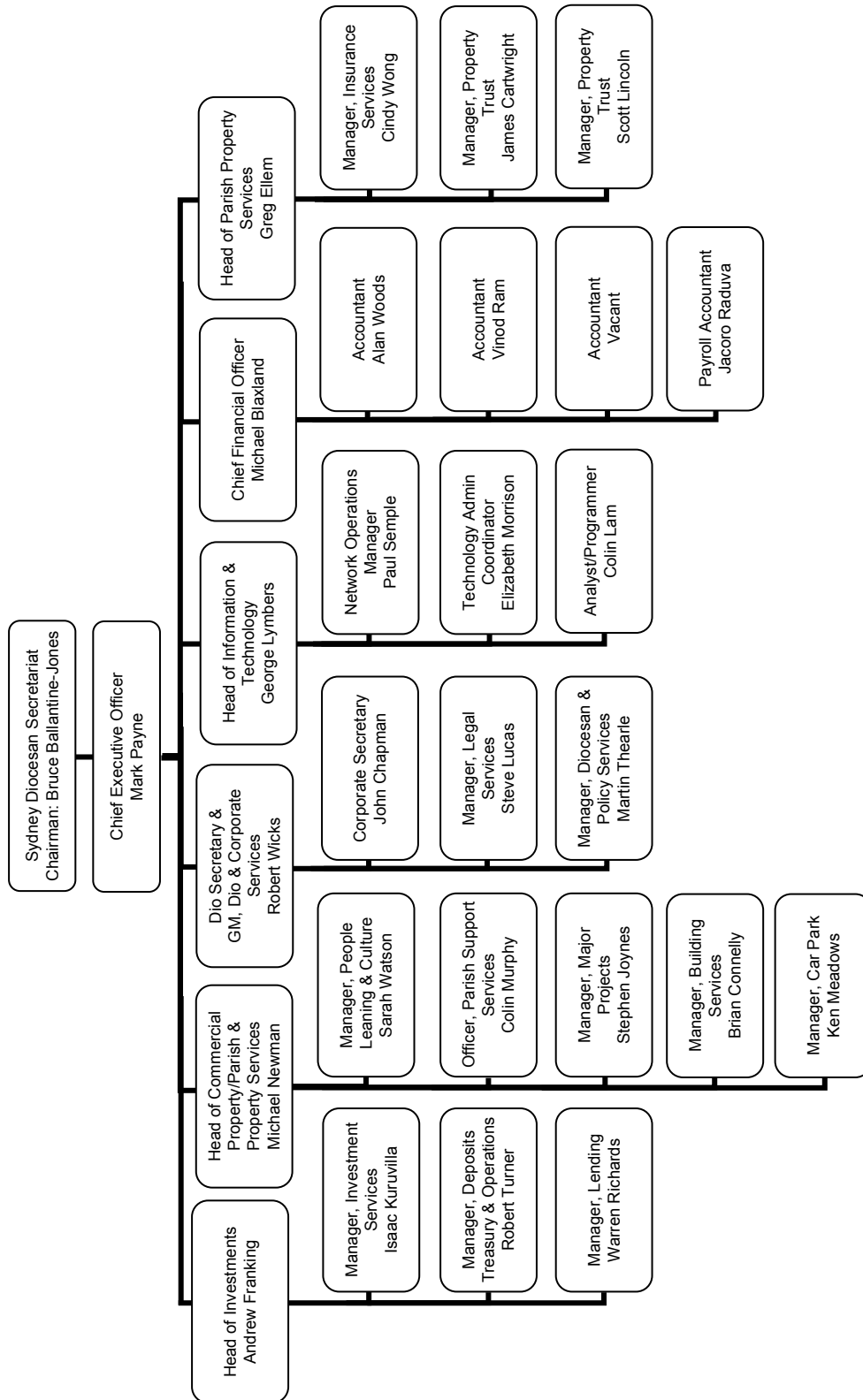
30. Following the organisational restructure of SDS undertaken in 2010, it is expected that 2011 will be a year of consolidation. The opportunities for SDS in 2011 include the following –

- Further engaging with the organisations served by SDS to refine the service level agreements.
- Further developing performance measurement methodologies to ensure the quality of the services provided.
- Refining income and costs to ensure recovery by SDS of the costs of serving Diocesan organisations.
- Developing a capital maintenance policy to ensure that SDS is appropriately capitalised for financial sustainability in future years.
- Further developing the People, Learning & Culture initiatives within the organisation.
- Enhancing the identification and management of key risks in the organisation.
- Reviewing the accommodation needs of SDS, as a consequence of the significant reduction in staff numbers in recent years.

MARK PAYNE
Chief Executive Officer

30 March 2011

Sydney Diocesan Secretariat – Senior Staff Organisation Chart – 30 March 2011



Sydney Diocesan Secretariat Annual Financial Report for 2010

Report by the Chief Executive Officer

For the year ended 31 December 2010

Background

Sydney Diocesan Secretariat (the Secretariat) 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 the Secretariat 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 the Secretariat 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
- the Endowment of the See Committee
- the Mission Property Committee
- Sydney Church of England Finance & Loans Board

Services are provided by the Secretariat pursuant to service level agreements, and it recovers its costs by way of fees charged to the organisations served.

Strategic Initiatives

During 2010, the service level agreements with the major clients of the Secretariat were revised.

One of the Secretariat's clients, the Glebe Administration Board, determined to outsource the investment management of the Diocesan Endowment and investment accounting associated therewith. These services were previously provided by the Secretariat. A consequence of the reduction in service levels required was a need to review (and reduce) the overall costs of the Secretariat. Subsequently, a staff reorganisation was implemented resulting in several positions being made redundant.

In addition, as part of the staff reorganisation, a People Learning & Culture department was re-established with a view to better supporting and managing relationships with our staff.

Financial Results

In 2010 the Secretariat recorded a surplus of \$159,451 (compared to a surplus in 2009 of \$1,504,139).

The results for 2010 were impacted by several factors –

- a. savings in staff costs by reason of a reduction in staff members during the year by natural attrition but these were offset in part by additional expenses incurred by reason of a number of redundancies following the organisational restructure undertaken in November 2010, and
- b. a payroll tax refund received from the Office of State Revenue, and
- c. prudent expense management.

MARK PAYNE
Chief Executive Officer

2 March 2011

Statutory Report of the members of the Sydney Diocesan Secretariat For the year ended 31 December 2010

In accordance with a resolution of the Board, the members of the Secretariat submit herewith the financial reports as at 31 December 2010 –

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 surplus of \$159,451 (2009: \$1,504,139 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. 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 2010.

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 42

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, age 61

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 and a Corporate Trustee of the Anglican Church of Australia. First appointed to the Board in May 2000.

Mr Ben Koo, BCom, BEc, age 34

Mr Koo is a Bank Analyst with Goldman Sachs & Partners Australia with previous experience in Corporate Restructuring and Corporate Finance and the past 9 years 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 48

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, LL.M, ThL, GAICD, age 58

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 50

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, Chairman of the Sydney Church of England Finance and Loans Board 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.

Dr Laurie Scandrett, ME, PhD, MAICD, SAFin, AAIM, JP, (Deputy Chairman), age 54

Dr Scandrett is the CEO of Sydney Anglican Schools Corporation. He is a member of the Standing Committee and St Andrew’s House Corporation and is a Diocesan Representative on General Synod and Provincial Synod. He and his family attend St Matthias Anglican Church Centennial Park. First appointed to the Board in November 1990. Appointed Chairman of ALCO on 16 December 2009.

Mr Ross Smith, MAppFin, BEc, age 44

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.

No members resigned or retired from the Board during the year.

Chief Executive Officer

Mark Payne, BEc, LLB, LLM, FFSIA, AAIM, age 47

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 62

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 2010	Board Meetings		Committee Meetings			
			Services and Resources		Audit and Risk	
	A	B	A	B	A	B
Non Executive members						
B Ballantine-Jones	11 C	9 C	2 C	2 C		
M Ballantyne	11	8				
R Forsyth	11	10	2	1	4	2
B Koo	11	10	2	2		
A McLoughlin	11	11			4	3
I Miller	11	7	2	2		
J Pascoe	11	10			4 C	4 C
L Scandrett	11	11				
R Smith *	1	1				

- A = meetings eligible to attend
- B = meetings attended
- C = Chairman
- * = Mr Smith was appointed 6 December 2010
- = not a committee member

Continuation in office of Members

Bishop R Forsyth and Mr I Miller were re-elected by the Standing Committee in November 2010 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 Secretariat. The scope of that delegated authority, and its limits, is documented.

Board Committees

The Board had two Committees that operated during the year, namely:

- Services and Resources Committee
- Audit and Risk Committee

The Committees, as they operated in the year, had the following responsibilities as delegated by the Board:

Audit and Risk Committee

The function of the Committee is 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, and
its risk management systems.

Services and Resources Committee

The function of the Committee is to –

monitor service delivery, strategies, sustainability and other matters relevant to the functioning of the Secretariat, and make recommendations to the Board of the Secretariat (the "Board"), and
to oversee the development and implementation of the policies for the recruitment, employment, remuneration, other terms of service and succession for the CEO and senior management, and
to recommend to the Board, for their advice to Standing Committee, the skills and experience which a potential candidate to fill a vacancy in the membership of the Board, and
to develop and implement induction programs for new members of the Board, and
ensure that the Board maintains its established policy of developing and implementing competitive and effective remuneration practices and senior management processes that comply with the law, regulations, internal policies and the requirements of statutory authorities.

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 \$6,506 (2009: \$6,196) 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 2010 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.

Benjamin Koo
Member

30 March 2011

L A Scandrett
Member

30 March 2011

Statement of comprehensive income for the year ended 31 December 2010

	Notes	2010 \$	2009 \$
Revenue from continuing operations			
Management and service fees		7,474,805	9,691,570
Property management fees		1,371,600	789,515
Interest		168,858	116,221
Grants and donations		25,000	186,000
Final distribution on liquidation of Anglican Insurance Limited	6	-	52,929
Refund of payroll tax from Office of State Revenue	17	113,427	703,248
Write back 2008 payroll tax accruals		-	234,000
Other income		382,951	142,782
Net gain on sale of plant and equipment	9	100	-
Total revenue from continuing operations		9,536,741	11,916,265
Expenses from continuing operations			
Interest and finance charges		91,763	91,208
Staff and related expenses		6,052,575	6,639,730
Professional fees		252,441	451,758
Rent and occupancy expenses		1,001,090	919,429
Office operating expenses		1,251,308	1,310,521
Marketing expenses		-	1,495
Depreciation		486,010	651,252
Audit fees	23	35,269	43,675
Bad debts		5,793	4,529
Net loss on disposal of plant and equipment	9	-	579
Impairment charge of plant and equipment	9	104,223	249,649
Insurance expenses		35,241	36,684
Other expenses		61,577	11,617
Total expenses from continuing operations		9,377,290	10,412,126
Surplus/(deficit) for the year		159,451	1,504,139
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		159,451	1,504,139

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

Statement of financial position as at 31 December 2010

	Notes	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	4,413,518	4,303,570
Receivables	5	213,275	238,447
Total current assets		4,626,793	4,542,017
Non-current assets			
Available-for-sale financial assets	7	-	-
Held-to-maturity investments	8	500,000	500,000
Plant and equipment	9	908,083	1,370,376
Total non-current assets		1,408,083	1,870,376
Total assets		6,034,876	6,412,393
LIABILITIES			
Current liabilities			
Payables	10	579,778	484,566
Interest bearing liabilities	11	1,906,650	2,584,674
Provisions	12	971,243	845,840
Total current liabilities		3,457,671	3,915,080
Non-current liabilities			
Provisions and other liabilities	13	266,784	346,343
Total non-current liabilities		266,784	346,343
Total liabilities		3,724,455	4,261,423
Net assets		2,310,421	2,150,970
EQUITY			
Capital	14	2,062,105	2,062,105
Accumulated surplus	15	248,316	88,865
Total equity		2,310,421	2,150,970

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the year ended 31 December 2010

	Notes	Capital	Accumulated Surplus\ (deficit)	Total
		\$	\$	\$
Balance at 1 January 2009		2,062,105	(1,415,274)	646,831
Surplus for the year		-	1,504,139	1,504,139
Comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	1,504,139	1,504,139
Balance at 31 December 2009		2,062,105	88,865	2,150,970
Surplus for the year		-	159,451	159,451
Comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	159,451	159,451
Balance at 31 December 2010	14,15	2,062,105	248,316	2,310,421

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 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Management and service fees received		7,488,965	9,717,320
Property management fees received		1,371,600	789,515
Interest received		168,826	116,273
Grants and donations received		25,000	186,000
Final distribution on liquidation of Anglican Insurance Limited	6	-	52,929
Refund of payroll tax from Office of State Revenue	17	113,427	703,248
Other income received		430,704	131,208
Borrowing costs paid		(91,763)	(91,208)
Payments to suppliers and employees		(8,590,947)	(10,310,598)
Net cash inflow from operating activities	21	915,812	1,294,687
Cash flows from investing activities			
Payments for plant and equipment		(127,940)	(97,536)
Payments for assets under construction	9	-	(137,819)
Proceeds from sale of plant and equipment	9	100	450
Payments for held-to-maturity investments	8	-	(500,000)
Net cash (outflow) from investing activities		(127,840)	(734,905)
Cash flows from financing activities			
Net current accounts held with related parties inflow/(outflow)	11	(678,024)	523,080
Net cash inflow/(outflow) from financing activities		(678,024)	523,080
Net increase in cash held		109,948	1,082,862
Cash at the beginning of the year		4,303,570	3,220,708
Cash at end of year	4	4,413,518	4,303,570

The above cash flow statement should be read in conjunction with the accompanying notes.

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 2010 reporting periods. The Secretariat's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the entity's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The investment in the NSW Council of Churches Broadcasters Pty Ltd (Note 7) is not held for trading and is fully impaired as no net cash inflows are expected.

There will be no impact on the Secretariat's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the entity does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The entity has not yet decided when to adopt AASB 9.

- (ii) *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.

- (iii) *AASB 2010-4 Further Amendments to Australian Accounting Standards arising from Annual Improvements Project* (Applicable 1 January 2011)

The objective of this Standard is to make amendments to:

AASB 1 *First-time Adoption of Australian Accounting Standards*

AASB 7 *Financial Instruments: Disclosures*

AASB 101 *Presentation of Financial Statements*

AASB 134 *Interim Financial Reporting*

Interpretation 13 *Customer Loyalty Programmes*

Early adoption permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2011. They are not expected to have any significant impact on the entity's disclosures.

(iv) **AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets** (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on the entity's disclosures.

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

The Secretariat performs 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

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.

(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
- Computer software	3-4 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 non-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) Intangible assets

Costs incurred in developing Information Technology (IT) systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefit through revenue generation and/or cost reduction are capitalised to software. Costs capitalised include external direct costs of materials and service. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the entity has an intention and ability to use the asset.

(r) 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 income statement 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.

(s) 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.

	2010 \$	2009 \$
Financial assets		
Cash at bank - Westpac Banking Corporation	605,446	611,598
Glebe Income Accounts	3,806,472	3,690,372
Receivables	213,275	238,447
Held-to-maturity investments	500,000	500,000
	5,125,193	5,040,417
Financial liabilities		
Payables	579,778	484,566
Interest bearing liabilities held for related parties	1,906,650	2,584,674
	2,486,428	3,069,240

(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 2010, 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 \$30,052 lower/higher (2009 – change of 100 bps: \$22,173 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 2010					
Financial assets					
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)
Total increase/ (decrease)		(30,052)	(30,052)	30,052	30,052

31 December 2009	Carrying amount \$	Interest rate risk			
		-1.00%		1.00%	
		Surplus \$	Equity \$	Surplus \$	Equity \$
Financial assets					
Cash and cash equivalents	4,301,970	(43,020)	(43,020)	43,020	43,020
Held-to-maturity investments	500,000	(5,000)	(5,000)	5,000	5,000
Interest bearing liabilities	2,584,674	25,847	25,847	(25,847)	(25,847)
Total increase/ (decrease)		(22,173)	(22,173)	22,173	22,173

(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 rating of A-2 are accepted. However to make greater use of the Commonwealth Government Bank deposit guarantee scheme across Diocesan entities the Secretariat has invested \$500,000 with Greater Building Society which is rated A-2. 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 \$15.0 million standby facility with Westpac Banking Corporation, to ensure customer deposits are available to them within the terms of those deposits.

As at 31 December 2010 accounts receivable of the Secretariat with a book value of \$18,143 (2009: \$25,714) were past due. An impairment provision of \$7,232 (2009: \$4,251) 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 commissions receivable from Anglicanconnect. There is no recent history of default.

	Credit rating	2010 \$	2009
Cash and cash equivalents			
Cash at bank - Westpac Banking Corporation	*A1+	605,446	611,598
Glebe Income Accounts	Not rated	3,806,472	3,690,372
Total cash and cash equivalent		4,411,918	4,301,970
Held-to-maturity investments			
Greater Building Society Variable Rate Notes	BBB	500,000	500,000
Total held-to-maturity investments		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:

	2010 \$	2009 \$
Undrawn overdraft facility with Westpac Banking Corporation	1,200,000	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.

Less than six months	2010	2009
	\$	\$
Non-interest bearing - payables	579,778	484,566
Variable rate - current account balances held for related parties	1,906,650	2,584,674
	<u>2,486,428</u>	<u>3,069,240</u>

(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

	2010	2009
	\$	\$
Cash at bank - Westpac Banking Corporation (a)	605,446	611,598
Glebe Income Account (other related party) (b)	3,806,472	3,690,372
Cash in hand	1,600	1,600
	<u>4,413,518</u>	<u>4,303,570</u>

(a) Cash at bank – Westpac Banking Corporation (a)

Cash at bank is bearing a variable interest rate of 0.25% (2009: 0.25%).

(b) Other cash and cash equivalents (b)

The deposits are bearing floating interest rates between 3.70% and 5.25% (2009: 3.15% and 5.00%). These deposits have a varied maturity of at call or 3 months.

5. Current assets – Receivables

	2010	2009
	\$	\$
Accounts receivable	69,859	128,787
Provision for impairment of receivables (note (a))	(7,232)	(4,251)
Prepayments - other	37,763	76,612
Accrued interest	662	630
Input tax credits	31,893	33,583
Other receivables	80,330	3,086
	<u>213,275</u>	<u>238,447</u>

(a) Bad and doubtful trade receivables

The Secretariat has recognised a loss of \$5,793 in respect of bad and doubtful receivables during the year ended 31 December 2010 (2009: \$4,529).

6. Current assets – Other financial assets at fair value through profit and loss

	2010	2009
	\$	\$
At beginning of the year	-	-
Disposals - Final distribution on liquidation	-	(52,929)
Profit on disposal of Anglican Insurance Limited	-	52,929
At end of the year	<u>-</u>	<u>-</u>

The final distribution on liquidation of Anglican Insurance Ltd shares was received on 15 December 2009 for \$52,929.

7. Non-current assets – Available-for-sale financial assets

	2010	2009
	\$	\$
Unlisted securities		
NSW Council of Churches Broadcasters Pty Ltd	47	47
Fair value adjustment	(47)	(47)
Total	<u>-</u>	<u>-</u>

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 – Held-to-maturity investments

	2010	2009
	\$	\$
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 (2009: \$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 Long Term Local Issuer Credit as "BBB". The variable rate notes are neither past due or 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 investments will be held to maturity.

9. Non-current assets – Plant and equipment

	2010	2009
	\$	\$
Furnishings and effects - at cost	876,129	1,287,704
Additions	183,158	-
Disposals/write-off	(49,401)	(411,575)
Furnishings and effects	1,009,886	876,129
Less: Provision for depreciation	(292,912)	(192,759)
	716,974	683,370
Equipment and machinery - at cost	421,080	419,463
Additions	-	1,617
Disposals/write-off	(419,464)	-
Equipment and machinery	1,616	421,080
Less: Provision for depreciation	(404)	(418,994)
	1,212	2,086
Office equipment - at cost	473,480	489,416
Additions	8,510	4,064
Disposals/write-off	(220,863)	(20,000)
Office equipment	261,127	473,480
Less: Provision for depreciation	(238,007)	(282,593)
	23,120	190,887
Computer hardware - at cost	1,457,047	1,920,864
Additions	116,660	91,856
Disposals/write-off	(292,550)	(555,673)
Computer hardware	1,281,157	1,457,047
Less: Provision for depreciation	(1,114,380)	(1,146,795)
	166,777	310,252
Computer software - at cost	-	129,245
Disposals/write-off	-	(129,245)
Computer software	-	-
Motor vehicle - at cost	25,248	25,248
Motor vehicle	25,248	25,248
Less: Provision for depreciation	(25,248)	(21,856)
	-	3,392
Expenditure recognised in relation to plant and equipment and fixtures and fittings which is in the course of construction	-	180,389
Total plant and equipment	908,083	1,370,376
	2010	2009
	\$	\$
Opening balance at beginning of year	1,370,376	2,036,951
Additions	308,328	97,536
Work in progress changes during the year	(180,388)	137,819
Disposals/impairment write-off (a)	(104,223)	(250,678)
Depreciation	(486,010)	(651,252)
Closing balance at end of year	908,083	1,370,376
Proceeds from the sale of plant and equipment	100	250,099
Carrying cost of plant and equipment sold	-	250,678
Gain/(loss) on sale of plant and equipment	100	(579)

(a) Impairment loss

The impairment charge of \$104,223 (2009: \$249,649) relates mainly to changed circumstances regarding furnishings and effects usage, particularly as a result of lower staff numbers.

10. Current liabilities – Payables

	2010	2009
	\$	\$
Accounts payable	55,813	13,759
Accrued expenses	185,089	202,823
Planned giving - offerings received on behalf of Parishes	111,735	107,109
Other payables	227,141	160,875
	<u>579,778</u>	<u>484,566</u>

11. Current liabilities – Interest bearing liabilities

	2010	2009
	\$	\$
Current accounts held for Diocesan funds (other related parties)	<u>1,906,650</u>	<u>2,584,674</u>

Movement	2010	2009
	\$	\$
Opening balance	2,584,674	2,061,594
Net increase/(decrease) in current account liability	(678,024)	523,080
Current account balances at end of year	<u>1,906,650</u>	<u>2,584,674</u>

Current account balances are at call and unsecured.

Interest is paid at 2.70% (2009: 2.15%). Overdraft interest is charged at 8.20% (2009: 7.65%).

12. Current liabilities – Provisions

	2010	2009
	\$	\$
Annual leave entitlements	452,032	448,402
Long service leave entitlements	295,987	213,653
Restructuring costs (a)	148,265	114,000
Clergy stipend continuance unfunded claims (b)	74,959	69,785
	<u>971,243</u>	<u>845,840</u>

(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
	\$	\$	\$
Movement in current provisions			
Carrying amount at start of year	114,000	69,785	183,785
Charged/(credited) to the income statement			
- additional provisions recognised	276,520	70,216	346,736
Amounts used during the year	(242,255)	(65,042)	(307,297)
Carrying amount at end of year	<u>148,265</u>	<u>74,959</u>	<u>223,224</u>

13. Non-current liabilities – Provisions and other liabilities

	2010	2009
	\$	\$
Long service leave entitlements	261,018	276,561
Clergy stipend continuance unfunded claims (a)	5,766	69,782
	<u>266,784</u>	<u>346,343</u>

(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:

Movement in non-current provisions	\$
Carrying amount at start of year	69,782
Charged/(credited) to the income statement	
- unused amount reversed	(64,016)

Carrying amount at end of year	5,766
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14. Equity - Capital

	2010	2009
	\$	\$
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 or financing 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.

15. Equity - Accumulated surplus

	2010	2009
	\$	\$
Accumulated surplus/(deficit) at beginning of the year	88,865	(1,415,274)
Surplus/(deficit) for the year	159,451	1,504,139
Accumulated surplus/(deficit) at end of the year	248,316	88,865

16. Commitments – premises rental

Lease commitments: SDS as lessee		2010	2009
<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		936,101	923,812
Later than one year but not later than five years		3,898,309	3,807,915
Later than five years		7,450,234	8,543,151
		12,284,644	13,274,878
Lease commitments: SDS as lessor		2010	2009
<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		193,965	204,246
Later than one year but not later than five years		394,793	528,692
		588,758	732,938
<i>(ii) Cancellable operating leases</i>		2010	2009
		\$	\$
Commitments for minimum lease payments in relation to cancellable operating leases are payable as follows:			
Within one year		399,328	445,671
Later than one year but not later than five years		376,256	401,256
		775,584	846,927

(i) *Non-cancellable operating leases*

The Secretariat leases various suites within St Andrew's House under non-cancellable operating leases expiring within twelve 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.

17. Payroll tax – refund

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.

18. Investments in associates

The Secretariat is a member of SCEGGS Darlinghurst Ltd and S CECGS 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.

19. Contingent liabilities and contingent assets

Contingent liabilities in respect of the membership of the schools SCEGGS Darlinghurst Ltd and S CECGS Redlands Ltd are limited in their constitutions to the guarantees of \$1 and \$10 respectively.

20. 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.

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.

21. Reconciliation of surplus from ordinary activities to the net cash flow from operating activities

	2010	2009
	\$	\$
Surplus from ordinary activities	159,451	1,504,139
Depreciation	486,010	651,252
Impairment of plant and equipment	104,223	249,649
(Gain)/loss on sale of plant and equipment	(100)	579
Bad debts written-off	2,812	-
Changes in assets and liabilities		
Decrease/(increase) in receivables	22,360	(23,149)
Increase/(decrease) in payables	95,212	(399,134)
Increase/(decrease) in provisions	45,844	(688,649)
Net cash inflow from operating activities	<u>915,812</u>	<u>1,294,687</u>

22. 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.

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'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 banking service via current accounts; 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
Mr B M Koo	Mr R Smith (appointed 6 December 2010)
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 S McKerihan / 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

	2010	2009
	\$	\$
Short-term employee benefits	742,900	822,385
Long-term employee benefits	26,720	195
Other benefits	-	246,471
	<u>769,620</u>	<u>1,069,051</u>

23. Remuneration of Auditors

	2010	2009
	\$	\$
(a) Assurance services		
Audit services		
- audit and review of financial reports and other audit work	35,269	43,675
Total remuneration for audit services	<u>35,269</u>	<u>43,675</u>
(b) Advisory services		
For services rendered in the normal operations of the Secretariat	21,073	19,098
	<u>56,342</u>	<u>62,773</u>

Audit fees are charged directly to each entity, except for the Standing Committee of Synod Sydney Diocesan Account.

The audit fee for the year specific to the Secretariat is \$23,800 (2009: \$23,800).

24. Events occurring after the end of the reporting period

The members are not aware of any events occurring after the reporting period that impact on the financial statements as at 31 December 2010.

The financial statements were authorised for issue on 30 March 2011 by the Board.

Members' declaration

The members of the Sydney Diocesan Secretariat declare that these financial statements and notes set out on pages 225 to 249 –

- (a) comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) gives a true and fair view of the Secretariat's statement of financial position as at 31 December 2010 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.

Benjamin Koo
Member

30 March 2011

L A Scandrett
Member

30 March 2011

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 (\$557,005) and annual leave (\$452,032). 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

There are no matters that have arisen since 31 December 2010 which are likely to have a significant effect on the Secretariat.

i. Adoption of report

This report has been adopted at a duly constituted and convened meeting of the members of the Secretariat on 30 March 2011.

Clause 14e – Risk Management

Summary of Key Risks

The key risk areas that were identified in 2010 were:

- a. Management of investment portfolios**, the Diocesan Endowment is the most significant, reflecting factors such as investment strategy, manager choice and surveillance, credit risk, market movements, liquidity etc with the consequential risk of funding shortfall for the Diocesan mission. The banking operation reflects such risks as credit, legislative, liquidity, price sensitivity and depositor confidence.
- b. People management**, reflecting factors such as leadership, staff morale, communications, recruitment, retention, training, performance/engagement, health and safety etc.
- c. Revenue loss**, reflects the risk associated with some clients having a lessened ability to pay for services. Recognises the Secretariat will need to respond with reduced cost and higher efficiency levels.
- d. Regulatory and contractual obligations**, reflecting obligations to external parties in respect to regulatory compliance, monitoring regulatory changes, and adherence to contractual obligations.
- e. Systems and processes**, reflecting factors such as system design, state of technology, documentation, access control, backup, continuity planning, training, delegation, segregation and controls.
- f. Business continuity**, reflecting factors such as failure of technology, lack of access to St Andrew's House, poor documentation and loss of key staff.
- g. Reputation**, reflecting factors such as investment performance, mission alignment, Christian ethos, commerciality, relationship management, professionalism, actions of other organisations, unethical investments etc.
- h. Service expectations**, reflecting factors such as relationship management, process failure, potential funding shortfall, resource failure, communications and culture.
- i. Security**, reflecting the need to comply with regulatory requirements for our physical facilities overlaid with high quality protection against malicious intrusion of our technology or physical facilities.

- j. **Project management**, reflecting factors such as business planning, “over enthusiasm” on projects, emotional attachment, project management skills, review and accountability, documentation, scope creep, objective analysis, resource contention etc.

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. **Management of investment portfolios.** Extensive controls are in place to manage market risk, through diversification and regular review of investment strategy, governance, and supporting operations through updated policies and procedures.
- b. **People issues and management.** Extensive policies and procedures are in place to manage the risks in this area including formal OH&S consultation, structure management training and annual staff survey on work conditions. Greater emphasis is also being placed on values and behaviours in the context of recruitment and staff appraisal.
- c. **Revenue loss.** The risks in this area are controlled by Service Level Agreements with key clients, the outsourcing of certain activities and focus upon efficiency and cost reduction.
- d. **Regulatory and contractual obligations.** The risks in this area are controlled by standard operating procedures, regular reporting and compliance alerts received from external providers. The current focus is on systematic compliance reporting to the Board Audit and Risk Committee (ARC).
- e. **Systems and processes.** The risks in this area are primarily controlled through robust design, division of duties, documentation, training, account reconciliations and regular review. The adequacy of these controls is currently being assessed.
- f. **Business continuity.** The risks in this area are controlled by regularly tested business continuity and disaster recovery plans. Succession planning addresses key person risk.
- g. **Reputation.** The risks in this area are managed by a no surprises culture of escalating key issues to the CEO and clear lines of communication with external stakeholders.
- h. **Service expectations.** We propose addressing this risk area by understanding client expectations, articulating service standards, reviewing performance, seeking client feedback and reviewing the services provided.
- i. **Security.** Risks extend beyond data and system security to physical security and reliability of data. We concluded that our processes are robust, but ongoing vigilance is required.
- j. **Project management.** Several risks were identified around the scoping and management of projects. Action plans have included ceasing direct management of certain projects and introducing mandatory post project reviews.

Benjamin Koo
Member

30 March 2011

L A Scandrett
Member

30 March 2011

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 225 to 250], which comprises the statement of changes in equity as at 31 December 2010, 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 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. No opinion is expressed as to whether the accounting policies used, as described in Note 2, are appropriate to meet the needs of the members. 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.

Our audit did not involve an analysis of the prudence of business decisions made by members or management.

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 2010 and its financial performance for the year ended in accordance with the accounting policies described in Note 2 to the financial statements.

PricewaterhouseCoopers

KRISTIN STUBBINS
Partner

Sydney
31 March 2011

Synod appropriations and allocations for 2012

(A report from the Standing Committee.)

Background

1. By clause 5(1) of the Synod Appropriations and Allocations Ordinance 2009 (the "2009 Ordinance"), the Synod indicated its intended appropriations and allocations for 2012. By clause 5(2), the Synod directed the Standing Committee to pass all such ordinances as may be necessary, from time to time, to give effect to the Synod's intention.
2. At the time the 2009 Ordinance was passed, the intended appropriations and allocations for 2012 were set out in the report accompanying the 2009 Ordinance. These estimates are reproduced in the Attachment to this report in the column headed "Estimates for 2011 and 2012".
3. Clause 5(3) of the 2009 Ordinance contemplates that there may be a deficiency between the estimated amount available for allocation by the Synod in 2012 and the actual amount available for allocation in 2012. Clause 5(3) therefore permits the Standing Committee to pass an ordinance to reduce the amount allocated in 2012 by the extent of this deficiency in such manner as the Standing Committee may determine.
4. Any ordinance passed by the Standing Committee under clause 5(3) of the 2009 Ordinance must be reported to the next session of the Synod.
5. At its meeting on 25 July 2011, the Standing Committee passed the Synod Appropriations and Allocations Ordinance 2011 under clause 5(3) of the 2009 Ordinance. This ordinance determines Synod appropriations and allocations for 2012 on the basis that the actual amount of income available in 2012 is 26% less than the amount estimated in 2009 (\$4.9m compared with the estimated \$6.6m).
6. The purpose of this report is to inform Synod about –
 - (a) the reduced level of income available for Synod allocations in 2012,
 - (b) the allocations made by the Standing Committee for 2012 in view of the reduced level of income, and
 - (c) the strategic basis for making these allocations.

Strategy for 2012

7. It is considered that almost all of the key ideas about funding and the statements about our Diocesan identity, the community, our strategic direction and budget principles articulated in the *Strategic Directions 2010-2012* document received by the Synod in 2009 remain appropriate for 2012. The allocations made under the Synod Appropriations and Allocations Ordinance 2011 therefore seek to give effect to the principles in this document.
8. The main points from the *Strategic Directions 2010-2012* document follow.

Background

9. By way of background –
 - (a) In the present circumstances, and in the light of our strategy for 2012 given limited funds – What can best be done centrally? How best can we fund those central activities?
 - (b) The Diocesan Mission is:

"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."
 - (c) We remain committed to the Diocesan Mission and to building on the insights and momentum of Connect09 to reconnect with the wider community.
 - (d) The Diocese consists of a network of parish churches largely self governed and self funded, through which the chief work of the gospel takes place in the community. This network is episcopally led and Synodically governed.

Key ideas

10. Key ideas remain –
 - (a) Radical nature of the process – What most critically needs to be done by the Diocese with its central funds to further the Mission?
 - (b) Local income remains in the parish – The priority of the parish should be maintained, and therefore no Assessments on parish giving are proposed.
 - (c) The centre must fund what the local cannot – Central funding must consolidate around Policy 3. Furthermore, the funding from the Endowment of the See and from the Diocesan Endowment will be co-ordinated to serve the restructure of our total services for the Mission.

- (d) Policy 3 (Training) a funding priority – The recruitment and training of gospel workers is the best strategic use of central funds for church growth in the long term¹.
- (e) Emphasis on partnership in local mission – The Mission in the parishes is strengthened by the creation of 18 mission areas with a mission leader in each.
- (f) Renewed effort in church planting – A renewed effort will be made in missional church planting.

Diocesan identity and the community

11. Our Diocesan identity and the community –
- (a) We are convinced that those outside of Christ are lost.
 - (b) We believe salvation comes through the Spirit of God.
 - (c) We recognise that God has richly blessed us.
 - (d) We are the heirs of Reformation Anglicanism.

Strategic direction

12. Our strategic direction for 2012 –
- (a) Our commitment to the Diocesan Mission and its policies is undiminished.
 - (b) Policy 1 – Prayer remains at the core of the Diocesan Mission, but it does not require funding. Our strong support of gospel work outside the Diocese will continue.
 - (c) Policy 2 – The objective is for Synod to provide only those key resources that can best be organised and supplied centrally. In future an increasing proportion of the support required for ethnic, cross cultural and multicultural work will have to come from local initiatives. A similar shift will be required for tertiary education ministries. An increased proportion of the work of the Anglican Education Commission will need to be funded by Anglican schools.
 - (d) Policy 3 – Ensuring the quality and consistency of theological education must remain a priority for the Diocese. A substantial investment in growing new church leaders is the most strategic and appropriate use of central resources, therefore Policy 3 will continue to receive the largest proportion of the available central funding. Nevertheless, some specific programs will no longer be funded and there will need to be some reduction in the amount of Synod funds made available to Moore Theological College.
 - (e) Policy 4 – Significant reform work will be required, however, this does not require additional Synod funding.
 - (f) Administration will continue to be scrutinised to ensure –
 - (i) activity is limited to things best undertaken centrally,
 - (ii) expenditure is minimised, and
 - (iii) services are delivered in the most efficient manner.

Budget principles

13. Budget principles approved by Synod when adopting the *Strategic Directions 2010-2012* document –
- (a) The Mission Strategy of the Diocese remains key to funding.
 - (b) We cut costs, boost high priority activities and outsource or dispense with other activities.
 - (c) We limit the level of distribution from the Diocesan Endowment to ensure the capital is available for future generations.
 - (d) We agree there should be no tax or assessment imposed on all parishes to centrally fund ministry initiatives in particular parishes.
 - (e) We ensure the Endowment of the See is more explicitly connected to the policies of the Mission.
 - (f) We acknowledge that some services are best provided centrally.
 - (g) We fulfil all necessary requirements and obligations to operate as a diocese, eg, maintaining the Diocesan Registry and basic services provided by the Secretariat, and paying General Synod general assessments.
 - (h) We maintain the percentage allocation added to the capital of the Indigenous Peoples' Ministry Fund.
 - (i) We ask organisations to account for their performance against objectives and priorities established in *Strategic Directions 2010-2012*.
 - (j) We recognise the realities created by the structure of the Diocese, the present financial situation, and the need to emphasise things best provided centrally while positioning resources for long term recovery.

¹ "Changes in Church Staff Numbers and Church Attendance Growth" prepared for Policy 3 Group by John Bellamy and Allison Moffitt (Anglicare Research Unit), February 2011.

Amount available for appropriation for 2012

14. At its meeting on 30 May 2011 the Standing Committee passed the Diocesan Endowment (Special Distribution) Amendment Ordinance 2011 which confirmed the amount to be appropriated from the Diocesan Endowment in accordance with the Glebe Administration Board's recommendation. The Glebe Administration Board recommended a distribution in 2011 for spending in 2012 of \$3.642 million based on the following methodology –

- (a) A Yale-type formula applied to the Investment Portfolio (5% of the value of invested funds) PLUS
- (b) 75% of the surplus from Banking Services (net of banking expenses) PLUS
- (c) 75% of the cash distributions from St Andrew's House Fund MINUS
- (d) Expenses of the Diocesan Endowment (excluding banking expenses).

15. The actual distributions available in 2011 from the various parish ordinances are appropriated in accordance with the indication of intent contained in the 2009 Ordinance, although the total amount is nearly \$200,000 less than the estimate made at the time the 2009 Ordinance was passed. The decrease in these distributions is largely the result of Standing Committee's decisions to amend the ordinances governing the distribution of income from properties held on behalf of the parishes of King Street and Manly, in order to allow the parishes to retain a greater proportion of the income in order to carry out work needed to maintain and refurbish these properties.

16. An amount \$200,000 has therefore been appropriated from the reserves held in the Professional Standards Unit to increase the total available funds in 2012 to \$4.9 million (compared with \$6.6 million in 2011).

17. The details of each of the actual amounts available from the Diocesan Endowment, the other smaller parish ordinances, and the Synod Fund are set out in the column headed "Proposed for 2012" in the Attachment to this Report.

Proposed allocations for 2012*Policy 1*

18. Policy 1a Prayer remains at the core of the Diocesan Mission, but it does not require funding.

19. Support for gospel work outside the Diocese continues with the allocation of 4.1% of the total available funds to Policy 1b. While Synod resolution 40/09 "encourages it [Synod] to consider how in future the Diocese may return to 5% of income that would be made available for Gospel work beyond the Diocese in future Appropriations and Allocations Ordinances", for 2012 the Work Outside the Diocese Committee will be able to maintain the level of grants through the use of some of the reserves that remain under its control.

Policy 2

20. The funding for regional councils to assist with administrative support provided for the Assistant Bishops has been maintained at the same level as in 2010. Regional council grants for parish and regional cross cultural ministry are no longer able to be funded. However, some extra funding will be given to the Department of Evangelism and New Churches to assist in the co-ordination and growth of ethnic, cross cultural and multicultural work (including ESL) as outlined in paragraph 24.

21. The funding to support the work of the Tertiary Education Ministry Oversight Committee (TEMOC) has been reduced by 50%. It is considered that in the light of the significantly reduced income and other funding priorities this is the most appropriate response to Synod resolution 42/10 which said in part Synod "commits to ongoing financial support of TEMOC within the constraints of the Diocesan budget". The reduced funding will nevertheless still provide substantial support for TEMOC's priorities for TAFE, VET and UWS ministries outlined at Synod last year.

22. The funding to Youthworks to provide resourcing and support for children's and youth ministry, and to facilitate the accreditation of Scripture teachers for Special Religious Education has been maintained at almost the same level as indicated in the 2009 Ordinance because this work is considered to be of high priority.

23. The funds provided to support the work of the Anglican Education Commission in 2012 have been halved. This decision has not been based on any re-assessment of the value of the work done by the Commission, but simply because it is recognised that this work should not remain as a priority call on the limited central funds. As noted in the key ideas extracted from the *Strategic Directions 2010-2012* document above, the centre must fund what the local cannot. 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 independent Anglican schools. It is now time that all Anglican schools contributed to the support needed for this vital work to continue.

24. The funding to the Department of Evangelism and New Churches to provide resources which support local evangelism and directly assist the planting of new Sydney Anglican congregations has been maintained at almost the same level as indicated in the 2009 Ordinance because this work is considered to be of high priority. A renewed effort in missional church planting is one of the key ideas in the *Strategic Directions 2010-2012* document, and central funds are considered essential to this work. With the great challenge of an increasingly multicultural Sydney, the Department has been given increased responsibility to develop a Diocesan wide

approach in ethnic, cross cultural and multicultural gospel ministry in the regions and parishes. This will involve starting new ministries as well as supporting existing ones.

25. Funding for the Anglican Media Council has been maintained at almost the same level as indicated in the 2009 Ordinance because by its nature this work has to be done at a central Diocesan level and there is limited opportunity for it to attract other sources of funding. Even so there has been a small reduction in funds allocated for this work and the Council will need to re-examine each aspect of its work with a particular eye to whether the traditional forms of communication such as *Southern Cross* continue to reach their target audience in the most cost effective way.

26. Funding of the research function provided by Anglicare has been maintained at the level in the 2009 Ordinance since the research provided has proven integral to much of the mission planning and the actual cost has already been discounted by Anglicare.

27. The funding to provide ongoing support and assistance to Mission Areas has been maintained at the level indicated in the 2009 Ordinance. The Mission Area initiative remains one of the key initiatives identified in the *Strategic Directions 2010-2012* document and these funds are used to support those parishes whose rector is a Mission Area Leader involved in fostering and developing outreach to the community beyond their own parish.

Policy 3

28. Policy 3 (Training) remains a funding priority – the recruitment and training of gospel workers is the best strategic use of central funds for church growth in the long term. The proportion of the total available funds allocated to this work in 2012 is now slightly higher than the 43% indicated in the 2009 Ordinance.

29. No further central funds will be provided to the Archbishop specifically to support either pre-ordination conferences and assessments, or to promote women's ministry. However, the Archbishop will receive a much smaller allocation to use as he sees fit to provide support for particular ministry or ministries.

30. The funding of Youthworks College in general and in particular the expansion of the College's Year 13 program aimed at providing future lay leadership for our churches and for the Mission will be maintained at almost the same level as indicated in the 2009 Ordinance.

31. Moore Theological College will continue to receive the overwhelming majority of the funds allocated under Policy 3. However, due to the significant reduction in total funds available, the amount represents a 19% decrease compared with both 2011 and the figure anticipated in the 2009 Ordinance for 2012. The College has advised that as a result of the internal review that has been underway for some time it will be able to cope with a decrease of this magnitude.

32. Overall the central funding for the work of the department of Ministry, Training and Development will be almost maintained at the level shown in the 2009 Ordinance. However, the department will have an expanded responsibility for recruiting, guiding and selecting for ministry in the Diocese.

33. No central funds will be provided for the provision of bursaries and support for students seeking ordination, with the Ordination Training Fund Committee encouraged to utilise reserves accumulated from past years to continue to provide this support in 2012.

Policy 4

34. Significant reform work will be required, however this will not require Synod funding in 2012.

Administration

35. All of the centrally funded administration will continue to be closely scrutinised to ensure activity is limited only to those things best undertaken centrally, expenditure is minimised, and services are delivered in the most efficient manner.

36. The Sydney Diocesan Secretariat (SDS) has provided the Standing Committee with a detailed service level agreement which itemises the nature of the work undertaken in servicing the Synod, Standing Committee and parishes, together with specific information in relation to the cost of providing those services. SDS has estimated the cost of providing those services in 2011 will be \$750,000, but with the ongoing work to reduce these costs the estimate for 2012 is \$700,000. Discussions between SDS and the Standing Committee about the action which can be taken to enable SDS to recover the cost of the services it provides are continuing and it is expected that the results of this work will form part of a broader restructure of central Diocesan finances for the 2013-2015 triennium.

37. The allocation of funds to meet the cost of Standing Committee (and subcommittee) members parking in St Andrew's House have been maintained at the level shown in the 2009 Ordinance.

38. It is estimated that the accommodation and travel costs incurred by the Sydney representatives attending General Synod (which is held once every 3 years) can be contained to approximately \$60,000, and accordingly the allocation for this purpose in 2012 has been reduced to \$20,000.

39. No Synod funding will be required for the work of the Professional Standards Unit in 2012. The cost of the Unit's work that relates to Diocesan organisations will continue to be recovered from the organisation in question and some specific funding should continue to come from the component of the variable parish cost recovery charge identified for safe ministry training. The balance has traditionally been funded 1/3rd with Synod funds and 2/3rd from the variable parish cost recovery charge, but it is now proposed that from 2012 the whole cost of parish

related work should be recovered through the variable parish cost recovery charge. This matter is the subject of a separate ordinance being promoted to the Synod.

40. No Synod funding will be provided for the Archives. Only a portion of this function relates to the work of the Endowment of the See, and the rest relates to parishes. It is therefore proposed that parishes contribute directly to this cost from 2012 through the variable parish cost recovery charge.

41. No Synod funding has been provided for membership costs associated with the Anglican Church of Australia. It is proposed that from 2012 these costs are met through the variable parish cost recovery charge.

42. The amount allocated for Synod Fund Contingencies has been reduced from the amount indicated in the 2009 Ordinance.

Recommendation

43. It is recommended that the Synod receive this report.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

11 August 2011

Attachment

Synod Appropriations and Allocations

	Actual for 2010	Est. for 2011 & 2012	Actual for 2011	Actual for 2012
INCOME				
Diocesan Endowment Ord. (distribution from the net assets of the GAB)	5,400	5,250	5,250	3,642
<i>distributed direct to Fund 129 -</i>				
St James Sydney Phillip Street Property Ord. 1962 (C/F 022) - <i>Synod receives 36% reduced to 20% from 2012</i>	291	291	280	162
<i>distributed through Fund 400 -</i>				
St Matthew's Manly Ord. 1988 (C/F 175?) - <i>Synod receives 47.5%, but reduced by provision for refurbishment from 2013</i>	366	366	396	391
ACPT Synod Fund (C/F 400) - <i>interest earned during the year on distributions received from parish funds</i>	69	62	31	35
CENEF O rd. 1978 (C/F 3 33) - <i>25% of the income is capitalised, 75% directed to Youthworks (see application below)</i>	107	96	78	68
Hunters Hill (Woolwich) Ord. 1994 (C/F 566) - <i>Synod receives 5% increased to 15% in 2012 but then all directed to NRC</i>	2	2	2	2
Georges River Region (Belfield Proceeds) Ord. 1998 (C/F 438)	23	21	-	-
Narellan (Elderslie Lands) Variation of Trusts Ord. 1980 (C/F 638) - <i>Synod receives 80% of the income</i>	50	45	43	36
Ryde (Kirkby Gardens, etc.) Ord.1968 (C/F 706) - <i>Synod receives 50% of the income</i>	348	348	409	429
St Phillip's Sydney Ord. 1975 (C/F 757) - <i>Synod receives all the income from this fund</i>	10	9	9	7
St Phillip's Sydney York Street Property Ord. 1966 (C/F 759) - <i>Synod receives 15% of the income</i>	218	58	72	73
St Phillip's Sydney York Street Property Ord. 1966 (C/F 759) - <i>prior year amount available for 2010 only</i>	233	-	-	-
<i>sub total (excluding Diocesan Endowment Ord.)</i>	1,717	1,298	1,320	1,203
TOTAL INCOME	7,117	6,548	6,570	4,845
<i>applied direct by ordinance for specific purposes</i>				
<i>less</i> Income from the CENEF Ord. applied direct to Youthworks for capital purposes (incl. conference & camping centres)	(107)	(96)	(78)	(68)
<i>less</i> Income from the GRR (Belfield Proceeds) Ord. applied direct to GRRC for expenditure on GRRC properties	(23)	(21)	-	-
SUBTOTAL	6,987	6,431	6,492	4,777
<i>less</i> 1% of above total income appropriated and added to the capital of the Indigenous Peoples' Ministry Fund - determined by ordinance of Synod (eg, Synod Appropriations and Allocations Ordinance 2009)	(73)	(64)	(65)	(48)
AVAILABLE INCOME	6,914	6,367	6,427	4,729
<i>add other possible funds available to Synod -</i>				
Draw on excess working capital in Synod Fund 129	329	-	-	-
Draw from the reserves of the Professional Standards Unit Fund 153	-	-	-	200
Balance remaining in Rent Subsidies Fund 187 no longer required for that purpose	-	-	13	-
Part of balance in Ordination Training Fund 189 in excess of current requirements	-	-	175	-
TOTAL AVAILABLE FUNDS	7,243	6,367	6,615	4,929

	Actual for 2010	Est. for 2011 & 2012	Actual for 2011	Actual for 2012
ALLOCATIONS				
Policy 1a Prayer (Spiritual renewal)				
Archbishop - as recommended by the Archbishop from time to time	35	32	32	-
	35	32	32	-
% of total available income	0.5%	0.5%	0.5%	0.0%
Policy 1b Gospel work outside the Diocese (ministry support outside the Diocese)				
Work Outside the Diocese Committee	288	257	257	200
	288	257	257	200
% of total available income	4.0%	4.0%	3.9%	4.1%
Policy 2 Expand and Plant and Support congregations (ministries that equip, nurture & expand churches & congregations and provide background support)				
Regional Councils - general allocation (incl. support of ethnic and cross cultural ministry, and administrative support)	700	600	600	-
Regional Councils - administrative support (PA & EA)	-	-	-	300
Tertiary Ministry Oversight Committee - tertiary student ministry fund (previously part of Regional Council allocations)	300	300	300	150
Youthworks - Resourcing of children's & youth ministry + Special Religious Education	320	320	320	310
Anglican Education Commission - advocacy on Education Policy (including SRE)	120	120	120	60
Department of Evangelism and New Churches	150	150	150	140
Department of Evangelism and New Churches - support of ethnic, cross cultural and multi-cultural ministries	-	-	-	150
Anglican Media Council - diocesan media officer, internal communication & evangelism (incl. website + smaller SC)	320	320	320	300
Anglicare - Research (diocesan planning / NCLS / support for SIE)	80	80	80	80
Administration costs for Connect09 (2009 = \$500k less amounts transferred from Policies 1a, 4 & Contingencies)	191	-	-	-
On-going support & assistance for Mission Areas	200	200	200	200
	2,381	2,090	2,090	1,690
% of total available income	32.9%	32.8%	31.6%	34.3%
Policy 3 Multiply workers (well trained persons)				
Archbishop's support of ministry	117	117	117	50
Youthworks - Youthworks College	87	87	87	80
Youthworks - Youthworks College (recruitment - expanded Year 13 program)	100	100	100	100
Moore Theological College	1,958	1,958	1,958	1,577
MT&D - Continuing education for ministers + recruiting, guiding & selecting for ministry in the Diocese	389	389	389	370
Ordination Training Fund Committee - Bursaries and support for students seeking ordination	176	176	176	-
Training for Mission Areas	300	-	-	-
	3,127	2,827	2,827	2,177
% of total available income	43.2%	44.4%	42.7%	44.2%

Continued...

	Actual for 2010	Est. for 2011 & 2012	Actual for 2011	Actual for 2012
Continued...				
Policy 4 Reform structures (to remove blockages to the Mission)				
StanCom / Mission Board - Strategic Policy 4 Mission Projects	35	32	32	-
	35	32	32	-
% of total available income	0.5%	0.5%	0.5%	0.0%
Administration (to enable the whole Diocese to be more effective for the Mission)				
Diocesan Administration				
SDS - Servicing Synod, Standing Committee, parishes, etc	655	655	655	700
- Car parking for committee members in SAH	25	25	25	25
- Costs incurred for Sydney representatives to attend General Synod	25	25	25	20
<i>total funding for SDS</i>	705	705	705	745
Other Synod costs				
Resourcing				
Archbishop's Professional Standards Unit [<i>previously 1/3rd of estimated \$595k funded by Synod</i>]	197	197	197	-
EOS - Archives (salary, rent and on-costs) [<i>previously 32% of estimated \$150k funded by Synod</i>]	49	49	49	-
Membership of Anglican Church				
Registrar - General Synod statutory assessments	265	199	199	-
Registrar - Provincial Synod assessment	12	12	12	-
Registrar - NSW Council of Churches membership	13	13	13	-
Contingencies				
Standing Committee - Synod fund contingencies	137	203	203	117
<i>total funding for other Synod costs</i>	673	673	673	117
	1,378	1,378	1,378	862
% of total available income	19.0%	21.6%	20.8%	17.5%
Total allocations	7,244	6,615	6,615	4,929
% of total available income	100.0%	103.9%	100.0%	100.0%
total under/(overspent)	(1)	(249)	(0)	0

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. The Committee is committed to supporting the development of 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.
2. The members of the Committee are: Professor Chris Bellenger, the Rev Patrick Benn, the Rev Richard Blight, the Rev Robert Copland, Dr Sara Denize, the Rev Steve Gooch, Ms Tracey Gowing, the Rev Peter Hughes and the Rev Mark Williamson.
3. Following the production of the report in 2010, the Committee (having met on four occasions) has:
 - (i) Reviewed and confirmed funding allocations for 2011.
 - (ii) Developed policies on funding allocation to be applied for future grants.
 - (iii) Initiated a new process for the consideration of applications for grants for 2012.
 - (iv) Held meetings with representatives of a number of bodies to explore the possibility of creative partnerships.
 - (v) Met with and further communicated with representatives of the Diocesan Executive to discuss the deleterious impact of potential funding cuts.
4. The Committee has so far been unable to devote time to developing a diocesan policy on ministry in TAFE and other VET institutions and other Higher Education Providers, but has maintained close communication with the Inter College Christian Fellowship in order to be aware of current and planned ministries in VET institutions.
5. Having spent 2010 developing and finalising TEMOC Funding Guidelines the Committee decided that grants for 2011 would be the same as for 2010 unless there was a change in personnel. This was to ensure that ministry teams were given suitable notice of funding changes for the following year.
6. 2011 TEMOC Grants:

CAMPUS	AMOUNT
Macquarie University	\$20,000
University of Sydney - Main	\$39,000 ¹
University of New South Wales - Main	\$45,000
University of Technology, Sydney - Main	\$45,000
University of Western Sydney - Penrith	\$35,000
University of Western Sydney - Parramatta	\$45,000
University of Wollongong	\$25,000
UWS / TAFE - Hawkesbury	\$9,000
UWS / TAFE - Nirimba	\$5,000
TAFE Ministry	\$32,000
Total	\$300,000

¹ In 2011 this amount was paid to St Barnabas, Broadway. In 2010 it was paid to the EU Graduates Fund

For and on behalf of the Tertiary Education Ministry Oversight Committee

The Rev Patrick Benn

Chairman

15 August 2011

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*¹

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.² However temporary immigration visas are 67% of total visas issued with 85% of those held by Asians (East of the Caucasus)³. 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.⁴
7. The net result is that between 2008 and 2050, Sydney⁵ 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.⁶

¹ <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Main+Features10Jun+2010>

² 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.

³ 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>

⁴ 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

⁵ Specific numbers for Wollongong are not available from the ABS report.

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.⁷

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 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

⁶ This assumes a significant decline in Anglo-celtic / European migration.

⁷ 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.

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 2009.⁸
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 2050.⁹
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.¹⁰ 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 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.¹¹

⁸ 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.

⁹ 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.

¹⁰ Metropolitan Plan for Sydney 2036, New South Wales Government, December 2010 at page 114.

¹¹ 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.

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.

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”¹² 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.**¹³ 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 retired 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.
 - (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.

¹² This does not presume that the Anglican church (English church) is always a bad label; see paragraphs 15 to 20 of the covering report.

¹³ 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 per cent 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.”

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 workers¹⁴ (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 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).

¹⁴ 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.

7/10 Work of the Archbishop's Strategic Commission

37/10 Financial sustainability of the Endowment of the See

(A report from the Standing Committee.)

Background

1. By resolution 7/10, the Synod expressed its thanks to the Archbishop for establishing the Archbishop's Strategic Commission for Structure, Funding and Governance (the Commission) and –

- (a) noting the ongoing work of the Commission in bringing recommendations to the Archbishop and the Standing Committee about ensuring the sustainability of the Endowment of the See (EOS) and changes that need to be made to the operation and inter-dependence of diocesan bodies to ensure that the essential work and services of the Diocese are maintained while living within our means, and
- (b) noting that the Standing Committee has endorsed the general direction proposed by the Commission in an interim report provided to the Archbishop and Standing Committee and requested that the Commission progress its work with relevant diocesan agencies,

requested that –

- (i) Synod members be afforded the opportunity to provide comments to the Commission by 31 December 2010, and
- (ii) the Standing Committee provide a report to the Synod in 2011 about the steps that have or still need to be taken to ensure that diocesan finances are placed on a sustainable footing and the implications such steps will have on the funding of diocesan infrastructure and activities in 2012 and beyond.

2. By resolution 37/10, the Synod requested that the Standing Committee report to the Synod in 2011 about the options that exist to place the EOS on a financially sustainable footing, together with a recommendation. Synod requested that this report should be prepared in consultation with the EOS, the Commission and the Anglican Church Property Trust (ACPT).

3. The purpose of this report is to provide a response to the Synod's request for reports in resolutions 7/10 and 37/10.

4. The first part of the report provides specific comments on the options that exist to place the EOS on a financially sustainable footing. In accordance with resolution 37/10, these comments have been prepared in consultation with a Working Group comprising representatives from the EOS Committee, the Commission and the ACPT.

5. The second part of the report addresses the broader diocesan perspective in resolution 7/10 by indicating the action taken by the Standing Committee to enable the Synod to consider its response to the report of the Commission. The Commission's report was circulated to members of the Synod in materials for pre-Synod briefings held on 8 and 9 September 2011.

Options for placing the EOS on a financially sustainable footing

6. The Synod did not define the phrase 'financially sustainable footing', or how its achievement might be assessed for the purpose of resolution 37/10. It is considered that the most appropriate interpretation of the phrase in the context of an endowment like the EOS would be that it requires as an objective for the medium to long term that expenditure be limited to the income available after providing for the maintenance of the real value of the endowment. The EOS structure, functions and therefore funding could be more radically altered (requiring ordinance changes as well as other steps) by Standing Committee and Synod, but such considerations are outside the scope of resolution 37/10.

Financial background

7. At present the functions of the EOS Committee are to "direct the investment policy" and "to care for...the real property" of the Endowment of the See "upon trust to pay the stipend of the Archbishop, the expenses in relation to his official residence, and travelling, secretarial and other expenses in respect of his office".

8. The EOS has not been operating in a financially sustainable manner for a number of years. Even with the benefit of what has now been shown to be unsustainably high distributions from St Andrew's House, the EOS Committee was using the proceeds of assets sales to fund recurrent expenditure. The level of annual expenditure has now been reduced from approximately \$7m in 2008 to \$3m in 2010, but the suspension of distributions from St Andrew's House for 2010-2013 (apart from \$0.1m in 2010) has left the EOS with a substantial deficit for each of those years, which has been only partly offset by the parish levy of \$0.9m in 2011.

9. At 31 July 2011 the EOS had total assets of \$69.3m, but of that only \$9.0m (13%) was producing income. The major assets held by the EOS can be summarised as follows –

<i>Income producing –</i>	\$m
Cash	2.8
Long Term Pooling Fund (ACPT)	3.9

One Greenoaks apartment (presently leased, but being offered for sale)	2.3
	<u>9.0</u>
<i>Non-income producing –</i>	
50% share of St Andrew's House	32.9
Bishops court	22.0
Senior clergy housing (1 Greenoaks apartment and 3 other residences)	5.4
Other (office equipment, furniture and motor vehicles <u>less</u> leave provisions)	<u>0</u>
	<u>60.3</u>
	<u>69.3</u>

10. The EOS currently faces annual expenditure of approximately \$3.0m, of which more than 60% is directly staff-related. After making significant reductions in staff numbers since 2008 the EOS Committee considers that it is not possible or desirable to make any further reductions in that area. The EOS Committee also believes that general austerity measures already implemented have minimised the cost of motor vehicles, travel, entertainment, and office expenses. A summary of the major expense categories for 2011 is shown below –

	\$m
Staff (stipends and on-costs)	1.8
Rent and occupancy (rent of SAH offices, maintenance of Bishops court & residences)	0.5
SDS fee (paid for accounting, payroll, IT and secretarial services (less than actual cost))	0.3
Other (entertainment, telephone, computers, insurance, stationery, audit, etc)	<u>0.4</u>
	<u>3.0</u>

11. The income generated by the EOS in 2011 is only expected to be about \$0.4m (which will be supplemented by the parish levy of \$0.9m, various grants totalling about \$0.6m and some \$1.0m of the proceeds of recent Greenoaks apartment sales). However, if most of the assets of the EOS were to be converted to an income-producing form, an endowment of, say, \$60m might reasonably be expected to produce an annual income of around \$2.7m (assuming a return of 4.5%, after maintaining the real value of the endowment). By comparison the Standing Committee recently authorised a distribution from the Diocesan Endowment for 2012 based on a formula recommended by the Glebe Administration Board which included a 5% return from its investment portfolio. The ACPT representatives on the Working Group believe that 4% is a realistic long term return.

Overview

12. The obvious and most critical problem facing the EOS at present is its lack of income with which to meet the payments determined by the Standing Committee and the Archbishop, in large part due to the abrupt suspension of all distributions from its 50% share of St Andrew's House. The final report of the Commission states that – “the bare facts are that the EOS cannot fund its projected cash flow requirement over the next two years without asset sales or a continuation of the parish levy authorised by the 2010 Synod for 2011”.

13. It is therefore concluded that, given –

- (a) the total value of assets held by the EOS,
- (b) the current level of annual expenditure (which is accepted, on the advice of the EOS Committee, as the realistic minimum for its present functions), and
- (c) the substantially increased income available once distributions from St Andrew's House resume, probably in 2014,

the EOS faces only a short period of significant deficits if it continues with its current operational structure. The Working Group was advised that the Archbishop believes that the EOS is now operating on its “bare bones”. While the prospect of using capital to pay recurrent expenses is not something either the Standing Committee or the ACPT would normally support, in the short term the EOS has little choice, unless Synod is prepared to cover the deficit by an ongoing parish levy.

14. At present the EOS is a very long way from financial sustainability. For 2011 the income expected from the assets of the endowment is only \$0.4m with expenses of \$3.0m.

15. However, in the medium and longer term financial sustainability for the present EOS functions is achievable if there is a genuine commitment to decisive action to rectify the underlying issues. In addition to the recommendations relating to the EOS contained in the final report of the Commission (commended by a majority of the Working Group), there are a number of other suggestions below in relation to the options for placing the EOS on a financially sustainable footing.

Actions to improve financial sustainability

16. There is no one simple fix. Indeed to achieve financial sustainability the EOS will need to adopt a range of changes designed to increase income and limit expenditure. Some of the measures recommended will take a couple of years to bear fruit, and so a diminution of the asset base is inevitable unless income from another source, such as a parish levy, is used to ‘balance the books’ in the short term, or the EOS expenditure is reduced through other structural change.

17. In 2010 Synod was presented with the facts concerning the EOS's financial situation, and approved a parish levy for the purposes of contributing to the EOS funding needs during 2011 only. No new facts have emerged since then, but it is a matter for Synod to decide if there should be a further such levy. A continuing levy on parishes of the same amount as in 2011 does not place the EOS on a fully financially sustainable footing, but it could assist through a period of abnormally low income in the spirit of Christians "carrying each other's burdens" (Galatians 6:2).

18. A number of other possible actions were considered to improve the EOS financial position such as directly soliciting gifts and donations (of either capital or income) or varying the trusts over other funds to apply them to the EOS. However each of these is considered impractical.

19. The following actions are considered options to help place the EOS on a financially sustainable footing (*where applicable, references in italics are to the final report of the Archbishop's Strategic Commission*). It should be noted that although these options are listed as ones which could be considered by Standing Committee or Synod, they are not necessarily endorsed by the bodies represented on the Working Group and in particular the ACPT does not currently support the sale of either Bishops court or St Andrew's House.

Increase income

20. To increase the proportion of income producing assets –

- (a) Sell Bishops court, acquire a suitable alternative residence with more modest entertainment and guest facilities, and apply the balance of the proceeds in diversified income producing investments. (*ASC 3.1.1*)
- (b) Sell the whole or part of the EOS's share of St Andrew's House (once rental returns have been maximised) and apply the proceeds in diversified income producing investments. (*ASC 3.1.2*)
- (c) Sell the remaining senior clergy housing and apply the proceeds in diversified income producing investments.

21. To increase the income from St Andrew's House (many of the following are now being actively addressed by St Andrew's House Corporation) –

- (a) Maximise rental income from St Andrew's House office block with new commercial tenant for levels 3 & 4 and vigorous marketing of level 5. (*ASC 2.3.1*)
- (b) Apply critical control and management of the NABERS (National Australian Built Environment Rating System) upgrade to ensure all work is cost effective. (*ASC 2.3.1*)
- (c) Rationalise property management of St Andrew's House to reduce SDS 'coal face' involvement. (*ASC 2.3.1*)
- (d) Compress 'church use' of St Andrew's House levels 1 & 2 and lease surplus space commercially. (*ASC 2.3.1*)
- (e) Relocate some EOS functions and staff from St Andrew's House to cheaper suburban office space, freeing up space which could be commercially leased at a higher rate of return.
- (f) Outsource St Andrew's House carpark operation (while retaining 'church use' privileges) to a commercial operator to maximise income. (*ASC 2.3.1*)
- (g) Refurbish and refocus the shop mix in St Andrew's House arcade to maximise income, with church tenants vacating or moving to full commercial rent. (*ASC 2.3.1*)

22. To increase the value to be realised from any full or partial sale of St Andrew's House, approval should be obtained to strata title the property. Approval to strata will open the way to enable the extinguishment of the 'put option' over levels 5 and 6, the repayment of the 'soft' loan from the Glebe Administration Board, and the external refinancing of the balance of the current debt. (*ASC 2.3.1*)

23. To increase distributions available from SAH in the short term the EOS Committee should be encouraged to negotiate with St Andrew's House Corporation and the Glebe Administration Board to see if some short term loan or other arrangement can be found to provide an (appropriately discounted) advance on the EOS's share of future rental income. It is recognised that while the Glebe Administration Board, as 50% owner, may want to see any cash that becomes available from St Andrew's House applied first to reduce the size of its loan, the EOS, as the other 50% owner, has very different priorities and clearly an early resumption of some form of distribution to the EOS would be its first priority. The steps described in the preceding paragraph should result in a substantial alignment of the two owners' priorities, but it would also be possible for Synod to resolve the issue by ordinance.

Reduce expenditure

24. To reduce the level of recurrent expenditure –

- (a) Reduce the number of assistant bishops (noting this is a matter for the Archbishop and EOS Committee). (*ASC 2.1.3*)
- (b) Reduce the number of administrative support staff (noting this is also a matter for the Archbishop and EOS Committee). (*ASC 2.1.3*)
- (c) Shift responsibility for funding some or all of the assistant bishops and/or their administrative staff, the Registrar and his administrative support, or the Archives to the Synod or parishes (noting this is

a matter for Synod). (ASC 2.1.3) While this could be seen as 'robbing Peter to pay Paul', it may be more appropriately viewed as a logical application of the principle in Galatians 6:2.

Maintain financial sustainability

25. To ensure that the EOS Committee takes effective responsibility for maintaining financial sustainability once it has been achieved, the EOS ordinance should be amended along the lines recommended by the Commission. (ASC 3.2.3) It should be noted that the ACPT seeks some clarification of the proposed EOS restructure.

Standing Committee's response to the work of the Archbishop's Strategic Commission

26. As part of its broader consideration of the Commission's report, the Standing Committee received an initial response to the recommendations of the Commission from the Glebe Administration Board (GAB)/Sydney Diocesan Secretariat (SDS) and further responses to the report from the ACPT and the St Andrew's Cathedral School. These responses are set out in full in Annexures A, B and C to this report.

27. In order to progress consideration of what steps need to be taken to ensure that diocesan finances are placed on a sustainable footing and the implications such steps will have on the funding of diocesan infrastructure and activities in 2012 and beyond, the Standing Committee has requested that the following motion be moved at Synod "by request of the Standing Committee" –

"Synod welcomes the report of the Archbishop's Strategic Commission on Structure, Funding and Governance and requests the Standing Committee to –

- (a) undertake consideration of the possible ways in which the recommendations may be implemented, and
- (b) in the light of (a), pass such legislation as may be desirable or practicable, or otherwise report to the next session of the Synod on any future proposals."

28. Subject to any decisions of the Synod in relation to this matter, the Standing Committee has also agreed in principle to establish a further working group after the 2011 session of the Synod, including representatives of the GAB/SDS, the ACPT and the EOS Committee, to consider the implementation of the recommendations of the Commission.

Recommendation

29. It is recommended that the Synod receive this report.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

20 September 2011

Initial response of Sydney Diocesan Secretariat and Glebe Administration Board to the report of the Archbishop's Strategic Commission

Introduction

1. Sydney Diocesan Secretariat ("SDS") and Glebe Administration Board ("GAB") have discussed the report of the Archbishop's Strategic Commission ("ASC") and resolved to send their initial comments to the Standing Committee to assist it in its deliberations on 19 September 2011 about the report and its recommendations.
2. The comments of SDS and GAB are restricted principally to the recommendations of the ASC set out in section 3 of its report as they relate to matters within the knowledge and expertise of SDS and GAB. While SDS and GAB consider that there are a number of comments made by the ASC in sections 1 and 2 of its report which are inaccurate and fail to appreciate what has already been done over the last 2 years, SDS and GAB believe that they best serve the Standing Committee by limiting their comments to the ASC's recommendations.
3. References in this report to paragraph numbers are references to paragraph numbers in the ASC's report.

Paragraphs 3.1.1 to 3.1.3

4. SDS and GAB have no comment on the recommendations contained in these paragraphs, as these are ultimately matters for the Synod to decide.

Paragraph 3.2.1

5. SDS and GAB believe that further consideration needs to be given as to the way in which the recommendation in paragraph 3.2.1 is to be implemented before the recommendation is adopted.
6. The diagram on page 22 of the report suggests that it is intended that the proposed Central Investment Management Board ("CIMB") be a rebadged GAB. The ASC states that it proposes that the board would consist largely of those within the Diocese who have investment and financial acumen, particularly from the existing GAB and SDS. We welcome what appears to be recognition of the abilities of the present GAB.
7. GAB is currently the trustee of the Diocesan Endowment. It appears that the ASC does not intend that the trust structure be changed, and that the CIMB become the trustee of the Endowment.
8. If this is the case, then the CIMB (as trustee of the Diocesan Endowment) would be the half owner of St Andrew's House, the lender to St Andrew's House and also the manager of St Andrew's House.
9. With this respect, if this is what is intended, the proposed structure gives rise to the same conflicts of interest which GAB has had in recent years when it has sought to manage and lend to the same fund in which it has an ownership interest. Indeed, the suggested structure exacerbates the conflicts that GAB sought to partially address by relinquishing management responsibilities for St Andrew's House. But it appears that the ASC is recommending that the ownership, management and lending functions be again concentrated in the one body.
10. Accordingly, SDS and GAB suggest that further consideration be given as to how St Andrew's House is best managed, and whether it is best managed by a body other than the CIMB. GAB would be happy to provide a separate detailed paper setting out our specific recommendations in that regard, in the context of the CIMB, if requested.
11. Initial consideration by staff of SDS of the proposal to create a CIMB also suggests that the proposal would be difficult to implement. It is intended that further comment about the difficulties be provided to the Standing Committee at its meeting in November 2011.
12. It is also unclear as to whether the CIMB would assume the functions of the Finance & Loans Board. If it is intended that it do so, there are technical and policy issues to be considered, bearing in mind the attempt to combine GAB and the Finance & Loans Board which failed a few years ago. Again, if required, a separate detailed paper setting those out can be provided if requested.

Paragraph 3.2.2

13. SDS and GAB agree with the thrust of the recommendation contained in paragraph 3.2.2, namely that there needs to be appropriate accountability in relation to the management of investments.
14. However, SDS and GAB consider that there will be major practical and governance issues in having the members of the Standing Committee (most of whom do not have relevant expertise) understand the issues sufficiently to give an informed approval about the matters referred to in the recommendation. The same issues will arise with the members of the Finance Committee of the Standing Committee, as presently constituted.
15. There are also important issues of responsibility and accountability involved in this proposal. If the CIMB is to be responsible for managing the investments and making key decisions it must have authority to make those decisions and bear responsibility for them. If the Standing Committee takes on the discretions which are properly the responsibility of the CIMB, the principles of accountability and responsibility would be undermined. If these recommendations are adopted it may be difficult to hold and attract members to the proposed CIMB with the required skills as they would effectively be redundant. There may also be substantial risk of shadow directorship for both the Standing Committee generally and the members of the Finance Committee. Before the recommendation in paragraph 3.2.2 is adopted further consideration should be given to the risks of shadow directorship and the potential for members of the Standing Committee and the Finance Committee to personally assume liabilities in connection with the management of the CIMB, including liabilities incurred in the deposit taking business and for risk of non compliance with the Corporations Act.
16. In terms of governance, a better approach may be for the Standing Committee to ensure that the board has the relevant expertise (which GAB currently has), that the investment strategy is regularly reviewed (as the strategy of the investment of the Diocesan Endowment is regularly reviewed currently) and that the Standing Committee receives regular reports about the investment of the relevant property (as happens now in relation to the Diocesan Endowment). If the Standing Committee is not satisfied that proper investment decisions it should make its views known to the CIMB and, if not satisfied with the response, it should consider making changes to the membership of the board of the CIMB.

Paragraph 3.2.3

17. SDS and GAB have no comment on the recommendation contained in this paragraph except to say that in accordance with good governance practice the financial statements of all major organisations (including the EOS) should be published annually as the financial statements of the Diocesan Endowment are published.

Paragraph 3.2.4

18. SDS and GAB suggest that the recommendations in paragraph 3.2.4 are best considered after the Standing Committee has reviewed a detailed strategic plan for the future of SDS. There has been significant change in SDS over the last 2 years and SDS considers the preparation of a strategic plan would be timely for 2012.
19. The preparation of a strategic plan will involve a review of the objectives of SDS, an assessment of what SDS does well and does not do well, a review of SDS's comparative advantages in service delivery, and a review of opportunities for the future. The preparation of the strategic plan will almost certainly include the undertaking of a quantitative and qualitative survey of parishes and research of the needs of the CIMB and the EOS to clarify the role of SDS and determine the services to be provided.
20. Issues such as the services to be provided by SDS and the degree of contestability for such services are only some of the issues to be considered in relation to the ongoing role of SDS. SDS is an important diocesan resource and a certain scale and capacity is required if SDS is to remain viable. There are important strategic issues to consider on the question of contestability. For example, and without presently expressing a view on the merits or otherwise of contestability, if decisions are made which do not enable that scale and capacity to be maintained an important diocesan resource will be lost and that would have serious consequences for the Diocese and the organisations SDS presently services. There are staffing and cost implications which would need to be considered. A strategic plan for SDS would address such issues and, it is submitted, will allow the Standing Committee to make better informed decisions about the future of the organisation.

21. Until such time as the strategic plan is completed it is suggested that changes should not be made to the board membership of SDS, especially at a time when major changes are being managed and other recommendations of the ASC are being considered and implemented.

Paragraph 3.2.5

22. SDS and GAB have no comment in relation to the recommendation in paragraph 3.2.5 in relation to the composition of ACPT.

Paragraph 3.2.6

23. While SDS and GAB have no in principle comment about the establishment of a Chairmen's Committee, consideration may need to be given as to whether it is intended (or desirable) that the Committee constitute another layer of control within the Diocese and, if so, how this will impact on the legal responsibilities of boards imposed by ordinance or law. There are also questions about how such a Committee would function. In particular, what executive function is required to support the Committee? Who would provide that function? How would it be paid for? It is also uncertain how the Chairmen's Committee will "manage" financial risk as distinct from monitoring it. Perhaps the Committee would best function as a Chairmen's Consultative Committee.

Paragraph 3.2.7

24. SDS and GAB have no comment on the recommendation in this paragraph, except to note that it follows submissions made by SDS and GAB to the ASC.

Paragraph 3.2.8

25. SDS and GAB have no comment on the recommendations in paragraph 3.2.8, except to note that comments about conflicts of interest were made by SDS and GAB in their submissions to the ASC.

Paragraph 3.2.9

26. SDS has very serious concerns with the recommendation in paragraph 3.2.9, particularly insofar as it may impact SDS in its capacity as a service provider.
27. In its report, the ASC notes that a Diocesan body often retains SDS to staff all its needs and expects SDS to do so on a basis that retains confidentiality of the information of the particular Diocesan body. It is said that this leads to the conundrum that staff of SDS deal with the affairs of several bodies, without being able to disclose this knowledge to the other body.
28. One of the consequences, the ASC states, is that the advice provided to each Diocesan body is suboptimal, since a broad Diocesan perspective is not always present in the advice provided.
29. SDS and GAB submit that these comments reflect a misunderstanding of the Diocesan structure and culture. The Diocesan is comprised of a large number of parishes and Diocesan organisations. The object of each organisation is prescribed by ordinance. Regularly, those organisations contract or otherwise have dealings with each other, often on commercial terms.
30. When SDS provides advice to an organisation, it does so to the best of its ability in the interests of that organisation. SDS believes that providing advice in this way is "optimal" rather than "sub optimal". To be effective SDS maintains strict confidentiality in relation to the business of its clients (as they are entitled to expect).
31. One difficulty in trying to impose an overriding "broad Diocesan perspective" is that it frequently does not exist and cannot be ascertained unless stated in an ordinance or a resolution of the Synod or the Standing Committee. To require that SDS staff seek to determine or ascertain such a perspective would involve SDS staff in the political processes of the Diocese, and this is not a function which they should exercise.
32. Rather, SDS considers that the better approach is for it to act in the interests of each of its clients (as it currently seeks to do so) and, where those interests conflict, ensure that the conflicts are identified and are resolved via agreement between the relevant parties, or by political process. We would recommend instead that the taking of a broad diocesan view is better a matter for the proposed Chairmen's Committee.

33. SDS considers that the best way to ensure that organisations served by SDS are acting in the “broad Diocesan perspective” is to have a program for an ongoing review of the objects and activities of the organisations.

Paragraph 3.2.10

34. SDS has no comment about the recommendation in paragraph 3.2.10.

Generally

35. This is the initial response of SDS and GAB to the report and recommendations of the ASC. As mentioned earlier, SDS and GAB believe that there are major practical, governance, responsibility and accountability issues to be considered in relation to the recommendations of the ASC. SDS and GAB are undertaking a detailed review and intend reporting further to the Standing Committee at its meeting in November 2011. The Standing Committee should also note that the implementation of changes of the nature and extent proposed by the ASC would require significant time and resources. Any decision to adopt the changes should only be made if accompanied by a fully costed project plan to implement them, together with appropriate authorities to incur the necessary cost. Further, the implementation will require an adjustment of corporate rights and responsibilities. It may be desirable for any changes to be under the auspices of a temporary body under suitable management and control, with a specific mandate and reporting obligations. We would be happy to provide further advice and views in respect of these matters.

13 September 2011



Anglican Church Diocese of Sydney

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ACPT Response to the Archbishop's Strategic Commission

The ACPT has considered the Final Report of the Archbishop's Strategic Commission and responds to each element of the Report as set out below. The principal elements the ACPT wishes to identify within its response are as follows:

Executive Summary

- **Search for cash or living within our means:** The Commission's analysis of the Endowment of the See is a search for cash. The ACPT considers it more prudent to first establish what the capital assets can fund and establish a budget within these limitations and not deplete inter-generational capital further to cover short-term expenses.
- **Endowment of the See (EOS) governance:** It is the view of the ACPT that the proposed structure for the Endowment of the See is flawed.
- **EOS:** The Commission's analysis in respect of the EOS proceeds in the reverse order of what the ACPT believes should happen. We consider there should first be a review of governance, then proper funding and then the prudent holding of capital assets.
- **Bishopscourt:** The present levy produces approximately the same cash as the income from the fund proposed to be created from the sale of Bishopscourt. The proposal does not appear to provide much potential for capital growth as its yield would be wholly spent on expenses. The ACPT view is that recurrent income should fund recurrent expenses whilst maintaining the inflation adjusted value of assets. Accordingly, the desirability of selling Bishopscourt at present is questioned.
- **St Andrew's House:** The proposal for St Andrew's House raises governance issues relating to St Andrew's Cathedral School and St Andrew's House Corporation. Further restructuring is needed.
- **Trustee investment:** The Commission's proposal to have one investment strategy for the investment of liquid funds (including some which are to be held on a trustee basis with different criteria apparently for that investment) and a separate trustee arrangement for other assets is questioned (and the desirability doubted).
- **Investment with borrowing:** The Commission's proposal replicates many of the features of the structure which lead to the previous disastrous GAB investment outcome. Pressure to seek capital (and income) growth rather than maintain real capital value for the benefit of current and future generations, would still risk the prospect of inappropriate borrowing.

- **ACPT:** The various elements of the trustee role of the ACPT are logical and coherent and careful consideration should be given if they are to be altered. (But the ACPT agrees that its management fee arrangement should be reviewed).
- **Diocesan Structure:** The Diocese is a voluntary association of interconnecting entities and the governance processes should be viewed with that in mind.
- **Conflict of interest:** The key in relation to remedying conflicts of interest is to deal with cross membership rather than reviewing mandates of organisations, although declaration of interest of particular items of business is of course important.
- **Outcome:** The Commission uses the word "trifecta" in order to describe the events which have happened. It appears to the ACPT that the proposals could have a similar outcome as the drive for growth encourages living beyond our means.
- **Synod:** It is the ACPT view that more than one model for restructuring should be put forward. Otherwise, is the choice: further deplete capital (beyond that lost in the GFC), have parishes contribute more to recurrent expenses or reduce the Episcopal numbers?

ACPT Response to the Final Report dated 15 August 2011 ("Final Report") of the Archbishop's Strategic Commission on Structure, Funding and Governance ("Commission")

Note:

The Archbishop, who is a member of the ACPT and the Chairman of the ACPT, Mr Robert Tong AM, who is a member of the Commission, did not participate in the formulation of this response.

The response uses the headings including subheadings of the Final Report.

Section 1: Introduction

1.1 Background

The use of the word "trifecta" is a telling observation on the risks run by the Diocese in the way in which it had managed investments and also in the way in which it had endeavoured to embark upon property development and borrowings as a means of achieving capital growth.

1.2 The Role of Commission

Noted.

1.3 Diocesan Mission

Indisputably the goal of the Diocese is growth of people in faith in the Lord Jesus. However, how that is measured against prudent and appropriate management of assets and living within one's means is another matter.

1.4 The Challenges of 'Getting it Right'

The Diocese is a voluntary association of interconnecting entities and needs to be viewed in that way and its governance processes applied accordingly. If it now has "\$190m of net assets at its Centre", after having lost \$140m, we must expect a corresponding degradation of services supplied by the Centre.

1.5 Diagnosis of the Current Situation

It is not for the ACPT to comment directly on the processes by which the Commission has sought to inform itself, save in respect of the comment made about the ACPT ("limited engagement with the Board, but helpful engagement with the Chairman").

As noted at the beginning of this response, the Chairman, Mr Robert Tong AM is a member of the Commission.

The extent of engagement by the Commission with the ACPT was a matter of choice for the Commission.

It is regrettable, in the context of requesting access to strictly confidential information that the Commission chose not to enter into confidentiality agreements with the ACPT and its adviser (an actuary) as is conventional.

1.6 Options for a Way Forward

There are a number of possible options and whilst the extremes might be noted by the Commission, there is more than one option in the middle ground. We believe the Synod is best served by a presentation of more than one option as to the way forward.

Section 2: Analysis and Recommended Actions

2.1 Funding Needs of the Endowment of the See

Before proceeding with consideration of the funding needs of the Endowment of the See, consideration should be given to the people requirements of the Endowment of the See. That is, what roles should be performed under the Archbishop in terms of Assistant Bishops (including their role relating to clergy), Archdeacons or equivalent (including their role in relation to property) and other support staff. There will be more than one model for this.

These models could then be considered in order to determine what financial resources ought to be applied in order to enable the model chosen by the Synod to operate effectively.

If you start the other way round, inevitably you are lead to a search for cash rather than a consideration of the prudent holding of capital assets on the one hand and the funding of ongoing operations on the other.

Viewed from this perspective, governance is the starting point and you then proceed to proper funding and finally to prudent holding of capital assets with an eye to inter-generational fairness.

For some years the ACPT (as a bare trustee only of the EOS assets) has expressed concern at the absence of effective governance steps and also the EOS's desire to sell long term capital assets in order to meet recurrent expenditure (and expenditure that has been accrued). From a trustee's perspective this is an unsound approach.

We note that the Commission assumes that the current Episcopal structure is the optimum and therefore has not considered a further reduction in the EOS cost base. It could be that the next Archbishop will have a different view on the best way to arrange the Diocesan Episcopacy.

2.1.1 Bishops court

From a trustee's perspective it is noteworthy that the proposed outcome of selling the property is to achieve an income stream that approximates the present Parish levy but appears to achieve little, if any, capital growth.

Ignoring cash considerations, the increase in value (it varies up and down over periods of time) of Bishops court over the years shows that it has appreciated in value better than most other investments. Again, from a trustee's perspective one queries the prospect of realising a long term capital asset that has appreciated in that way, in order to generate cash for relevant operating expenses.

In relation to the projected cash flow impact of selling Bishops court, we note that:

- (a) it appears to invest the residual \$15m in cash, the real value of which will deteriorate over time, thereby eroding the purchasing power of the See's assets, and so curtailing the options open to future Archbishops; and
- (b) the expected 'Saving from net reduction in average annual maintenance / operating costs' has not been detailed.

The heritage, suitability and perception flaws of Bishops court can equally be applied to most local parish churches and many rectories. Indeed, there are precedents whereby local parishes have divested themselves of real property and contributing some of those funds to the Centre.

Unfortunately, the publicity that arises from any discussion of a proposed sale will always make it difficult to sell Bishops court at the best price.

The Report states that "concerns about financial administration [of the EOS] have now been addressed". The ACPT is not entirely clear how this has occurred.

2.1.2 Half Share in St Andrew's House

The ACPT would support a rearrangement of the ownership holding of St Andrew's house but it is not for the ACPT, but rather for the Synod to consider alternatives that should be put forward including direct Synod ownership in place of the present ownership.

2.1.3 Immediate Prospects for Endowment of the See

If the parish levy continued the funding concerns for the EOS would abate. One way or another, the costs of the EOS need to be met: either in the prudent way of meeting recurrent expenses out of recurrent income (i.e. the levy) or by depleting capital assets which, from a trustee's perspective, is imprudent.

The comment concerning different models for Episcopal oversight is a matter for Synod to determine.

The ACPT reasserts the adequacy of the size of the Church Insurance Fund, based on its actuarial reports, and declines to make such details available for proper commercial reasons, including attracting claimants.

The ACPT commends the Archbishop's stance in not appropriating a portion of some of the Archbishop's Discretionary Trusts as to do so would be a sign that our current missional needs are more deserving of funding than those of future generations.

2.2 Structural and Governance Issues

(1) Investment functions:

The Diocese will need to live within its means and its investment function should reflect this including the prudent management of its assets.

(2) Accountability of Diocesan Organisations:

Regular review of governance and internal controls of various organisations is always appropriate.

(3) Conflict of interest:

The comments made by the Commission focus on the mandate of organisations although it notes cross membership. The conflict of interest arises from cross membership where organisation activity intersects; whether or not a mandate needs to be reviewed is a different question.

Whilst the ACPT notes the multiple benefits that inevitably flow when duplications of effort are removed, one issue to be grappled with is the loss of diversification that comes with the centralization of investment functions. Any loss of diversification serves to increase risk.

For example, the ACPT is grateful that the funds of which it is trustee were not under the management of the GAB in recent years (and so not geared), nor under the auspices of the EOS Committee (and so its capital reserves were not liquidated to fund recurrent expenditure).

2.2.1 Glebe Administration Board (GAB) and Changes to the Investment Function

(a) Centralised Investment

Synod should consider more than one model in respect of investment. From a trustee perspective, consideration should be given to having funds held with investment managers who follow the index rather than attempt to beat it. This would obviate much of the proposed structure (and its costs).

The Commission proposal segregates liquid funds from other assets for the purposes of having a Central Investment Management Board (CIMB) and also seeks to include within its compass the liquid assets of entities such as Anglicare and Anglican Retirement Villages (ARV).

The ACPT is concerned that the aggregation of investment funds, as contemplated by a CIMB, would not enable the distinct investment objectives of the DE/EOS (consumers of their own investment earnings) and the ACPT (as trustee of funds invested for third parties) to be adequately weighed and served. See further comments under 2.2.3 below.

It would be odd (and opposed by the ACPT) to repeat the present EOS structure (ie the ACPT as a bare trustee only) resulting in the ACPT being a bare trustee of liquid funds which are then managed by another board with the ACPT being no more than a passive observer but having the responsibility of being the trustee.

(b) Investment Strategy

As noted above at paragraph (a), an option that the Synod could consider is a more prudent approach to the investment of liquid funds with investments managers who largely follow the index. Naturally, this would have an impact on ambitions for growth and would require the Diocese to live within its means.

(c) Borrowing Limits

"Clearly the CIMB will need to borrow." It is not clear to the ACPT why the CIMB will need to borrow.

The pressure to grow is the force which resulted in the previous disastrous investment strategy and the Synod would need to give serious consideration to the extent to which any borrowing at all is permitted. If it is allowed to a meaningful degree, will the result lead to another "trifecta"?

(d) GAB Banking Function Review

The ACPT notes the review presently being conducted by the GAB and, from a trustee perspective, makes no other comment.

(e) GAB Ordinance Review

The role of the GAB should be assessed once the nature of the investment strategy has been determined by the Synod.

The ACPT supports the recommendation to secure the primacy of maintaining the real value of capital.

2.2.2 Endowment of the See Committee

From a trustee perspective, whether or not the EOS should manage assets including investments at all is a matter for the Synod to determine. This comment is not intended to have any impact on the discretion of the Archbishop in relation to the several trusts of which he is the trustee.

2.2.3 Anglican Church Property Trust

See above at 1.5 as to the response made concerning the limited degree to which the Commission has chosen to engage with the ACPT.

The proposed segregation of assets between liquid and illiquid would have a direct bearing on the management fee and the ACPT would welcome its review in any event. There is much to be said for a small fixed amount to be included in parish cost recoveries to enable all parishes, without additional cost, to consult as appropriate with the ACPT concerning various property related matters that arise from time to time. A fixed amount would be an equitable way of sharing the cost of these services and may well be viewed as preferable to a more fee for service basis of charging.

Although the ACPT is described as having several distinct roles which are set out in the Final Report, each of those roles is an aspect of the function of a trustee. It is logical and prudent to have the roles under the trustee umbrella of property management, investment of trust assets and effecting insurance (which is a major task of the ACPT). This is a role which reflects the fiduciary responsibility of the ACPT to the Parishes and other organisations on whose behalf it holds assets as trustee.

It is important to note that, although for reasons of management convenience, the overall assets can be presented in a management report in an aggregated fashion; each fund is a separate trust with separate terms requiring individual and specific fiduciary requirements to be fulfilled. It is a fallacy to regard the ACPT as a central fund; rather, it is a centrally managed trustee holding of many trusts, protected by Act of Parliament.

In the last paragraph, the ACPT assumes the Commission's reference to the Diocesan Investment Management Board is, in fact, to the CIMB.

2.2.4 Sydney Diocesan Secretariat

It is not for the ACPT to comment on the manner in which support arrangements are provided to Diocesan organisations other than itself, in relation to which there is a service level agreement.

2.2.5 Chairmen's Committee

There may be a benefit it having a consultative body of this kind, particularly if the problem noted in respect of conflicts of interest is remedied by the elimination of cross membership where organisation activity intersects (excluding membership of the Standing Committee or the Synod in the notion of cross membership).

2.2.6 Governance and Conflicts of Interest

Whilst conflict of interest in some circumstances can be managed by declaration in respect of the business before a committee, declaration of interest itself without more does not remedy the issue of cross membership.

Presumably the reference to the sharing of confidential corporate information in the Commission's report is a reference to confidential information held by the ACPT in respect of which the Commission declined to enter into conventionally worded confidentiality agreements (see above at 1.5).

If the second recommendation in this section concerning the disclosure of 'confidential' corporate information is a reference to the Church Insurance Fund, then the ACPT welcomes any opportunity to explain its thinking concerning the disclosure of certain information about that Fund. Otherwise, the ACPT supports the recommendation in the interests of greater transparency in governance.

As to the comment: "Only the GAB has been subject to a review...", it needs to be recorded that the ACPT had already initiated and completed a review of its investment practices before the market collapsed.

2.2.7 Overview of Restructuring of Central Diocesan Bodies

Whilst the diagrammatic outline of the existing structure looks more complex than the proposed structure, this is affected by the relevant lines concerning payments for services and distribution of funds appearing on the existing structure diagram which have not been included on the diagrammatic outline of the proposed structure (although they will exist).

The ACPT does not support having the EOS Committee both as trustee and beneficiary/manager as this departs entirely from a trust structure, effectively merging those interests. The governance consequences of this need clarification.

2.3 Other Strategic Assets

2.3.1 St Andrew's House

The involvement of the ACPT is limited to holding the interest of the EOS in SAHC. While the comments of the Commission are noted, the reference in item (6) to the St Andrew's Cathedral School's "put option" over levels 5 and 6 needing to be extinguished raises governance issues which should be appropriately addressed, including considering the School's interest. Perhaps the Synod should be the direct owner of SAHC?

2.3.2 Other Diocesan Resources

The only comment from a trustee perspective is that if illiquid Parish assets are realised, the extent to which the proceeds of sale would be available will be governed by the ordinance authorising the sale and the investment of the resulting liquid assets falls within the proposal of the Commission, commented on above at 2.2.1 (a), to be invested by the CIMB.

The prospect of levying those entities that benefit from the Anglican name (but not parishes and schools) is flawed philosophically, theologically and possibly politically.

Philosophically, the entities that benefit the most from the Anglican name are the parishes, and yet the Commission rejects the idea of parishes making 'a contribution to the Diocese as a whole'. A more compelling case could however be made vis a vis ARV, Youthworks and Anglicare in this respect.

Theologically, if we look only to, say, residents of ARV and parents of school children to lift the current financial burden from the EOS and Diocesan Endowment we are not giving structural expression to the fact that when one part of the body of Christ suffers, every part should suffer with it: Paul's command to the Galatians that each one is to carry their own load (Galatians 6:5) but sharing the weight of any extraordinary burdens being shouldered by others in the body (Galatians 6:2).

If we consider looking to unbelievers (some parents at our schools and some residents of our aged care facilities) to fill the EOS budgetary shortfall, it is right that we first look to the saints, namely, our parishes, but not in a way that unduly compromises our conviction that the heart of our Diocese is the parishes.

Politically, the ACPT wonders what damage would accrue to the 'Anglican brand' if parents of our schools and residents of our aged care facilities were to hear that we want them, in some way, to pay for our \$140m investment losses.

Section 3: Recommendations

3.1 Asset Reconfiguration

- 3.1.1 See comments above at 2.1.1 concerning Bishopscourt and the meeting of expenses out of the proceeds of sale of capital assets. Are the three decisions: deplete capital (beyond that lost in the GFC), have parishes contribute more to recurrent expenses or reduce Episcopal numbers?
- 3.1.2 The reference to strata title approval intersects with the proposal of the Strategic Commission to extinguish the St Andrew's Cathedral School's "put option" because approval of strata title would trigger that put option, giving the School title to several floors of St Andrew's House. The ACPT supports this and appropriate debt reduction and management.
- 3.1.3 Noted in relation to "Anglican brand name". As any such review is conducted, the ACPT urges consideration be given to protecting the "Anglican brand name" if cross-subsidies are to be imposed on a minority of Diocesan organisations. See comments above at 2.3.2.

3.2 Structural and Governance Issues

- 3.2.1 See above at 2.2.1 (a) and (b) concerning options for the Synod to consider in respect of investment of liquid funds. The ACPT records that its investment sub committee has the benefit of advisers (who are volunteers) with relevant executive experience.
- 3.2.2 See above at 2.2.1 (c) including in respect of any borrowing by the CIMB.
- 3.2.3 See above at 2.2.2 and 2.2.7 concerning the EOS managing assets.
- 3.2.4 Noted.
- 3.2.5 See above at 2.2.3 in respect of the ACPT's investment function. Note that if the CIMB was investing funds on a trustee basis where those funds are presently held by the ACPT, which, it appears, would then be a bare trustee of them, how the approach to that investment might differ from decisions about investing other funds, when all funds, from an asset allocation and overall investment perspective are aggregated, needs to be considered.
- 3.2.6 Noted in respect of a Chairmen's Committee including above comments at 2.2 (3) and 2.2.6 concerning conflict of interest.
- 3.2.7 Noted in respect of review of governance and internal controls.
- 3.2.8 The ACPT response in respect of conflicts of interest differs from the way in which that is proposed to be dealt with as set out in the Final Report.
- 3.2.9 See above ACPT comment at 1.5 and 2.2.6 concerning confidential information (in other words, there may be good reason why the information is confidential and helpful to a segment of the Diocesan structure not to have that information more widely shared).
- 3.2.10 Noted in respect of review in respect of fundamental reform after a number of years.

3.3 Conclusions

The Synod is encouraged to consider alternatives to the proposals put forward by the Commission in its Final Report in order to have a choice beyond acceptance or rejection of the proposals in the Final Report.

In particular, the Report is predicated on the current Centre cost base being maintained into the future. Given that a new Archbishop will soon be elected, the ACPT wonders if the new Archbishop, when he is identified, should not have particular input into the shape (and therefore cost base) of the Centre.

Continuing (if need be, increasing) the levy would enable measured steps to be taken without undue pressure at a difficult economic time.

The ACPT advocates a model which accepts the prudent limits of what is achievable and avoids another "trifecta".

The level of risk to achieve sustained capital growth when the yield is largely expensed should not be underestimated. The ACPT cautions against too much risk and suggests Synod members may wish to reach the same conclusion. But if not, the ACPT will continue to apply all proper fiduciary requirements in relation to the assets which it holds as trustee on behalf of parishes and organisations.

Dated: 7 September 2011

On behalf of the ACPT:



Richard Neal (Deputy Chairman)



David Nelson



Rev Canon Christopher Allan



Rev Craig Roberts



Rev Andrew Bruce



Peter Rusbourne



Roger Collison



Melinda West



Glynn Evans



**ST ANDREW'S
CATHEDRAL
SCHOOL**

Founded 1885

16 September 2011

Dear Members of Standing Committee

The Archbishop has requested a statement from the School in response to the release of information from the Archbishop's Strategic Commission on Structure, Funding and Governance. This information has been conveyed in writing to Synod members, and verbally in pre-Synod briefings in Chapter House on Thursday 8th September and St Peter's Campbelltown on Friday 9th September 2011. These briefings have caused considerable concern to the Chapter of St Andrew's Cathedral and the School Council of St Andrew's Cathedral School as the information contained in the report to Synod is incorrect and may be misleading to the Synod.

The briefings have conveyed the impression that the School has received financially favourable treatment from the St Andrew's House Corporation and Glebe Administration Board, in a manner which has exacerbated the financial situation of the Diocese. The briefings were not sufficiently cognisant of the history of the relationship between the Diocese and the School, nor that the relationship has always been at arms-length (as well as being adverse to the School's interest on some points.)

The Chapter, School Council and Senior Management of the School are grateful for the comments made by both the Archbishop and Dr Laurie Scandrett to these briefing meetings, in an effort to correct this impression. The intention of this letter is to set out the facts of the matter, which can be confirmed by reference to Ordinances and to minutes of various Standing Committee and Synod meetings.

IN SUMMARY

- The School in effect owns Levels 6, 7 and 8 of St Andrew's House.
- The School's loan from the Glebe Administration Board is on commercial basis and in no sense 'soft'.
- Rental of other facilities within St Andrew's House is on a fully commercial basis.
- St Andrew's Cathedral School is part of the Christian ministry of the Cathedral and Diocese.

IN HISTORICAL PERSPECTIVE

- St Andrew's Cathedral School has existed in this precinct as a ministry of the Cathedral since 1885. Far from being separate to and external from the Christian ministry of the Diocese, it is part of that ministry. The School Council is appointed largely by the Cathedral Chapter; the Head of School's appointment is confirmed by Chapter. Chapter is Chaired by the Archbishop.
- After construction and demolition of various buildings, St Andrew's Cathedral 'New School' was erected on the present site in 1965 from its own funds.

Dr John Collier

BA DipEd DipBibSt EdD FACE MACEL

HEAD OF SCHOOL

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- While not being to the advantage of the School, and indeed to the School's disadvantage, in 1972, the School consented to the demolition of its building, in order to provide ample office space for the Diocese in a tower that has subsequently been erected on the site. The proviso was that this was to be in exchange for suitable housing for the School within the Cathedral precinct on a lease basis to 2016 (contrary to the more permanent occupation which the School enjoyed until that time). After demolition, the School was housed temporarily in the CENEF building on the corner of Kent and Bathurst Streets until the building was completed.
- The St Andrew's Cathedral School and Site Commission (the 'Dixon Commission') in its July 1970 report recommended the continuance of the School on the site, as a component of the new building. Late in 1971, all parties reached agreement that the School would be housed in the top two floors of St Andrew's House. The School occupied these floors in 1976.
- The St Andrew's Cathedral School ordinance No.56, 1979, Second Schedule, finalised the occupation agreement. This gave the School a lease of this space until 2016 at a reduced rental.
- On 16th February 2001, a formal lease was signed between the Glebe Administration Board and the Council of St Andrew's Cathedral School, which had now been incorporated. This was because in or about 1999, it became clear to the School that it needed to have clarity as to its future occupancy of these areas if the School was to expand and develop as had been proposed by its then Head and School Council. The document leased the 6th, 7th and 8th floors, the Roof and the Entrance from Kent Street to the School for 120 years at a notional rate of \$1 per year. However, **it is important to note that in a building in which strata title had not yet been undertaken, this was the equivalent of ownership, for which the School paid full commercial value (as assessed by an independent valuation) of \$11, 237, 000.** This is why the School pays in effect no rent. In recognition of the chequered history of the School's tenure at the site and its moral and legal right to be present within the building, clause 10.4 of the lease provided for the School to leave the building with three months' notice, and require the Glebe Administration Board to pay the School market value for floors vacated from the building. This established the School's occupancy on a free-hold basis, on the assumption that it was a separate lot on the strata plan (clause 10.6 (g) (II)).
- It is incorrect to assert that St Andrew's House Corporation contributes to School expenses in tenancy of the building. The flow of funds is in the other direction. In fact, the School has in the last 10 years contributed \$3.5 million to the St Andrew's House sinking fund, and has additionally paid a substantial share of the additional outgoings of the building.
- It is also not the case as asserted that the loan to the School is 'soft' (pre-Synod briefing papers 2.3.1 (6)). The School was required by the Glebe Administration Board to undertake its loan through GAB to acquire the long term lease for Levels 6, 7 and 8, and to do so had to pay penalty clauses to a major bank for an early exit from that loan. Currently the interest rate of the GAB loan held by the School is well in excess of the rate on offer from a major bank. The loan is at a commercial rate and is actually disadvantageous to the School and is advantaging the Diocese due to the higher interest rate being paid.
- Any recommendations to Synod should recognise the historic, moral, legal and commercial nature of the School's occupancy as part of St Andrew's House. They should also accept that St Andrew's Cathedral School is a school of the Diocese's own Cathedral, the governing Chapter of which is Chaired in person by the Archbishop. They should also acknowledge that the Christian ministry of the School is not separate from, but part of the Christian ministry of the Cathedral and Diocese. There should also be recognition that the School has not been advantaged by these arrangements, which have always been carried out on an arms-length commercial basis.

Regards



Dr John Collier

HEAD, ST ANDREW'S CATHEDRAL SCHOOL

MEMBER, CHAPTER OF ST ANDREW'S CATHEDRAL

MEMBER, ANGLICAN EDUCATION COMMISSION OF SYDNEY DIOCESE

MEMBER, 2011 SYNOD

Georges River Regional Council Annual Report for 2010

(A report from the Georges River Regional Council.)

Introduction

1. The Regional Council met six times during 2010. Archdeacon Ian Cox led the meetings in local churches in the Region. One of the highlights of the Council meetings is having the rector of the parish give a Bible study and then inform the Council about the activities and challenges in the parish. The Region embraces some of Sydney's most culturally diverse parishes and suburbs. From the large Asian area of Hurstville, to the multi-cultural areas of Bankstown and Liverpool the Region offers challenges to clergy and congregations. The Council continues to seek the Lord's wisdom and strength as we seek to encourage ministry in this diverse region. The Georges River Region is a picture of what Sydney will look like in future years.

New Ministries

2. During the year a number of fresh initiatives were begun in the Region.

3. Mr Paul Tait, a return missionary, and his family moved into Arncliffe parish and began an outreach to the many Muslim people of that area. His ministry was supported by the Regional Council, private supporters and the parish of Arncliffe. An oversight group meets with Paul to hear of his progress and to encourage him in this challenging work.

4. The Rev Seti Latu moved from the parish of Cooks River to Canterbury in May 2010 and began a ministry to South Pacific Islanders. The Council was able to provide a small grant for Mr Latu. His other supporters are the parish of Canterbury and personal friends. This ministry is more of a regional ministry as people come from many western suburbs to attend the church meetings on Sunday.

5. The suburb of Lakemba is recognised for its many Middle Eastern restaurants as well as the Lakemba Mosque. At the beginning of the year the Rev Ben Bathgate began a ministry to the people of Lakemba. The regular congregation at Lakemba continue to meet regularly. The parish council agreed to use some of their invested funds to support Mr Bathgate in making an effort to connect with the people of Lakemba. We are grateful to God for the willingness of the congregation to support and encourage this work. It will take time for a new congregation to grow in this suburb. The work there is almost like a missionary work in a foreign country.

6. Ministries that have begun in previous years have continued and we thank God for the progress of the Gospel in those suburbs. Mr Ross Ciano at Marrickville has seen his small work grow to a regular number of people gathering with him on Sunday afternoons. The Rev Steven Christoforidis began an outreach ministry among the Greek speaking and Greek descendants in the Earlwood area. His work has been sustained by friends and supporters. The Rev Raymond Leung continues his Mandarin work at Bankstown as well as at the Milperra Campus. In the parish of Fairfield and Bossley Park, the Rev Cam Phong has continued to see the work among second generation Vietnamese people expand with Bible studies and youth groups. The Rev Stephen Frederick began a new ministry at West Fairfield. Many parishes in the Region have started new ministries or changed old ones in order to better penetrate the suburbs where the Lord has placed them.

Structure

7. The significant committees are the Executive Committee and the Oversight Teams.

8. The Oversight Teams are as follows –

- Marrickville
- E.S.L.
- Women's Ministry
- Lakemba

9. 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

Distribution of Grants

10. In 2010 the Council received a synod grant of \$100,000 for ministry purposes. The Council's income is assisted by the interest from Ordinance money directed to the Georges River Region.

11. The Council distributed grants in 2010 totalling –

Purpose/Parish	Allocation \$
ESL Coordinator	12,800
Cross-cultural Ministry to Women The Rev M Powell	97,627
Cross-cultural Grants	Allocation \$
Bankstown - Mandarin Ministry	20,000
Sadleir	20,000
Marrickville/Church Planter	67,352
Regents Park (PCR)	6,804

Appointment

12. When the Archbishop appointed the Rev Peter Hayward as Bishop of Wollongong we offered him our congratulations and support. He had been a very important member of the Regional Council and his contribution to the Region had been appreciated.

Conclusion

13. The Council continues to work on strategies that will encourage ministry in the Region. The Georges River Region has nearly 1 million residents and many of these people are new arrivals to Australia. Many have never heard of the Lord Jesus Christ. Many do not know a person who attends a local church. Evangelism and church planting is a way forward in reaching the people of this Region. We believe that the Gospel of the Lord Jesus Christ will not only change people – it will also change the suburbs and cities where God's people live and work. We give praise to the Lord for the way He continues to bless and encourage His people throughout the Region.

For and on behalf of the Georges River Regional Council

IAN COX

Archdeacon of Liverpool: Georges River Region

June 2011

Northern Regional Council Annual Report for 2010

(A report from the Northern Regional Council.)

Introduction

1. The Council met three times during the year, in February, August and November at St John's, Gordon. The usual meeting in June, when grant applications would be discussed, was cancelled owing to the lack of funding from the Synod for new grants.

Membership

2. The membership of Regional Council consisted of –

Bishop Glenn Davies (Chairman)	
The Rev Roger Bray	Ms Jane McNamara
The Rev Ernest Chau	The Rev Ian Millican
Mr Fred Chilton	Mr Jim Peet
Ms Stephanie Cole	Mrs Pru Selden
The Rev Keith Dalby	Canon Rick Smith
The Rev Andrew Graham	Mr Ian Steward
Mrs Jan Hall	Dr Andrew Tong
The Rev Michael Kellahan	Mr Stephen Tong
Dr Rob Mackay	

3. After some suggested nominees at previous meetings had declined, the November meeting decided to defer indefinitely the election of a clergyman to fill the vacancy created by the resignation of Rev Richard James in August 2009.

Regional Events

Archbishop's Lectures

4. 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 seven years, Abbotsleigh School has hosted the three consecutive Wednesday evening meetings and the region appreciates this generous assistance from the school. The theme for 2010 was 'Galatians: Walking in the Spirit'. The first evening saw around 400 people attending in the Auditorium. 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

5. The conference was held at Collaroy Conference Centre on May 17-18. There were 142 attendees of which 43 were full-time.

6. The conference focus was upon 'Godly Disciplines'. Bishop Davies led the first session upon 'Church Discipline' and a consideration of the legal issues involved was presented by Mr Steve Lucas of the SDS. Dr Trevor Hunter led a session upon 'Healthy Disciplines' emphasizing the need for self care. The final session covered the disciplines of prayer and Bible reading.

7. Dr Bill Salier of Moore College led the Bible studies each day.

8. It was a challenging, stimulating conference and the attendees appreciated the work of those responsible for its planning and administration.

General Matters

Parish Matters

9. It was encouraging to see the commencement of the construction of the new ministry facilities at Berowra parish. As well as receiving financial assistance from the Diocese members of the parish have responded to the financial challenge with a most generous spirit.

10. The parish of Waitara also commenced significant alterations to its church building. This is an example of a smaller parish growing and boldly seeking to transform a modest, traditional building into a more useful multi purpose facility.

11. The church plant in Macquarie Centre (called SOMA), under the leadership of the Rev Peter Hughes, an Assistant Minister at St John's, North Ryde decided to become an independent ministry under the aegis of Evangelism & New Churches from 1 January 2011. This was done with the goodwill of St John's.

12. Hope Anglican Church amalgamated with St Paul's Chatswood in order to solidify the Chinese work among both Cantonese and Mandarin speaking congregations in the Chatswood area.

13. In February the Provisional Recognised Church, Philadelphia Anglican Church was established under the leadership of the Rev Peter Chung who was formerly the Pastor of the Chinese congregations at St Paul's Chatswood. The church meets at St Martin's, Killara.

Church Plants

14. A new congregation has been planted at St Mark's Northbridge in order to establish a 5pm Sunday Service. Under the leadership of the Rev Simon Flinders, over 80 members of St Thomas' North Sydney have moved to assist in establishing this new ministry.

15. The Rev Paul Dale (Church by the Bridge) and the Rev Patrick Collins (Christ Church, Lavender Bay) discussed the possibility of starting a Sunday evening service at Lavender Bay with a view to commencing in March 2011.

16. The Rev Neil Vearing commenced a new 5pm informal service at St Peter's Cremorne.

Regional Architectural Panel

17. The panel is under the chairmanship of the Rev Geoff Leader (rector, Longueville) in 2010. 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

18. This committee is under the chairmanship of the Rev Bruce Stanley, rector of Waitara. 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 multi cultural ministry'.

Regional Staff Changes

19. In February Archdeacon Terry Dein was appointed as Assistant to the Bishop for 1.25 days per week until another assistant can be found. This appointment is proving to be a s elusive for the bishop to make as is retirement for the former Archdeacon to find!

Regional Grants

20. Following the financial constraints resulting from the impact of the GFC upon the Diocese the funds available for regional grants were drastically reduced. Fortunately the region had some financial reserves and was able to minimise the impact upon parishes receiving ongoing grants and fulfil their commitments to most parishes in the course of the three years' funding cycle.

21. The Regional Council adopted the following budget for 2010.

Parish	Ministry to be funded	Amount \$
Eastwood	Stipendiary Lay Worker (Mandarin)	12,500
Hope Anglican Church (Chatswood East)	Assistant Minister	23,000
Hornsby Anglican Chinese Church	Mandarin ministry	40,000
Kirribilli	Church plant	10,000
Macquarie	Lay worker	5,000
Naremburn/Cammeray	Japanese ministry	40,000
Narrabeen (Warriewood)	Church plant	20,000
North Epping	Children's/ youth worker	10,000
North Ryde	MTS worker	5,000
Putney	2 student ministers	11,000
Seaforth	Assistant Minister	7,000
Turramurra	Seniors	4,000
	MCM consultant	31,000
	PA to Bishop	35,000
	Assistant to Bishop	19,000
	Insurances. misc	4,000
Total		\$276,500

NSW Government Community Building Partnership Grants

22. Eight parishes in the region had their grant applications approved in the first round of grants for 2010 and received funding in the year under review. The grants totalled \$ 170,910 and their details are as follows:

Beecroft	\$ 40,000	Lavender Bay	\$ 30,000
Eastwood	\$ 20,000	Neutral Bay	\$ 24,985
Hunters Hill	\$ 3,408	St Ives	\$ 15,000
Lindfield	\$ 15,000	Wahroonga (St Andrew's)	\$ 22,517

23. A further nineteen parishes have had their grant applications approved for 2010. These grants totalled \$536,824 and their details are as follows:

Ermington	\$ 46,994	Nth Sydney	\$ 20,000
Freshwater	\$ 4,500	Putney	\$ 40,000
Gladesville (1)	\$ 10,380	Pymble	\$19,000
(2)	\$ 7,640	St Ives	\$ 25,000
Hornsby	\$ 79,068	Seaforth	\$ 23,150
Hunters Hill	\$ 17,871	Turrumurra	\$ 20,000
Kirribilli	\$ 60,000	Wahroonga (St Paul's)	\$ 25,970
Manly	\$ 23,000	Waitara	\$ 25,818
Nth Epping	\$ 29,333	West Ryde	\$ 40,000
Nth Ryde	\$ 14,100	Willoughby	\$ 5,000

24. It is encouraging to see these successful grant applications from about 40% of the parishes in the region, and totalling \$707,734. These initiatives will result in improved church facilities and many will have a direct beneficial impact upon ministry within the parish.

For and on behalf of the Northern Region Council

GLENN N DAVIES
Bishop of North Sydney

2 May 2011

Proposal to change the status of the provisional parish of Kirribilli to a parish

(A report of the Northern Regional Council.)

Proposal

1. A proposal was made to the Archbishop by the minister and wardens of the provisional parish of St John the Baptist, Kirribilli, also known as Church by the Bridge, under clause 4 of the Parishes Ordinance 1979 for reclassification as a parish.

Details of meeting

2. A meeting of the Northern Regional Council, held on 16 August 2011, considered the proposal under clause 5 of the Parishes Ordinance 1979.

3. The Northern Regional Council certifies that all procedural requirements under clauses 4 and 6 of the Parishes Ordinance have been completed, and recommends that the Synod raise the status of the provisional parish to a parish.

Parish information

4. St John's, Milson's Point (now Kirribilli) was built and opened for public worship in 1884, as a branch church of Christ Church, North Sydney (now Lavender Bay). It was separated from the mother church as a conventional district in 1896 and became a full parish in 1902. In 1939 the church was listed as St John the Baptist in the Year Book for the first time. However, by 1989 the congregation had diminished in size and was amalgamated with St Augustine's Neutral Bay, with a name change to St John the Baptist, Kirribilli. The Rev Ernest Chau was appointed Assistant Minister in 1991 and the Chinese congregation which had been meeting in Chapter House transferred to Kirribilli. The church grew under Ernest's leadership so that within nine years, St John the Baptist regained its independent status as a provisional parish. In May 2007 the Rev Dr Paul Dale became the Curate-in-Charge, having begun a church plant from St Thomas' North Sydney over the two previous years. Under Paul's leadership the church has grown significantly.

5. Regular attendance during 2011 at St John the Baptist (apart from a Sunday School of 43 children) is as follows, including a new offsite Sunday evening service at Christ Church Lavender Bay in March –

8.00 am	20	6.45 pm	115
9.45 am	75	6.30 pm	60 (since March 2011)
5.00 pm	105	5.30 pm	68 (Saturday)

Under God the 2020 vision for Church by the Bridge is to have 12 gatherings of 120 people each, with six offsite and six onsite.

Particulars of church property

6. 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	\$4,387,000
Residence	\$1,755,000
Hall	\$1,137,000
Toilet block	\$68,000

Summary of consolidated receipts and payments

7. A summary of the financial position over the past two years is set out below:

	2009	2010
Receipts	\$	\$
Offeratories	566,962	622,120
Interest/ Investments	12,495	13,792
Trading Activities excess	9,187	7,615
Other	13,989	38,444
Total	609,682	681,971

	2009	2010
Expenditure	\$	\$
Stipends/salaries	394,878	420,498
Resources for ministry	48,178	45,838
Parish donations	47,072	55,437
Administration	17,912	13,484
Property maintenance	110,112	39,348
Other	8,585	8,572
Total	626,737	583,177

8. The parish has no outstanding debts.
9. The Bishop of North Sydney supports this application.

Recommendation

10. The Northern Regional Council recommends that the provisional parish of Kirribilli be reclassified as a parish with effect from 1 January 2012.

For and on behalf of the Northern Regional Council.

GLENN N DAVIES

Regional Bishop

24 August 2011

South Sydney Regional Council Annual Report for 2010

(A report from the South Sydney Regional Council.)

Introduction

1. The Council met on four occasions in 2010 and the Executive Committee met twice. The meetings were held at St Andrew's House.

Membership

2. As at 31 December 2010, membership of the Regional Council was –

Bishop Robert Forsyth (Chairman)	Mrs Elisabeth Boyce
The Rev Antony Barraclough	Mr Ken Breakspear
The Rev Chris Braga	Dr Robert Claxton
The Rev Andrew Katay	Mrs Christine Crump
The Rev Andrew Moore	Mrs Sarita England
The Rev Dave Rogers	Mr Robert Freeman
The Rev Shane Rogerson	Mrs Paulette Gray
The Rev Dominic Steele	Miss Alicia Watson
	Mr Mark Wormell

3. In the course of the year the Council accepted with regret the resignation of Dr Ken Simpson, and later Mr Richard Arkell and the Rev Francis Chalwell, members whose contribution to the Council had been greatly appreciated.

Indigenous Ministry

4. In the course of the year a number of meetings were held with representatives from the Indigenous community to explore ways of strengthening this ministry in the region and the Diocese. It was noted that indigenous ministry should not be confined to one place and that the development of leadership is crucial to its success.

5. There was also discussion on the proposed developments at Green Square and Pyrmont and reports received on a number of building issues in the Parish of South Sydney related to the indigenous ministry.

Cross-cultural Ministry

6. With the announcement that the Mission Board Strategy Committee was encouraging the support of ethnic and cross-cultural ministries, the Council supported the project of Christ Church Inner West 'Evangelising Chinese Ashfield'. This was the only ministry partnership entered into in 2010.

Property matters

7. During 2010, the property held by the Council at 115 Young Street, Redfern was prepared for sale, it serving no further purpose as a residence for a ministry worker. The Council authorised the necessary steps to be taken to prepare a sale ordinance.

Ministry Partnerships 2010

8. The Council has decided to honour all ministry partnership grants but only enter into new partnerships if, and when funds become available. This will mean completely running down of the reserves of the Council. In 2010, funds were distributed as follows –

Parish	Purpose	Amount \$
Annandale	Executive pastor	4,875
Ashfield	Cross-cultural ministry	21,000
Ashfield	MTS worker / women's worker	19,282
Cooks River	Youth worker / Islander worker	11,000
Drummoyne	Children's worker / student minister	19,500
East Sydney	Rough Edges chaplain	10,000
Glebe	Ministry worker	11,000
Lord Howe Island	Ministry airfares and expenses	9,238
Malabar	Children's and youth worker	19,500
Maroubra	Assistant minister	26,000
Newtown	Assistant minister	19,500
Petersham	Youth ministry	11,000
Strathfield/Homebush	Assistant minister	19,500
Summer Hill	Evangelist / MTS worker	19,500
Fees	SDS, accounting, bank	3,180
Total		223,075

9. On present indications the funds available for such partnerships will completely dry up in 2012.

Other Matters

10. The Council contributed to the salary for Assistant to the Bishop of South Sydney and PA \$71,667.

11. A report was received on the funding of the ministry at Lord Howe Island noting that the Mission Board had agreed to fund the ministry from 2013 as a Diocesan ministry, rather than a particular ministry of the South Sydney Region. In the meantime funding would continue at \$13,000 per annum.

12. The Council agreed to abolish the Ministry Partnerships Taskforce and establish an executive to deal with periodical matters.

13. The Council approved parish-based administration for the Parish of Newtown with Erskineville under Schedule 2 of the Parish Administration Ordinance 2008.

For and on behalf of the South Sydney Regional Council

HUGH T COX

Assistant to the Bishop of South Sydney

9 July 2011

Proposal to change the status of the provisional parish of Malabar to a parish

(A report of the South Sydney Regional Council.)

Initiation of proposal

1. A proposal is being made to the Archbishop by the minister and churchwardens of the provisional parish of Malabar (St Mark's, Malabar and St Andrew's, Phillip Bay) under clause 4(1)(b) of the Parishes Ordinance 1979.

Details of meeting

2. Under the provisions of the Meetings (Quorum, Attendance and Resolutions) Ordinance 2007 5(1), the South Sydney Regional Council have considered a proposal under clause 5 of the Parishes Ordinance without meeting.

3. The South Sydney Regional Council certifies that all procedural requirements under clauses 4 and 6 of the Parishes Ordinance have been complied with and recommends that the provisional parish of Malabar becomes a parish from 1 January 2012.

Proposal

4. The proposal is to change the provisional parish of Malabar to the parish of Malabar.

Parish information

5. In 1950 St Mark's became a full parish. However since 1990 the parish has been provisional. For many years the parish was able to support a full-time minister only through offertories supplemented by income from church property.

6. However a substantial change took place in July 2005, when the Asian Australian Bible Church (AABC) merged with the existing St Mark's parish and the Rev Andrew Moore became curate-in-charge of the parish. AABC had begun as the Vietnamese Bible Fellowship at UNSW under the leadership of Andrew Moore in 1995. By 2005 it had grown to 80 regular members and was looking for a new location in the Eastern Suburbs. Under the guidance of Bishop Robert Forsyth and Archdeacon Deryck Howell the two churches were introduced and then merged.

7. The merger between AABC and the 'old' St Mark's, Malabar has seen a transformation of ministry within the parish. Vibrant and growth-focused ministries are being conducted by both staff, and more significantly, parishioners. While some who live at a greater distance from Malabar have left to attend more local churches, others have joined the St Mark's family. There has been a steady shift from a very network / uni-style church to a somewhat more local parish-based ministry. The last five years have been a time of very positive growth, even though it has not resulted in greater numbers within the church.

8. Very soon after the merger the Rev Gordon Boughton became senior assistant minister in the parish. The appointment of Simon Chaplin as a third full-time staff member in 2009 was a key strategic goal that has seen a significant boost to ministry. While the position was initially made possible by a grant from the South Sydney Regional Council, the grant has been phased down so that in 2011 Simon Chaplin is almost entirely funded by the parish. In February 2011 the Rev Simon Roberts commenced as curate-in-charge.

9. Average adult attendance at St Mark's is currently:

8:45am	30
10:00am	45
5pm	35

Future plans

10. The specific avenues the parish is pursuing to reach its local community include a morning playgroup, Kids Plus (an after-school group for primary-aged children) and better gospel ministry to local nursing homes.

Particulars of church property

11. Details of property held by the Anglican Church Property Trust upon trust for the Provisional Parish are as follows:

	<i>Value of land and Improvements</i>
Land	\$2,989,000
Building: church	\$1,610,000
Building: rectory	\$306,000
Building: parish halls etc.	\$2,099,000

12. There is a building available for use by a congregation and a residence, both in good condition and state of repair, suitable for the purposes to which they are to be put.

Summary of consolidated receipts and payments

13. A summary of the financial position over the past three years is set out below:

	2008	2009	2010
Receipts	\$	\$	\$
Offertories & Donations	\$158,738	\$193,019	\$197,778
Received for Others	\$4,035	\$2,640	\$3,300
Grants	\$0	\$25,992	\$24,933
Finance Income	\$5,559	\$2,527	\$1,722
Other Income	\$2,398	\$5,168	\$3,996
Trading Activities - excess	\$99,221	\$99,327	\$106,486
Receipts from within the parish	\$2,146	\$2,452	\$2,083
Total	\$272,098	\$331,125	\$340,298

	2008	2009	2010
Expenditure	\$	\$	\$
Ministry Staff	\$134,053	\$188,692	\$180,921
Parish Cost Recoveries	\$34,458	\$43,275	\$43,449
Resources for Ministry	\$11,422	\$8,151	\$6,310
Parish Donations	\$11,827	\$10,588	\$11,289
Parish Administration	\$33,675	\$36,485	\$33,500
Parish Property & Motor Vehicle Expenses	\$50,289	\$68,082	\$71,626
Other Expenses	\$0	\$0	\$0
Trading Activities - deficiency	\$7,731	\$0	\$3,336
Payments within the Parish	\$0	\$0	\$0
Total	\$283,453	\$355,273	\$350,431

14. The parish supports the Box and Mullins families and Andrew Buchanan (CMS missionaries).
15. The parish has no outstanding debts.
16. The Bishop of South Sydney strongly supports this application.

Recommendation

17. The South Sydney Regional Council recommends that the provisional parish of Malabar be reclassified as a parish with effect from 1 January 2012.

For and behalf of the South Sydney Regional Council.

ROBERT FORSYTH
Bishop

20 September 2011

Western Sydney Regional Council Annual Report for 2010

(A report from the Western Sydney Regional Council.)

Financial Statements and Auditor's Report

1. Financial statements and auditor's report for the period ended 31 December 2010 have been submitted.

Charter

2. The Western Sydney Regional Council was constituted under the Region's Ordinance 1995 and its functions, powers and duties are as established by Clause 6 of that ordinance. The Region covers the Areas Deaneries of Blue Mountains, Hawkesbury, Parramatta, Prospect, The Hills and The Penrith Valley in this Diocese.

Access

3. 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.

Members

4. The members of the Regional Council as at December 2010 were as follows –

Rt Rev IY Lee	Mrs Vicki Brasington
Rev J Davidson	Mr A Dowthwaite
Rev N Macken	Mr K Fairfax
Rev R Mahaffey	Mr A Frank
Rev M Robinson	Dr R James
Rev D Zhang	Mrs Jean Marlow
	Mr A McLachlan
	Mr Ross Pendlebury
	Mr M Purvis
	Mr G Tuckwell

5. The significant committees are the Executive Committee and the Ordinance Review Panel.

Structure

6. The senior officers of the Council are –
 - Chairman – Bishop Ivan Lee
 - Honorary Treasurer – Mr Andrew McLachlan

Activities

7. The Council meet on 4 occasions during 2010.
8. Mrs M Presbury continues as part time ESL worker to encourage, train and support ESL ministry in the Region. The Rev Ken Coleman continues to be involved as a Regional Cross Cultural worker two days a week.

Financial Results

9. Following is the grant information for 2010 –

NAME	PURPOSE	AMOUNT
ESL	Regional Co-ordinator	20,000
Auburn St Thomas	Cross Cultural Children's & Youth	20,000
Villawood	Vietnamese pastor	10,000
Villawood	2nd generation Vietnamese	7,500
Parramatta	Pastor Persian Congregation	10,000
Parramatta	Pastor Cantonese cong & Chinese Yth	5,000
Wentworthville	Dinka Sudanese Minister	10,800
Cross Cultural	Regional Co-ordinator	10,000
Riverstone	Stipendary Lay worker (Youth)	10,000
Arndell	Children's & Youth Worker	5,000
TOTAL		108,300

Risk Management

10. The Western Sydney 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 in place sufficient checks and balances to minimise these risks.

For and on behalf of the Western Sydney Regional Council.

BISHOP IVAN LEE

Chairman

June 2011

Wollongong Regional Council Annual Report for 2010

(A report from the Wollongong Regional Council.)

Introduction

1. The Wollongong Regional Council meets 4 times a year on the evening of the second Tuesday of the month in March, June, September and November. The meeting is held in Wollongong with each meeting preceded by a meal. The Executive Committee also meets four times a year to consider matters delegated to it and to plan agendas for the regular Council meetings.

2. In 2010 the first meeting of the Regional Council was not held until June as Bishop Peter Hayward did not take up duties in the Region until May. There was no Regional Bishop in the first 4 months of 2010.

Membership

3. In 2010 the membership of the Council was –

Bishop Peter Hayward (Chair)	Mr Glenn Murray
The Rev Dr Michael Blake	The Rev Neil Percival
Mr Paul Burns	Mr Doug Philpott
The Rev Rob Copland	Mr Stuart Quarmby
Mr Peter Evans	The Rev Stephen Semenchuk
Mrs Amanda Garlato	The Rev Stephen Swanepoel
Mr Andrew Guile	Mr Ron Webb
Mr Greg Holmes	Mr Peter White
Mr Geoff Kyngdon	Mr Tony Willis
The Rev Richard Mills	Ms Vivienne Young

Ministry Strategies

4. Bishop Peter Hayward quickly settled into the Wollongong Region and in the first months visited all clergy of the Region. This enabled a rapid “assessment” of ministry across the Region and it was pleasing to note the overall strength of Parish ministry. For 2010 it was determined 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. To this end funding from the Region’s assets was allocated to the specific ministries in Airds, 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.

Parish	Purpose	Allocation	Total
Berkeley	Church planting	\$30,000	
Minto Indigenous	Indigenous	\$20,000	
Nowra	Indigenous	\$30,000	\$80,000

6. In addition the work of Cross-cultural ministries has been reduced, coinciding with the retirement of the 2 part-time advisory staff.

7. 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.

8. 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.

9. The Council received reports from Bishop Hayward and the Assistant to the Bishop at each meeting. Additional reports were received from –

- (a) Cross-cultural Ministries
- (b) The Indigenous Ministry Committee

10. The Wollongong Regional Council is not involved in borrowings. Audited statements of accounts have been presented with the Annual Returns to the Synod.

For and on behalf of the Wollongong Regional Council

TONY WILLIS
Assistant to the Bishop of Wollongong

30 June 2011

Proposal to change the status of the provisional parish of Eagle Vale to a parish

(A report of the Wollongong Regional Council.)

Proposal

1. The Minister and Wardens of the provisional parish of Eagle Vale propose under clause 4 of the Parishes Ordinance 1979 that the provisional parish be reclassified as a parish. The provisional parish requested the Wollongong Regional Council to review this proposal under clause 5 of the Parishes Ordinance and make a recommendation to Standing Committee to put this proposal before the Synod in 2011.
2. The various requirements for this proposal under clauses 4 and 6 of the Parishes Ordinance have been met and the details of this follow.

Support of the Wollongong Regional Council

3. On 5 April 2011 the Wollongong Regional Council resolved to support the request that the provisional parish of Eagle Vale be classified as a parish under the Parishes Ordinance 1979.

Parish information

4. The provisional parish of Eagle Vale came into being with a vision borne of the need to reach the new residential areas north of Campbelltown and west of the F5 freeway with the Gospel of Christ. The first Sunday gathering of the church happened a quarter of a century ago in 1986 in the lounge room of current church members Stuart and Sue Carmody.
5. The home-based, family focused birth of the church has typified its approach to ministry since its beginning in an area where young families, with little former affiliation with formalised church, are far and away the dominant demographic.
6. As an off-shoot of St James Anglican Church at Minto, and under the ministry of the then Curate-in-Charge, the Rev Syd Clay, the church became established as a recognisable entity in the community. The first *formal* services commenced shortly thereafter in the local Community Centre in Eagle Vale.
7. As the vision for ministry in the parish took shape and solidified, so too did the planning for a strategically located church centre, with the securing of prime land at the corner of Eagle Vale and Emerald Drives. The financial means to purchase this land and construct the church facility, generously came via the Archbishop's "Vision for Growth" programme, and on 8 July 1990, the building was opened by the then Archbishop the Most Reverend Donald Robison AO.
8. Over the years, and in addition to generous congregational offertory, the ministry at Eagle Vale has been graciously financially supported via various grants and gifts from the Diocese, other churches and charitable individual benefactors.
9. With great thanks to God the church would like to acknowledge in particular St Andrew's Anglican Church at Roseville, who to this day have given, and continue to give sacrificially to support many aspects of the church's ministry, and in particular, youth ministry. This partnership in the gospel has borne much fruit for the kingdom.
10. Given the demographic of the parish, ministry to youth, both in local schools and within church, has been a key component of ministerial effort since the earliest days of the parish.
11. A succession of paid staff and congregational members has been instrumental in sowing the seeds of the gospel in thousands of young people's lives.
12. Currently heading up this ministry are staff members, Matt Stanley (3 day/week Youth Pastor) and Tamara Taylor (2 day/week Assistant Youth Pastor). Matt also works 2 days/week as the Chaplain at a local High School.
13. As the vision evolved, in 2005 the Rev Craig Hooper became Curate-in-Charge, and we set about the task of building on all that had been done in the laying of foundations through the ministry of the Rev Syd Clay.
14. In 2008, Trent Sutcliffe became the one day/week Student Minister while studying at Moore College. By the grace of God and the generosity of God's people, he was with the church two years as a Student, and then became the church's first full time Assistant Pastor in 2010.
15. In 2009 St Peter's Anglican Church in Campbelltown petitioned the church with the view of it adopting ministerial responsibility for the suburbs of Blairmount and Claymore from St Peter's. After much discussion and prayer, and with Trent coming to minister full time, this came to fruition in 2010 when the parish boundaries were formally adjusted, and these two suburbs became part of the provisional parish of Eagle Vale.
16. Among Trent's core duties is responsibility for the gospel going forth in the suburbs of Claymore and Blairmount. He also heads up the Men's Ministry, SRE, Home Bible Study groups and a new ministry endeavour "Boys and Girls Club". This is run in one of the local primary schools and caters to those children (and families) who have had little or no previous connection with a church. This is ground-breaking ministry for the church which is making a connection at a fundamental level (often even in the provision of meals), and seeking to demonstrate the love of Christ in a very practical manner.

17. With thanks to God, this opportunity to devolve some key ministerial responsibilities to Trent, Matt and Tamara, has opened the way for the Senior Pastor to develop the vision for ministry to the 20,000 resident-strong parish. Further, it has enabled him to spend valuable time working on the ministry, as against only in the ministry.

18. This eventuality is indeed valuable given that 25% of the parish claim to be Anglican (5,000 people). This is seen against the backdrop of the whole Campbelltown local government area; where just over 33,000 claim to be Anglican, which represents 23% of the population. (*This information was gleaned from the Campbelltown City Council Community Profile website drawn from the latest Census information.*)

19. Steady growth in the size of the congregation has precipitated the need to consider how the church might expand the capacity of its building. Once again within the providence of God, the recent alteration of the parish boundaries brought with it a demountable building, which the church is currently in the process of moving to its church site in Eagle Vale.

20. Also, the church is investigating at this time how it might develop a partnership-based ministry with Anglicare, wherein a food relief type of program could be coupled with various other ministries.

21. The ultimate goal of this would be the integration of those recipients of the ministry into the church family.

22. Ironically this year the church has filled the last page of its first "Register of Services" record. Symbolically therefore as it strikes the first mark in the new journal, so too does it look forward to the next chapter in the life of its ministry to the areas of Blairmount, Claymore, Eagle Vale, Eschol Park, Kearns and Raby.

23. The attendance figures from 2008 are as follows –

	2008	2009	2010
9.45am			
Adults	55	60	73
Children (C)	24	29	28
Teens (T)	12	7	12
6pm			
Adult	23	24	27
0-18	11	12	11
TOTAL	125	132	151

Particulars of church property

24. The Property held by the Anglican Church Property Trust upon trust for the provisional parish is as follows: Eagle Vale Anglican Church building and the Rectory.

Summary of operating receipts and payments

25. A summary of the financial position over the past three years (and budget for 2011) is set out below –

	2008	2009	2010	2011 (Budget)
Operating Receipts	(\$)	(\$)	(\$)	(\$)
Offertories	107,325	126,273	206,338	213,886
Missions	1,982	1,823	2,377	1,500
Grants	33,986	20,000	-	-
Other	9,049	2,092	11,818	5,700
Trading Activities-Excess	4,880	4,936	5,552	3,500
Total	157,222	155,124	226,085	224,586
Operating Payments				
Ministry Staffing	92,619	90,826	144,311	149,328
Parish Cost Recoveries	15,627	17,334	27,664	29,390
Resources for Ministry	6,927	9,575	5,794	4,590
Missions	4,572	2,298	4,705	4,200
Administration	2,247	3,667	4,637	4,058
Property Expenses	12,862	7,856	5,686	10,000
Rental Expense	-	-	20,800	20,800
Other Expenses	2,753	2,987	4,458	2,220
Total	137,607	134,543	218,055	224,586
Operating Surplus / (Deficit)	19,615	20,581	8,030	-

26. The Parish supports the following missionaries: Oldfields (CMS), Oldfields (BCA), Barley's (SIM).

Other

27. All other requirements under clause 6 have been met.

Recommendation

28. The Wollongong Regional Council recommends that the provisional parish of Eagle Vale be reclassified as a parish with effect from 1 January 2012.

For and behalf of the Wollongong Regional Council

PETER HAYWARD
Regional Bishop

TONY WILLIS
Assistant to the Bishop

12 April 2011

Proposal to change the status of the provisional parish of Wollondilly to a parish

(A report of the Wollongong Regional Council.)

Proposal

1. A proposal was made to the Archbishop by the minister and wardens of the provisional parish of Wollondilly under clause 4 of the Parishes Ordinance 1979 for reclassification as a parish.

Support of the Wollongong Regional Council

2. On 9 November 2010 the Wollongong Regional Council resolved to support the request that the provisional parish of Wollondilly be classified as a parish under the Parishes Ordinance 1979.

Parish Information

3. The provisional parish consists of five towns – Tahmoor, Thirlmere, Bargo, Buxton and Yanderra and the outlying areas of Pheasants Nest and Lakesland. It is a semi-rural area with urban townships.

4. Tahmoor is the commercial centre of the area and is experiencing some significant mercantile growth. Amongst many smaller stores the shopping complex has a Woolworths, House Warehouse and a Bi-Lo. An ALDI has recently opened and planning is in progress to build a Big W.

5. The provisional parish of Wollondilly was formed in 1981 with four previous branch churches from the parish of Picton. These were St John's, Buxton (since been sold), Holy Trinity Tahmoor, St Stephen's Thirlmere and St Paul's Bargo.

6. St Stephen's, Thirlmere built a new multi-function church building in 1991.

7. In 2004 a church plant, Wollondilly Anglican Community Church, was started in the newly built SASC School, Wollondilly Anglican College.

8. The parish now has two full time staff (the minister and a lay stipendiary worker) and a student minister working one day a week. A part time volunteer works as an office administrator.

9. The minister is housed in a diocesan standard rectory and is remunerated at the recommended diocesan stipend.

10. Parish activities include, Boys Brigade, a monthly senior's service, and monthly retirement village service, two craft groups, 13 Bible study groups, youth group, play group and a monthly op shop.

11. Outreach activities have included Carols-by-candlelight, Alpha courses, Toys and Tuckers collections, Gingerbread house nights and the distribution of the Essential Jesus gospels.

12. There are five primary schools in the parish, each catered for with SRE.

Breakup of estimated number of persons who are members of the congregations and who regularly meet for worship

13. The estimated number of persons residing within the Provisional Parish claiming adherence to the Anglican Church of Australia are, according to the NCLS Community Profile (2006), 5,112 people identified themselves as Anglican (i.e. 32.4%).

14. The estimated number of persons who are members of the congregations within the Provisional Parish and who regularly meet for worship within the boundaries of the Provisional Parish is 170 members

Centre	Time	Adults	Children
Tahmoor (Holy Trinity)	9:00am	25	10
Thirlmere (St Stephen's)	10:00am	60	15
Bargo (St Paul's)	10:15am	20	8
Bargo (St Paul's)	5:00pm	35	0
Wollondilly Anglican Community Church	9:00am	30	15
Total		170	48

Future Plans

15. The parish has adopted Diocesan Mission Strategy and to policies 1-3 in particular. We are committed to training and developing leaders and the evangelism of the parish and beyond.

16. In order to grow we intend to increase our staff so that there can be one full time pastor in each of the four churches.

17. Because of its prime location there is the intention to develop the Tahmoor property which is on the main street opposite the shopping centre. The current church and facilities are inadequate. The desire is to build a modern facility that would assist ministry into the future.

18. In time, if the population of the parish and churches increases the parish may need to subdivide into two or more parishes.

Particulars of all Church Trust Property held in trust for the Provisional Parish

Site of St Stephen's Thirlmere

Old Church	\$189,000
Church complex	\$521,000
Shed	\$8,000

Site of St Paul's Bargo

Church	\$195,000
Demountable	Nil

Site of Holy Trinity Tahmoor

Church	\$350,000
Toilet Block	\$5,000
Shed	\$2,000

Site of Rectory

Rectory	\$394,000
Garage	\$14,000

19. The parish also has use of a house and land at Tahmoor belonging to the Mission Property Committee

Summary of Consolidated Receipts and Payments

20. A summary of the financial position over the past three years is set out below –

<u>Receipts</u>	2009	2008	2007
Offeratories & Donations	173,646	159,565	155,113
Other receipts	1,749	1,174	1,795
Special services		1,400	
Grants	13,853	15,000	20,000
Finance Income	818	3,819	548
Other Income	6,413	7,277	3,319
Trading Activities	1,024	3,270	
	197,504	191,504	180,775

Payments

Ministry Staffing	152,019	131,646	130,519
Resources	17,446	12,206	22,954
Parish administration	4,686	5,499	
Consumables		55	
Professional services	3,178	954	1418
Parish property	19,279	18453	21066
Other			18712
	196,608	168814	194669

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21. 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

22. The Wollongong Regional Council recommends that the provisional parish of Wollondilly be reclassified as a parish with effect from 1 January 2012.

For and behalf of the Wollongong Regional Council

PETER HAYWARD
Regional Bishop

TONY WILLIS
Assistant to the Bishop

18 March 2011

Archbishop of Sydney (Solemn Promises) Amendment Ordinance 2011

Explanatory Statement

Background

1. At its session in 2010, the Synod omitted from the text of the Archbishop of Sydney (Election and Retirement) Amendment Ordinance 2010 provisions relating to the solemn promises to be made by the Archbishop upon his election. The Synod also requested that the Standing Committee bring to the Synod session in 2011 the omitted provisions in the form of a bill to further amend the Archbishop of Sydney Election Ordinance 1982.
2. The bill for the Archbishop of Sydney (Solemn Promises) Amendment Ordinance 2011 (the bill) gives effect to the Synod's request.
3. The bill provides that before a person can become Archbishop, the person must give similar promises to those proposed to be given by clergy before ordination, first licensing by the Archbishop and consecration following appointment as an Assistant Bishop.
4. The bill sets out in a new Second Schedule to the Archbishop of Sydney Election Ordinance 1982 a suitably modified form of the promises proposed to be given by clergy (excluding the promise to obey all such directions as the Archbishop is authorised by law to give).

Recommendation

5. 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

15 June 2011

Archbishop of Sydney (Solemn Promises) Amendment Ordinance 2011

No 35, 2011

Long Title

An Ordinance to provide for the solemn promises to be made by a person upon being elected to the office of Archbishop of Sydney.

The Standing Committee of the Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the Archbishop of Sydney (Solemn Promises) Amendment Ordinance 2011.

2. Amendment to the Archbishop of Sydney Election Ordinance 1982

The Archbishop of Sydney Election Ordinance 1982 is amended as follows –

- (a) insert a new paragraph (c) in clause 7(2) as follows (with consequential re-lettering of the existing paragraphs) –

"contain a certification from at least one of the nominators that the nominee would be willing to make a declaration of the solemn promises contained in the Second Schedule of this Ordinance; and"

- (b) delete the word "Schedule" in clause 27(2)(a) and in the heading to The Schedule and insert instead the words "First Schedule", and

- (c) delete the rider to clause 35 and insert instead the following –

"the nominee elected shall become the Archbishop of the See of Sydney upon acceptance by him, his consecration (if not then consecrated) and the taking of his seat in the Cathedral Church of the Diocese having made the solemn promises contained in the Second Schedule to this Ordinance and handed a written copy of the declaration to the Registrar.", and

- (d) insert the following after the First Schedule to the Ordinance –

"The Second Schedule

I firmly and sincerely believe the Holy Scripture to be the Word of God, and assent to the doctrine of the Anglican Church of Australia, an expression of the Catholic and Apostolic Faith which is determined by the teaching of Scripture, confessed in the 39 Articles and given liturgical form in the Book of Common Prayer and in the Ordering of Bishops, Priests and Deacons, and I solemnly promise to teach and uphold the Word of God.

I solemnly promise to conduct only services in the Book of Common Prayer or –

- (a) services authorised by ordinance of the Synod for use in the Diocese, or
(b) other services of public worship which are agreeable to the Word of God and consistent with the doctrine of the Anglican Church of Australia,

pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998.

I solemnly promise that so long as I hold and perform the office of Archbishop of the See of Sydney, I will neither by myself nor by others permit the use of the chasuble or other eucharistic vestment in any church or chapel or other place in the Diocese in which I officiate.

I solemnly promise that so long as I hold and perform the office of Archbishop of the See of Sydney, I will administer the elements of bread and wine separately in the Holy Communion."

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

PETER YOUNG
Deputy Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 12 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

General Synod – Constitution Amendment (Chapter V) Canon 2010 Assenting Ordinance 2011

Explanatory Statement

1. The *Constitution Amendment (Chapter V) Canon 2010* inserts a new section 28A in the Constitution to allow canons to be made other than at a General Synod session if at least $\frac{3}{4}$ of all diocesan synods including all Metropolitan Sees assent to it by ordinance and all assents be in force at the same time. In the case of bills for canons that will impose a financial liability on a diocese, all diocesan synods must assent with all assents being in force at the same time.
2. The mechanism cannot be used for canons to amend the Constitution or which deal with or concern ritual ceremonial or discipline of the Church.
3. From time to time there is a need for the General Synod Standing Committee to initiate consideration of “house-keeping” canons, for example to satisfy a change in government regulatory requirements in company law, taxation law or superannuation. Currently only the General Synod can make or amend canons.
4. The addition of this new section to the Constitution will provide flexibility in dealing with situations which require a canon of General Synod.
5. The new section 28A provides a mechanism by which a diocesan synod can delegate to its diocesan council power to assent to a canon proposed to be made under this section.

Recommendation

6. The Standing Committee recommends that Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

24 August 2011

General Synod – Constitution Amendment (Chapter V) Canon 2010 Assenting Ordinance 2011

No 39, 2011

Long Title

An ordinance to assent Canon No 12, 2010 of the General Synod of the Anglican Church of Australia.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name of Ordinance

This Ordinance is the General Synod – Constitution Amendment (Chapter V) Canon 2010 Assenting Ordinance 2011.

2. Assent to Canon No 12, 2010

The Synod assents to Canon No 12, 2010 of the General Synod of the Anglican Church of Australia, the text of which is set out in the Schedule.

Schedule

The General Synod prescribes as follows:

1. This Canon is the 'Constitution Amendment (Chapter V) Canon 2010.
2. In Chapter V of the Constitution, after Section 28 insert:
 - "28A (1) In this section "bill" does not include a bill for a canon to alter this Constitution or a bill which deals with or concerns the ritual ceremonial or discipline of this Church.
 - (2) Subject to subsection (3) in addition to the procedure in section 27 (1), a canon may be made by a bill sent by the Standing Committee to each diocesan synod and if at least $\frac{3}{4}$ of the diocesan synods of this Church including all Metropolitan Sees assent to it by ordinance and if all such assents be in force at the same time, the General Secretary shall certify that fact to the Primate in writing, and on that date the canon shall come into force.
 - (3) A bill for a canon which would impose a financial liability on a diocese may be made in the manner provided by subsection (2) only if all diocesan synods of this Church assent to it by ordinance and such assents are in force at the same time.
 - (4) A diocesan synod of a diocese may, by ordinance:
 - (a) delegate its power to assent to a bill under subsection (2) and (3) to the diocesan council of the diocese, and
 - (b) permit the diocesan council to assent to the bill in exercise of such delegated authority by ordinance or resolution.
 - (5) An assent to a bill given by a diocesan council by ordinance or resolution pursuant to a delegated authority given under subsection (4) shall be as effectual as if the synod of the diocese had assented to the bill by ordinance."
3. In Chapter V of the Constitution, in Section 30, delete the opening words "Subject to the preceding section" and insert instead the words "Subject to sections 28A and 29".

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 17 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

General Synod – Special Tribunal Canon 2007 Amendment (No 2) Canon 2010 Adopting Ordinance 2011

Explanatory Statement

1. The *Special Tribunal Canon 2007*, among other things, establishes the Episcopal Standards Commission (the “ESC”), purports to confer certain powers on the ESC, and authorizes the ESC to prosecute diocesan bishops in the Special Tribunal.
2. The Special Tribunal Canon 2007 also allows the Synod of a diocese to exclude the power of the ESC to prosecute the bishop of the diocese. However, this leaves open the question as to whether it is possible for the ESC to exercise the powers in the Canon when it cannot use the information resulting from the exercise of those powers to prosecute a diocesan bishop.
3. The ESC has additional powers under the Episcopal Standards Canon 2007 but these are only available in relation to a diocese where the synod of the diocese has adopted that canon.
4. The purpose of this canon is to make it clear that the ESC can only use any powers which may be conferred on it by the Special Tribunal Canon 2007 where the Synod of Diocese has not excluded the ESC’s power to prosecute its bishop.
5. The amendment also assists a person who has a legitimate complaint against the bishop of a diocese which has excluded the prosecuting power of the ESC by referring the person to someone who ought to be prosecuting their complaint if that course of action is appropriate.
6. The amendment preserves the right of diocesan synods to determine what course is appropriate to their circumstances. Thus –
 - (a) The synod of a diocese in which the Special Tribunal Canon 2007 is in force, can decide to allow the ESC to prosecute its bishop should the circumstances make that appropriate.
 - (b) The synod of a diocese in which the Special Tribunal Canon 2007 is in force, can decide to allow the ESC to investigate the behaviour of its bishop but require that the ESC not prosecute. It would then not adopt this amendment and another diocesan bishop or person appointed by the synod may prosecute using the information obtained by the ESC.
 - (c) The synod of a diocese in which the Special Tribunal Canon 2007 is in force, may determine that the ESC shall not exercise the powers conferred on it by that Canon in that Diocese. It can do this only if it has denied the ESC the right to prosecute its bishop and adopts this amendment.
7. The amendments make it clear that the ESC will perform no investigatory function in relation to the bishop of a diocese in circumstances where the synod of the diocese has excluded the power of the ESC to prosecute the bishop. In 2009 the Synod of this Diocese passed an ordinance to exclude the power of the ESC should the Special Tribunal Canon 2007 ever have force and effect in this Diocese.
8. The form of the amending canon introduced at the General Synod in 2010 included a declaration that it affects order and good government. However this was deleted in committee during its passage at General Synod. The Standing Committee nonetheless considers that the amending canon affects order and good government in our Diocese since it concerns the power of the Synod of our Diocese to determine to what extent, if any, the ESC may investigate and/or prosecute our Archbishop under the Special Tribunal Canon 2007.

Recommendation

9. The Standing Committee recommends that Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

15 August 2011

General Synod – Special Tribunal Canon 2007 Amendment (No 2) Canon 2010 Adopting Ordinance 2011

No 40, 2011

Long Title

An ordinance to adopt Canon No 11, 2010 of the General Synod of the Anglican Church of Australia.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name of Ordinance

This Ordinance is the General Synod – Special Tribunal Canon 2007 Amendment (No 2) Canon 2010 Adopting Ordinance 2011.

2. Adoption of Canon No 11, 2010

Canon No 11, 2010 of the General Synod of the Anglican Church of Australia, the text of which is set out in the Schedule, affects the order and good government of the Anglican Church of Australia in this Diocese and the Synod reserves the right to exclude the Canon. Notwithstanding this declaration, but subject to this declaration and reservation, the Canon is adopted.

Schedule

The General Synod prescribes as follows:

Title

- This Canon may be cited as “Special Tribunal Canon 2007 Amendment (No 2) Canon 2010”.

Amendments

- The Special Tribunal Canon 2007 is amended by the insertion of the following definition in section 2 after the definition of “respondent” –

“‘Subsection 43(2) Exclusion’ means an ordinance made by the synod of a diocese under subsection 43(2) which –

 - declares that paragraph (a) of subsection 43(1) shall have no effect in respect of the Bishop of that diocese; and
 - has not been revoked by that synod.”
- The Special Tribunal Canon 2007 is further amended by the insertion of the following immediately after section 2 –

“2A (1) The ESC has no powers or duties under this canon, apart from the duty imposed by subsection (2), in relation to a diocese or the Bishop thereof while there is a Subsection 43(2) Exclusion in effect in relation to that diocese.

(2) If the ESC receives a complaint in relation to the Bishop of a diocese while there is a Subsection 43(2) Exclusion in effect in relation to that diocese, the ESC must refer the complainant and the complaint –

 - where the diocese is part of a province and the complaint is not in respect of the Metropolitan of that province, to the Metropolitan of that province;
 - where the diocese is part of a province and the complaint is in respect of the Metropolitan of that province, to the Metropolitan of another province; and
 - where the diocese is not part of a province and the complaint is in respect of the Bishop of that diocese, to a Metropolitan.”

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 17 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

Parochial Cost Recoveries Ordinance 2009 Amendment Ordinance 2011

Explanatory Statement

Background

1. Clause 3 of the Parochial Cost Recoveries Ordinance 2009 (the principal ordinance) provides that –
 - (a) in 2012 each parochial unit is to pay a cost recoveries charge calculated according to a formula in the Schedule, and
 - (b) the Standing Committee is to report to the Synod in 2011 about the costs so payable in 2012.
2. The Standing Committee has recommended that the costs to be recovered from parishes in 2012 through the variable component of the cost recoveries charge be extended to include items not previously included. Accordingly, the Standing Committee agreed that a separate bill for the cost recovery charges in 2012 should be promoted to and considered by the Synod.

Parish cost recovery charges for 2012

3. Under the Parochial Cost Recoveries Ordinance 2009 the costs recovered from parishes during 2010 and 2011 comprise –
 - (a) fixed “ministry costs” (superannuation, long service leave, stipend continuance insurance and the sickness and accident fund), and
 - (b) variable “parochial network costs”, namely –
 - (i) the property and liability insurance program,
 - (ii) the parish risk management program,
 - (iii) two-thirds of the costs of the Professional Standards Unit,
 - (iv) the safe ministry training, and
 - (v) a provision for relief.
4. It is proposed that for 2012, the variable parochial network costs recovered from parishes be extended as follows –
 - (a) increasing the proportion of recovered costs of the Professional Standards Unit from two-thirds to five-sixths,
 - (b) adding the costs of membership of the Anglican Church of Australia, the Province of New South Wales and the NSW Council of Churches,
 - (c) adding a one-third contribution toward the cost of the Diocesan Archives, and
 - (d) adding the cost of supporting a standard accounting system for parishes (the Sydney Anglican Parish Account System SAPAS).
5. A table showing the fixed and variable PCR charges proposed for 2012 together with a comparison of charges for 2011 is set out in Attachment 1.
6. A table showing an estimate of the variable cost component for each parochial unit is set out in Attachment 2.
7. In order to give effect to these changes –
 - (a) Clause 2(a) of the bill amends the definition of “parochial network costs” in the principal ordinance to provide for the extension of the items proposed to be recovered in 2012.
 - (b) Clause 2(b) of the bill inserts in the principal ordinance a new subclause 4(2) which enables the Synod or the Standing Committee to specify by resolution a fixed amount to be paid in a year for membership and affiliation costs and which provides that no payment on account of such a cost is to be made in excess of that amount during the year.
 - (c) Clause 2(c) of the bill provides for a consequential change in the percentage of the variable charge that parochial units without property would otherwise have to pay in 2012. The increase from 55% to 60% reflects the fact that the extended items to be recovered under the variable charge in 2012 are not associated with property.

Recommendation

8. 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

9 August 2011

Parochial Cost Recovery Charges for 2012

PCR Variable Charge	Actual for 2011	Proposed for 2012	
Cost of parochial property and liability insurance program	2,870,000	3,214,400	The ACPT estimates the cost of its parish insurance program will increase in line with the broker's estimate of a 12% increase in underlying premiums.
Cost of parish risk management program	225,000	230,000	SDS estimate of cost of staff time.
Cost of parish related work by Professional Standards Unit	395,000	495,000	The Director of the PSU estimates its parish related work represents 5/6th (not 2/3rd) of its total budget (\$595k). The balance (1/6th) will be billed to the relevant organisations.
Cost of safe ministry program training	100,000	100,000	The Director of the PSU estimates the cost of the training provided by Youthworks on behalf of PSU will be unchanged from 2011.
Provision for relief or remission of cost recoveries charges	20,000	20,000	Estimate assumes new provision unchanged from 2011, although no provision has been required in recent years. ('Relief' can apply where parishes are amalgamated or boundaries are changed, 'remission' can apply wherever Standing Committee declares by resolution the circumstances make it expedient.)
Membership and affiliation costs	-	350,000	Estimate is based on aggregate of General Synod 2011 general assessment invoice of \$324k plus estimate of \$12k for Provincial Synod, plus estimate of \$14k for membership of NSWCC based on 2011 actual invoice.
Parish contribution to the cost of Diocesan Archives	-	50,000	Estimate based on parish related portion (32%) previously funded by Synod in 2010 and 2011.
Support for Sydney Anglican Parish Accounting System (SAPAS)	-	11,000	Estimate based on 2011 retainer paid to consultant for support and updates.
	3,610,000	4,470,400	
Total Net Operating Receipts for relevant year	78,661,216	83,159,748	Estimate for 2012 based on 2010 audited financial statements received from 267 of 269 parishes as of 9 August 2011.
Prima facie variable charge percentage	4.59%	5.38%	The figure for parishes with property will be slightly higher (see Attachment 2).
EOS Funding Assessment	896,738 1.14%	- 0.00%	
Total paid by parishes	5.73%	5.38%	
PCR fixed cost per minister			
Superannuation (in 2011 Assist. Min. < 7yrs = \$8,141)	9,045	9,498	Estimate based on a 5% increase over 2011.
Long Service Leave	1,172	1,231	Estimate based on a 5% increase over 2011.
Stipend Continuance Insurance	975	975	Estimate assumes no increase over 2011.
Sickness & Accident	50	50	Estimate assumes no increase over 2011.
	11,242	11,754	Represents an overall increase of 4.5%.

Attachment 2

Parochial Cost Recovery Charges for 2012

(based on 2010 audited parish financial statements received up to 9 August 2011)

	\$
MINISTER and ASSISTANT MINISTER COSTS	
Fixed charge per Minister	11,754
Fixed charge per Assistant Minister with 7 or more years service	11,754
Fixed charge per other Assistant Minister	10,805
VARIABLE CHARGE	
Cost of parochial property and liability insurance program	3,214,400
Cost of parish risk management program	230,000
Cost of parish related work by Professional Standards Unit	495,000
Cost of safe ministry program training	100,000
Provision for relief or remission of cost recoveries charges	20,000
Membership and affiliation costs	350,000
Parish contribution to the cost of Diocesan Archives	50,000
Support for Sydney Anglican Parish Accounting System (SAPAS)	11,000
	4,470,400
total Net Operating Receipts for 2010	83,159,748
<i>Prima facie variable charge percentage for 2012</i>	5.37568%
Variable charge percentage for 2012 for parishes with property	5.41474%
Variable charge percentage for 2012 for parishes without property (identified with *)	3.24884%

Accordingly, the PCR charge for each parochial unit in 2012 will consist of the sum of –

- (i) the actual minister and assistant minister costs, based on the cost per person shown above, multiplied by the number of such persons licensed to and paid by the parochial unit in 2012, plus
- (ii) the variable charge shown below, which is based on the variable charge percentage shown above multiplied by the Net Operating Receipts of the parochial unit for 2010 (shown below). In the case of the seven parochial units without property (identified with shading and * in the table below) the variable charge percentage is 60% of the percentage applicable to parochial units with property.

Note that the PCR charge does not include any costs for any Lay Ministers employed by the parochial unit.

	Parish Prov.P, R.Ch., Prov.R.Ch.	Region	Parochial Unit	Net Operating Receipts for 2010 \$	Variable PCR charge for 2012 \$
1	PP	S	Abbotsford	122,446	6,630
2	P	W	Albion Park	287,727	15,580
3	P	S	Annandale	286,848	15,532
4	PP	G	Arncliffe	136,206	7,375
5	P	N	Artarmon	161,057	8,721
6	P	S	Ashbury	123,150	6,668
7	P	S	Ashfield, Five Dock and Haberfield	564,381	30,560
8	P	N	Asquith / Mt Colah / Kuring-gai	328,998	17,814
9	P	WS	Auburn - St Philip	111,619	6,044
10	PP	WS	Auburn - St Thomas'	99,415	5,383
11	P	W	Austinmer	277,871	15,046
12	P	N	Avalon with Palm Beach	217,733	11,790
13	P	N	Balgowlah	332,805	18,021
14	P	S	Balmain	107,911	5,843
15	P	G	Bankstown	116,183	6,291
16	P	WS	Baulkham Hills	282,207	15,281
17	P	N	Beacon Hill	89,971	4,872
18	P	N	Beecroft	272,299	14,744
19	P	S	Bellevue Hill	197,922	10,717
20	P	G	Belmore with McCallums Hill & Clemton Park	159,380	8,630
21	P	N	Belrose	444,128	24,048
22	PP	WS	Berala (see Note 1)	0	-

	Parish Prov.P, R.Ch., Prov.R.Ch.	Region	Parochial Unit	Net Operating Receipts for 2010 \$		Variable PCR charge for 2012 \$	
23	P	N	Berowra	240,790		13,038	
24	P	W	Berrima cum Moss Vale	131,898		7,142	
25	P	W	Berry with Kangaroo Valley	186,501		10,099	
26	P	G	Beverly Hills with Kingsgrove	455,429		24,660	
27	P	WS	Blackheath	117,204		6,346	
28	P	WS	Blacktown	406,713		22,022	
29	P	G	Blakehurst	127,311		6,894	
30	P	W	Bomaderry	170,600		9,238	
31	PP	S	Bondi	182,425		9,878	
32	P	W	Bowral	377,275		20,428	
33	P	G	Brighton / Rockdale	146,479		7,931	
34	P	S	Broadway	745,988		40,393	
35	P	W	Bulli	275,818		14,935	
36	P	S	Burwood	308,615		16,711	
37	PP	G	Cabramatta	312,758		16,935	
38	P	WS	Cambridge Park	159,916		8,659	
39	P	W	Camden	528,438		28,614	
40	P	W	Campbelltown	367,410		19,894	
41	P	G	Campsie	173,841		9,413	
42	P	G	Canterbury with Hurlstone Park	127,145		6,885	
43	P	W	Caringbah	705,504		38,201	
44	P	WS	Carlingford and North Rocks	1,634,511		88,505	
45	P	WS	Castle Hill	1,441,288		78,042	
46	P	S	Centennial Park	602,987		32,650	
47	P	N	Chatswood	874,427		47,348	
48	RC	WS	Cherrybrook *	195,889		6,364	
49	PP	G	Chester Hill with Sefton	53,150		2,878	
50	P	N	Christ Church Northern Beaches	240,547		13,025	
51	RC	G	Christ Church St George *	101,134		3,286	
52	PP	S	Clovelly	162,774		8,814	
53	P	S	Concord and Burwood	157,501		8,528	
54	P	S	Concord West with Concord North	213,340		11,552	
55	P	S	Coogee	140,287		7,596	
56	P	S	Cooks River	142,151		7,697	
57	P	W	Corrimal	96,902		5,247	
58	P	WS	Cranebrook with Castlereagh	204,900		11,095	
59	P	N	Cremorne	209,207		11,328	
60	P	W	Cronulla	204,825		11,091	
61	P	S	Croydon	554,509		30,025	
62	PP	W	Culburra Beach	114,847		6,219	
63	P	W	Dapto	603,846		32,697	
64	P	S	Darling Point	603,523		32,679	
65	P	S	Darling Street	458,918		24,849	
66	P	N	Dee Why	205,809		11,144	
67	PP	W	Denham Court (see Note 4)	85,996	= 2009 NOR	4,656	= estimate
68	PP	WS	Doonside	75,961		4,113	
69	P	S	Drummoyne	153,364		8,304	
70	PP	G	Dulwich Hill	116,035		6,283	
71	P	WS	Dundas / Telopea	322,382		17,456	
72	P	WS	Dural District	320,990		17,381	
73	PP	W	Eagle Vale	221,460		11,991	
74	P	G	Earlwood	227,668		12,328	
75	P	N	East Lindfield	212,453		11,504	
76	P	S	East Sydney	477,173		25,838	
77	P	S	Eastgardens	409,150		22,154	
78	P	N	Eastwood	372,169		20,152	
79	P	WS	Emu Plains	292,924		15,861	
80	P	S	Enfield	143,213		7,755	
81	P	W	Engadine	569,406		30,832	
82	P	S	Enmore / Stanmore	133,169		7,211	
83	P	N	Epping	310,410		16,808	
84	PP	N	Ermington	99,940		5,411	
85	PP	G	Fairfield with Bossley Park	309,749		16,772	
86	P	W	Fairy Meadow	259,593		14,056	

	Parish Prov.P, R.Ch., Prov.R.Ch.	Region	Parochial Unit	Net Operating Receipts for 2010		Variable PCR charge for 2012	
				\$		\$	
87	P	W	Figtree	1,345,794		72,871	
88	P	N	Forestville	306,362		16,589	
89	P	N	Frenchs Forest	191,959		10,394	
90	P	N	Freshwater	182,343		9,873	
91	P	G	Georges Hall	112,289		6,080	
92	P	W	Gerringong	181,373		9,821	
93	P	N	Gladesville	1,017,270		55,083	
94	P	S	Glebe	157,543		8,531	
95	PP	N	Glenhaven	197,553		10,697	
96	PP	WS	Glenmore Park * (see Note 2)	532,688		17,306	
97	P	W	Glenquarie	66,281		3,589	
98	P	N	Gordon	419,817		22,732	
99	P	WS	Granville	117,965		6,387	
100	PP	G	Greenacre	68,384		3,703	
101	P	N	Greenwich	199,557		10,805	
102	P	WS	Greystanes - Merrylands West	96,099		5,204	
103	PP	WS	Guilford with Villawood	169,775		9,193	
104	P	W	Gymea	497,987		26,965	
105	RC	W	Harbour Church (see Note 3) *			-	
106	P	W	Helensburgh and Stanwell Park	236,138		12,786	
107	P	N	Hornsby	172,823		9,358	
108	PRC	N	Hornsby Anglican Chinese Church *	132,918		4,318	
109	P	N	Hornsby Heights	161,312		8,735	
110	P	G	Hoxton Park	240,426		13,018	
111	P	N	Hunters Hill	423,868		22,951	
112	P	G	Hurstville	452,523		24,503	
113	P	G	Hurstville Grove	348,096		18,848	
114	P	W	Huskisson	124,856		6,761	
115	P	W	Ingleburn	217,668		11,786	
116	PP	W	Jamberoo	79,937		4,328	
117	P	W	Jannali	602,522		32,625	
118	PP	WS	Katoomba	121,077		6,556	
119	P	W	Keiraville	125,492		6,795	
120	P	WS	Kellyville	389,762		21,105	
121	P	S	Kensington	171,305		9,276	
122	P	W	Kiama	325,086		17,603	
123	P	N	Killara	372,966		20,195	
124	P	S	Kingsford	140,760		7,622	
125	P	WS	Kingswood	204,660		11,082	
126	PP	N	Kirribilli	619,664		33,553	
127	P	WS	Kurrajong	196,859		10,659	
128	PP	G	Lakemba	59,322		3,212	
129	P	WS	Lalor Park and Kings Langley	122,322		6,623	
130	P	N	Lane Cove and Mowbray	415,346		22,490	
131	P	N	Lavender Bay	209,523		11,345	
132	P	WS	Lawson	87,441		4,735	
133	P	S	Leichhardt	290,088		15,708	
134	P	WS	Leura	96,535		5,227	
135	P	WS	Lidcombe	226,365		12,257	
136	P	N	Lindfield	587,175		31,794	
137	P	WS	Lithgow	201,897		10,932	
138	P	G	Liverpool	385,726		20,886	
139	PP	G	Liverpool South	104,333		5,649	
140	P	N	Longueville	258,619		14,004	
141	PP	S	Lord Howe Island	16,235		879	
142	P	WS	Lower Mountains	412,845		22,354	
143	P	G	Lugarno	118,129		6,396	
144	P	N	Macquarie	514,849		27,878	
145	PP	S	Malabar	313,166		16,957	
146	P	N	Manly	1,156,880		62,642	
147	P	S	Maroubra	248,287		13,444	
148	P	G	Marrickville	199,958		10,827	
149	P	W	Menai	603,513		32,679	

	Parish Prov.P, R.Ch., Prov.R.Ch.	Region	Parochial Unit	Net Operating Receipts for 2010 \$		Variable PCR charge for 2012 \$	
150	P	W	Menangle	139,638		7,561	
151	P	WS	Merrylands	266,060		14,406	
152	PP	WS	Minchinbury	210,924		11,421	
153	P	W	Minto	196,269		10,627	
154	P	W	Miranda	816,772		44,226	
155	P	W	Mittagong	296,141		16,035	
156	P	N	Mona Vale	225,762		12,224	
157	P	G	Moorebank	293,267		15,880	
158	P	N	Mosman - St Clement	730,404		39,549	
159	P	N	Mosman - St Luke	304,318		16,478	
160	P	WS	Mt Druitt	115,211		6,238	
161	P	WS	Mulgoa	124,013		6,715	
162	P	W	Narellan	345,352		18,700	
163	P	N	Naremburn / Cammeray	806,159		43,651	
164	P	N	Narrabeen	688,948		37,305	
165	P	N	Neutral Bay	351,163		19,015	
166	P	N	Newport	151,243		8,189	
167	P	S	Newtown with Erskineville	234,199		12,681	
168	P	S	Norfolk Island	0		-	
169	P	N	Normanhurst	407,296		22,054	
170	P	N	North Epping	289,077		15,653	
171	P	N	North Ryde	175,497		9,503	
172	P	N	North Sydney	1,458,549		78,977	
173	P	N	Northbridge	128,890		6,979	
174	P	WS	Northmead and Winston Hills	672,829		36,432	
175	P	WS	Norwest	248,881		13,476	
176	P	W	Nowra	393,236		21,293	
177	P	W	Oak Flats	146,260		7,920	
178	P	WS	Oakhurst	229,476		12,426	
179	P	G	Oatley	160,910		8,713	
180	P	G	Oatley West	119,442		6,467	
181	P	S	Paddington	133,440		7,225	
182	P	G	Padstow	107,452		5,818	
183	P	G	Panania	305,780		16,557	
184	P	WS	Parramatta	1,298,788		70,326	
185	P	WS	Parramatta North with Harris Park	177,040		9,586	
186	P	G	Peakhurst / Mortdale	249,724		13,522	
187	P	WS	Penrith	264,023		14,296	
188	P	G	Penshurst	152,744		8,271	
189	P	S	Petersham	184,584		9,995	
190	PRC	N	Philadelphia Anglican Church *	113,657		3,693	
191	P	W	Picton	83,523		4,523	
192	PP	WS	Pitt Town	263,116		14,247	
193	P	W	Port Kembla	76,258		4,129	
194	PP	N	Putney	91,829		4,972	
195	P	N	Pymble	626,779		33,938	
196	P	WS	Quakers Hill	555,441		30,076	
197	P	S	Randwick	517,015		27,995	
198	PP	G	Regents Park	27,752		1,503	
199	PP	G	Revesby	54,286		2,939	
200	P	WS	Richmond	172,472		9,339	
201	PP	WS	Riverstone	144,309		7,814	
202	P	G	Riverwood / Punchbowl	264,952		14,346	
203	PP	W	Robertson	96,828		5,243	
204	P	WS	Rooty Hill	507,996		27,507	
205	PP	W	Rosemeadow (see Note 4)	208,398	= 2009 NOR	11,284	= estimate
206	P	N	Roseville	468,728		25,380	
207	P	N	Roseville East	141,841		7,680	
208	PP	WS	Rouse Hill	207,647		11,244	
209	P	N	Ryde	547,778		29,661	
210	PP	G	Sadleir	262,346		14,205	
211	P	G	Sans Souci	147,844		8,005	
212	P	N	Seaforth	182,991		9,908	
213	P	WS	Seven Hills	230,724		12,493	

	Parish Prov.P, R.Ch., Prov.R.Ch.	Region	Parochial Unit	Net Operating Receipts for 2010 \$	Variable PCR charge for 2012 \$
214	P	W	Shellharbour	172,485	9,340
215	P	W	Shellharbour City Centre (see Note 3)	753,833	40,818
216	PP	W	Shoalhaven Heads	85,986	4,656
217	P	G	Smithfield Road	218,497	11,831
218	P	G	South Carlton	229,904	12,449
219	P	S	South Coogee	180,031	9,748
220	P	W	South Creek	142,200	7,700
221	P	G	South Hurstville	152,389	8,251
222	P	S	South Sydney	165,529	8,963
223	P	WS	Springwood	567,882	30,749
224	PP	WS	St Clair	112,837	6,110
225	P	G	St George	214,103	11,593
226	P	G	St George North	587,937	31,835
227	P	N	St Ives	1,577,053	85,393
228	P	WS	St Marys	252,093	13,650
229	P	S	Strathfield	283,003	15,324
230	P	S	Strathfield & Homebush	215,151	11,650
231	P	S	Summer Hill	187,878	10,173
232	PP	S	Surry Hills - St Michael	224,890	12,177
233	PP	W	Sussex Inlet	82,902	4,489
234	P	W	Sutherland	336,335	18,212
235	P	W	Sutton Forest	181,144	9,808
236	P	S	Sydney - Cathedral of St Andrew	975,332	52,812
237	P	S	Sydney - Christ Church St Laurence	497,776	26,953
238	P	S	Sydney - Holy Trinity, Millers Point	209,895	11,365
239	P	S	Sydney - St James King Street	1,466,345	79,399
240	P	S	Sydney - St Philip York Street	630,290	34,129
241	P	W	Sylvania	301,236	16,311
242	P	W	The Oaks	94,629	5,124
243	P	N	Thornleigh / Pennant Hills	265,244	14,362
244	P	WS	Toongabbie	260,539	14,108
245	P	N	Turramurra	661,946	35,843
246	P	N	Turramurra South	589,983	31,946
247	P	W	Ulladulla	213,861	11,580
248	RC	S	Unichurch (Uni. NSW) *	423,420	13,756
249	P	S	Vaucluse and Rose Bay	266,902	14,452
250	P	N	Wahroonga - St Andrew	239,375	12,962
251	P	N	Wahroonga - St Paul	169,257	9,165
252	P	N	Waitara	128,415	6,953
253	P	S	Watsons Bay	247,711	13,413
254	P	S	Waverley	275,514	14,918
255	P	WS	Wentworth Falls	257,382	13,937
256	P	WS	Wentworthville	126,365	6,842
257	P	N	West Lindfield	176,127	9,537
258	P	WS	West Pennant Hills	758,850	41,090
259	P	N	West Pymble	496,137	26,865
260	P	N	West Ryde	233,575	12,647
261	P	W	West Wollongong	310,641	16,820
262	PP	WS	Westmead	139,022	7,528
263	P	WS	Wilberforce	284,613	15,411
264	P	N	Willoughby	431,101	23,343
265	P	N	Willoughby East	165,052	8,937
266	P	WS	Windsor	519,688	28,140
267	PP	W	Wollondilly	178,070	9,642
268	P	W	Wollongong	587,606	31,817
269	P	S	Woollahra	158,276	8,570
270	P	G	Yagoona	252,137	13,653

Estimated total Net Operating Receipts

83,159,748

Estimated total variable PCR charge for 2012

4,470,402

Notes

- 1** The Net Operating Receipts for Berala have been included with the figures for Carlingford and North Rocks. Carlingford and North Rocks pays the variable PCR charge for Berala, leaving Berala to just pay the fixed Minister costs.
- 2** Although operating from property actually held on trust for the Mission Property Committee, the parish of Glenmore Park has volunteered to pay the variable charge percentage for parishes with property.
- 3** Harbour Church has recently separated from Shellharbour City Centre and the Wardens of the two parochial units are yet to agree on an allocation of the 2010 Net Operating Receipts of Shellharbour City Centre for the purposes of calculating the variable PCR charge for the two separate entities for 2012.
- 4** Two parochial units (Denham Court & Rosemeadow) had still not lodged their audited financial statements for 2010 at the time this report was prepared. For the purpose of estimating the total Net Operating Receipts of all parishes this report assumes that the Net Operating Receipts of each of those two parishes in 2010 was the same as it had been in 2009.

If the 2010 audited financial statements for a parish are still outstanding at the time the actual 2012 parochial cost recovery charges are due to be invoiced later this year, the Finance Committee has approved the use of a charge based on the parochial unit's Net Operating Receipts for 2009 + 20%.

Parochial Cost Recoveries Ordinance 2009 Amendment Ordinance 2011

No 38, 2011

Long Title

An ordinance to extend the variable costs recovered from parishes in 2012.

Preamble

The Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the Parochial Cost Recoveries Ordinance 2009 Amendment Ordinance 2011.

2. Amendment of the Parochial Cost Recoveries Ordinance 2009

The Parochial Cost Recoveries Ordinance 2009 is amended as follows –

- (a) delete the definition of “parochial network costs” in clause 2 and insert instead the following –
 - “parochial network costs’ means –
 - (a) for 2010 and 2011 –
 - (i) the costs, expenses, charges or contributions for the year referred to or contemplated under clause 2(2)(b) of the Framework Ordinance, and
 - (ii) the cost of the parish risk management program, and
 - (iii) two-thirds of the costs for the year of the Professional Standards Unit, and
 - (iv) the cost of the safe ministry program, and
 - (b) for 2012 –
 - (i) the costs, expenses, charges or contributions for the year referred to or contemplated under clause 2(2)(b) of the Framework Ordinance, and
 - (ii) the cost of the parish risk management program, and
 - (iii) five-sixths of the costs for the year of the Professional Standards Unit, and
 - (iv) the cost of the safe ministry program, and
 - (v) the cost of membership of and affiliation with the Anglican Church of Australia, the Province of New South Wales and the New South Wales Council of Churches, and
 - (vi) one-third of the cost of the Diocesan Archives, and
 - (vii) the cost of supporting a standard accounting system for parishes.”
- (b) insert at the beginning of clause 4 the matter “(1) Subject to subclause (2),” and insert a new clause 4(2) as follows –
 - “(2) If the Synod or the Standing Committee specifies, by resolution passed before or after the date this Ordinance comes into effect, a fixed amount to be applied to the payment of the cost of membership of and affiliation with the Anglican Church of Australia, the Province of New South Wales or the New South Wales Council of Churches in respect of a year, no payment may be required on account of such cost in excess of that amount during the year. The Synod or the Standing Committee, by resolution, may vary that amount from time to time.”
- (c) delete paragraph (b) of the proviso to the definition of determined percentage in paragraph 2 of the Schedule and insert instead the following –
 - “(b) in the case of a parochial unit without property, the determined percentage is –
 - (i) for 2010 and 2011, 55% of the determined percentage calculated under paragraph (a), and
 - (ii) for 2012, 60% of the determined percentage calculated under paragraph (a).”
- (d) insert a new clause 5 of the Ordinance as follows –
 - “**5. Parochial support for Diocesan recovery**
 - For 2012, provision is made under this Ordinance for the receipt and administration of contributions by individual parochial units to contribute to the financial recovery of the Diocese on the following basis –

- (a) payments made are optional,
 - (b) the amount of any such payment by a parochial unit to be determined by normal resolution of the Parish Council or comparable authority within each parochial unit,
 - (c) payment to be made at the time compulsory payments as determined under this Ordinance are made,
 - (d) the payment by a parochial unit to be designated 'Parochial support for the Diocese' in Diocesan financial documentation provided to parochial units; and together with
 - (e) any other funds received by the Diocese as 'Parochial support for the Diocese' and in that context to be designated 'Donation',
 - (f) the total amount accruing as 'Parochial support for the Diocese' to be reported to Standing Committee and Synod with reference to subtotals arising under (d) and (e) above and the number of parochial units contributing to be specified under (d), and
 - (g) apart from information specified under (f) above, all other information including the names of parochial units contributing, the amount contributed by each parochial unit and the names of parochial units not contributing to be confidential to –
 - (i) officers of the Diocese immediately responsible for receipt and documentation of the monies in question,
 - (ii) duly appointed auditors,
 - (iii) the Archbishop, and
 - (iv) such other persons as the Archbishop sees fit to inform at his discretion, and
 - (h) the funds arising from Parochial support for the Diocese to be applied in accordance with a direction of the Standing Committee, such direction to be specifically reported to the Synod.", and
- (e) in the Preamble, the following be added –
- “C. Provision is also made through this Ordinance for parochial units to contribute at their discretion funds for support of the Diocese, specifically in light of extraordinary financial circumstances prevailing in the Diocese as a consequence of the global financial crisis 2008-9.”, and
- (f) in the Long Title, before the phrase 'and for incidental purposes', insert the words –
- “for additional financial contributions by parochial units to the Diocese in 2012”, and
- (g) the Title of the Ordinance be amended to “Parochial Cost Recoveries and Support for the Diocese Ordinance, 2009”.

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 17 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

Provincial Synod Constitution Amendment Ordinance 2011 Assenting Ordinance 2011

Explanatory Report

Introduction

1. The purpose of this report is to –
 - (a) provide an overview of the constitution and activities of the Provincial Synod, and
 - (b) outline proposals to reduce the size of the Provincial Synod and make formal provision for Provincial Conferences.

Constitution of the Provincial Synod

2. Section 8 of the constitutions contained in the Schedule to the *Anglican Church of Australia Constitutions Act 1902* (NSW) provides –

8.(1) The Bishops and clerical and lay representatives of the Church in the several dioceses in the State of New South Wales shall meet in Provincial Synod under such articles and provisions as may have been, or may be from time to time, passed by the Provincial Synod, and assented to by all the said Dioceses.

(2) For the purpose of holding any session of the Provincial Synod, the Bishop of Sydney as the Metropolitan Bishop shall, by writing under such hand and seal, summon the Bishop of each of the said Dioceses, and require such Bishop to convene representatives of the Church in such Diocese at such time and place as the Metropolitan may deem fit.

3. The constitution of the Provincial Synod is set out in the Schedule to the Provincial Synod Constitution Ordinance 1907-1970 (the "Provincial Constitution").

4. By clause 4 of the Provincial Constitution, the Provincial Synod is required to meet at least once every five years and is convened by the Metropolitan or by the Metropolitan at the request by a majority of the other diocesan bishops of the Province.

5. Each diocese in the Province is entitled to send clerical and lay representatives to a Provincial Synod according to the formula set out in clause 3 of the Provincial Constitution. The Provincial Synods of 1994, 1998, 2002 and 2007 comprised the seven diocesan bishops together with the following number of elected clerical and lay representatives –

Armidale	6
Bathurst	6
Canberra/Goulburn	10
Grafton	6
Newcastle	10
Riverina	4
Sydney	24
Sub-total	66
Diocesan Bishops	7
Total	73

6. The powers of the Provincial Synod are set out in clause 8 of the Provincial Constitution which provides –

The Provincial Synod shall have power to make Ordinances upon and in respect of all matters and things concerning the order and good government of the Church in the Province. Provided that no Ordinance save as is next hereinafter provided shall be binding upon the Church in any Diocese unless and until such Ordinance shall be accepted by the Church in such Diocese by an Ordinance of its Synod. Provided however that any Rule or Ordinance passed by any Diocesan Synod to which the Bishop of that Diocese shall not assent may be the subject of reference by such Diocesan Synod to the Provincial Synod and the decision of the Provincial Synod with reference thereto shall be binding on the Church in the Diocese so referring such Rule or Ordinance.

7. Clause 16 of the Provincial Constitution requires each diocesan synod to assent by ordinance to any change to the Provincial Constitution. Additionally section 40 of the Constitution of the Anglican Church in Australia provides 'that the alteration shall not take effect until ratified by canon of General Synod.'

Activities of the Provincial Synod

8. The legislation and other activities of the last five Provincial Synods can be summarised as follows –

Synod	Metropolitan	Duration	Location	Matters considered
33 rd	Archbishop PF Jensen	Friday, 1 Jun - Saturday, 2 Jun 2007	Merroo, Kurrajong	Legislation: Nil Conference: <i>A Christian reflection on Climate Change:</i> The Rev Dr AJB Cameron Diocesan presentations
32 nd	Archbishop PF Jensen	Friday, 30 Aug – Saturday, 31 Aug 2002	Merroo, Kurrajong	Legislation: Provincial Synod Commissions Ordinance 2002 Rule amending standing orders Conference: <i>An introduction to Islam with a Christian response:</i> The Rev JL Bales Diocesan presentations
31 st	Archbishop RH Goodhew	Tuesday, 3 Feb 1998	Bishop Barry Centre, Sydney	Legislation: Defence Force Diocese Ordinance 1998 Provincial Synod Constitution Ordinance 1998 Conference: Nil
30 th	Archbishop RH Goodhew	Sunday, 13 Feb – Tuesday, 15 Feb 1994	Gilbulla, Menangle	Legislation: Constitution Ordinance 1994 Conference: <i>The future of Anglicanism in Australia:</i> The Rev Canon RC Forsyth and the Rev Dr BN Kaye <i>Community Moral Leadership:</i> The Rev Dr BJ Howard and Assoc Prof M Horsburgh
29 th	Archbishop DWB Robinson	Tuesday 28 Feb 1989	St Andrew's Cathedral Chapter House	Legislation: Synod Representatives Ordinance 1989 Conference: Major address on "The Role of the Primate in the Church" with 4 small discussion groups: <i>Lay Presidency at Holy Communion, Urban Ministry, Rural Ministry and Issues affecting the Province with Particular reference to the media.</i>

Proposed reduction in size of the Provincial Synod

9. For many years, the Provincial Synod has had little legislative work. It is costly to hold Provincial Synod meetings with a large membership. It is therefore proposed to reduce the size of the Provincial Synod.

10. Because the existence of Provincial Synod is embedded in the 1902 Constitution Act, it is easier to reduce the size of the Provincial Synod to about the size of the existing Provincial Standing Committee which has 22 members rather than abolish the Provincial Synod. There may also be a need to retain a Provincial Synod for legislative purposes.

11. A comparison between the existing size of the Provincial Synod and the proposed reduction in size is as follows –

	Existing	Proposed
Armidale	6	2
Bathurst	6	2
Canberra/Goulburn	10	4
Grafton	6	2
Newcastle	10	4
Riverina	4	2
Sydney	24	10
	66	26
Diocesan Bishops	7	7
Total	73	33

Proposed Provincial Conferences

12. It is also proposed to accommodate a desire for a regular provincial conference by inserting a new clause 15 in the Provincial Constitution as follows –

“The Metropolitan or the Metropolitan at the request of 3 other Diocesan Bishops, may convene a Provincial Conference. All members of the synod will be invited together with such other persons as each Diocesan Bishop may invite. The business of the Conference will be determined by the Metropolitan in consultation with the other Diocesan Bishops.”

Recommendation

13. It is recommended that the Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

16 August 2011

Provincial Synod Constitution Amendment Ordinance 2011 Assenting Ordinance 2011

No 41, 2011

Long Title

An ordinance to assent to the Provincial Synod Constitution Amendment Ordinance 2011 of the Provincial Synod of the Province of New South Wales.

Preamble

A. The Provincial Synod of the Province of New South Wales has passed the Provincial Synod Constitution Amendment Ordinance 2011, the text of which is set out in the Schedule.

B. It is expedient to assent to that Ordinance.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the Provincial Synod Constitution Amendment Ordinance 2011 Assenting Ordinance 2011.

2. Assent to Ordinance

The Diocese of Sydney assents to the Provincial Synod Constitution Amendment Ordinance 2011.

Schedule

AN ORDINANCE to amend the Schedule to the Provincial Synod Constitution Ordinance 1907-1970.

WHEREAS

A. For many years past, the Provincial Synod of New South Wales has had little legislative work,

B. It is costly to hold Provincial Synod meetings with a large gathering,

C. It is expedient to reduce the size of Provincial Synod,

NOW the Synod of the Province of New South Wales ordains as follows:

1. This ordinance may be cited as 'Provincial Synod Constitution Amendment Ordinance 2011'.

2. In accordance with s 41 of the Schedule to the Anglican Church of Australia Act 1961, the amendments in 3 shall come into effect upon ratification by canon of the General Synod provided each of the dioceses of the Province have passed an assenting ordinance.

3. The Schedule to the Provincial Synod Constitution Ordinance 1907-1970 is amended as follows:

a. Clause 2 is repealed and the following substituted:

To consist of three houses

2. The Provincial Synod shall consist of three Houses, namely the House of Bishops, the House of Clergy and the House of Laity. The three Houses shall sit together in full Synod and shall deliberate and transact business therein and shall vote together unless a vote by Houses is required by not less than three members of the House of Bishops or by five members of the House of Clergy or by five members of the House of Laity.

In the event of a vote by Houses being required, all questions shall be put first to the House of Laity, then to the House of Clergy and finally to the House of Bishops and no question shall be deemed to be resolved in the affirmative by Provincial Synod unless it is so resolved by a vote of the majority of those present in each of the three Houses.

A House by a majority of its own members voting may decide to consider separately any matter in debate whereupon further discussion of the matter shall be postponed until there has been an opportunity of separate consideration.

b. Clause 3 is repealed and the following substituted:

Representatives of Dioceses

3. The Diocese of Sydney shall be entitled to send to any future Synod five clerical and five lay representatives.

The Diocese of Newcastle shall be entitled to send two representatives of each order as aforesaid.

The Diocese of Canberra and Goulburn shall be entitled to send two representatives of each order as aforesaid.

The Diocese of Armidale shall be entitled to send one representative of each order as aforesaid.

The Diocese of Bathurst shall be entitled to send one representative of each order as aforesaid.

The Diocese of Grafton shall be entitled to send one representative of each order as aforesaid.

The Diocese of Riverina shall be entitled to send one representative of each order as aforesaid.

- c. Clause 12 is repealed and the following substituted:

Quorum

12. The presence of at least three bishops of the House of Bishops and seven clerical representative of the House of Clergy and seven lay representatives of the House of Laity representing at least two Dioceses shall be necessary to constitute a quorum.

- d. Insert the following as a new Clause 15 –

‘Provincial Conferences

15. The Metropolitan or the Metropolitan at the request of 3 other Diocesan Bishops, may convene a Provincial Conference. All members of the synod will be invited together with such other persons as each Diocesan Bishop may invite. The business of the Conference will be determined by the Metropolitan in consultation with the other Diocesan Bishops.”

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 17 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

Relinquishment of Holy Orders (Exclusion and Reinstatement) Ordinance 2011

Explanatory Report

1. Prior to 2005, the *Relinquishment of Holy Orders Ordinance 1994* was in force. The explanatory note for Synod in 2005 stated “to date the Relinquishment Ordinance has proved to be adequate, but there is merit in having national uniformity in this area”.
2. Synod therefore passed the *General Synod – Holy Orders, Relinquishment and Deposition Canon 2004 Adopting Ordinance 2005*. The 1994 Ordinance was not repealed but from the commencement of the 2005 Ordinance, a person could not give notice under clause 2 of the Relinquishment of Holy Orders Ordinance 1994.
3. The 2005 Ordinance has been shown to have unintended consequences. The Ordinance makes it difficult for voluntary relinquishment or deposition from Holy Orders by the Bishop with consent of the person. The reason is that the Ordinance states that “the Bishop must be satisfied that the person is not currently the subject of any information, complaint or charge in any diocese concerning his or her conduct or fitness to hold office”.
4. There are times when it abundantly clear that relinquishment is the appropriate course, for example where the person concerned has admitted the charges and the Bishop is satisfied that it is appropriate for the person to relinquish Holy Orders. To be able to do so would avoid the considerable cost and pain of proceeding to a diocesan tribunal.
5. The proposal is therefore to reinstate the *Relinquishment of Holy Orders Ordinance 1994* and exclude the *General Synod – Holy Orders Relinquishment and Deposition Canon 2004 Adopting Ordinance 2005*.

Recommendation

6. The Standing Committee recommends that the Synod pass the bill as an ordinance.

For and on behalf of the Standing Committee

DR PHILIP SELDEN
Registrar

22 August 2011

Relinquishment of Holy Orders (Exclusion and Reinstatement) Ordinance 2011

No 42, 2011

Long Title

An ordinance to exclude the Holy Orders, Relinquishment and Deposition Canon 2004 and to re-instate the Relinquishment of Holy Orders Ordinance 1994.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name of Ordinance

This Ordinance is the Relinquishment of Holy Orders (Exclusion and Reinstatement) Ordinance 2011.

2. Exclusion

The Holy Orders, Relinquishment and Deposition Canon 2004 is excluded and the ordinance of this Synod by which that canon was adopted is repealed, except that –

- (a) where action has been taken under the canon and ordinance before this ordinance takes effect, the provisions of the canon remain in full force and effect in relation to such action until the procedures in those provisions have been completed; and
- (b) such exclusion and repeal has no effect on anything done prior to the commencement of this Ordinance pursuant to that canon and that ordinance.

3. Re-instatement

On and from the commencement of this Ordinance, but subject to clause 2, the Relinquishment of Holy Orders Ordinance 1994 applies provided that –

- (a) a new clause 2A is inserted as follows –

“2A. The Archbishop may not accede to a request made under clause 2 in respect of a person against whom a complaint has been made under the Discipline Ordinance 2006 unless the Director of Professional Standards certifies to the Archbishop that, but for acceding to the request under clause 2, no further action is to be taken in relation to the complaint under the Discipline Ordinance 2006.”, and
- (b) the references to “Tribunal Ordinance 1962” in clauses 4(1)(a) and 5(a) are omitted and references to “Discipline Ordinance 2006” are inserted instead.

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 18 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

10/11/2011

St Michael's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011

St John's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011

Explanatory Report

Background

1. The Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995 (the "Ordinance") provided transitional provisions for the implementation of regionalisation and made consequential amendments to a number of ordinances.
2. Under clause 9 of the Ordinance, the St John's Provisional Cathedral Parramatta Ordinance 1969 and the St Michael's Provisional Cathedral Wollongong Ordinance 1969 are repealed with effect from 1 January 2012, that date having been extended from 1 January 2010 by a period of 2 years by the Synod in 2009.
3. The effect of clause 9 is that St John's Parramatta and St Michael's Wollongong will cease to be Provisional Cathedrals on 1 January 2012.
4. At its meeting on 26 July 2010, the Standing Committee requested Bishop Lee to prepare a paper on the change in the status of the Provisional Cathedrals of St Michael's Wollongong and St John's Parramatta for consideration by the Standing Committee with a view to suitable amending legislation being promoted to the Synod in 2011 by request of the Standing Committee.
5. The Standing Committee considered Bishop Lee's report at its meeting on 30 May 2011 and –
 - (a) agreed in principle that St John's Provisional Cathedral Parramatta and St Michael's Provisional Cathedral Wollongong should become regional cathedrals, and
 - (b) requested that amending ordinances be prepared to give effect to this change with a view to such ordinances being promoted to the Synod this year "by request of the Standing Committee".
6. At its meeting on 22 August 2011, the Standing Committee agreed to promote to the Synod bills to change the status of the Provisional Cathedrals to regional cathedrals. The bills also take the opportunity to update the terminology used in the principal ordinances.
7. The Standing Committee also requested that various changes to the governance and administration of the Provisional Cathedrals be made. However the Standing Committee intends considering separate ordinances for this purpose after the Synod has considered the question of the status of the Provisional Cathedrals.

Discussion on change of status to regional cathedrals

8. The question of the change of status of St Michael's Wollongong and St John's Parramatta Provisional Cathedrals to become Regional Cathedrals, has been reviewed and discussed by the parish councils and chapters of each church. All four bodies are very positive in supporting such a change of status, the alternatives being to extend the Provisional status or to no longer have status as a cathedral in any sense.
9. Although the two cathedrals are by no means identical, and do minister in different areas and contexts, each with their own mix of various ministries, the following general points can be made –
 - (a) If the two cathedrals were no longer cathedrals in any sense, they would certainly continue successfully in their ministry and outreach as parish churches in the usual sense. But it should be noted that great disappointment would be felt by many of their members. Further, there are good reasons to retain their status as cathedrals, and in particular, as regional cathedrals.
 - (b) The cathedrals, as churches in the major cities of Wollongong and Parramatta, draw much of their membership and attendance from a wider area than their local parish boundary. For various reasons, many thousands of people visit and work and have cause to go to Wollongong and Parramatta, and so these two city churches attract a range of people and have opportunity for a variety of ministries.
 - (c) They provide a leading Christian and Anglican "voice" to the wider cities of Wollongong and Parramatta, and to the regions of Wollongong and Western Sydney. The cathedral status does add significance and support to this important role. Although perhaps more often for St Michael's than for St John's, various community, government and media bodies do look to them for opinion and leadership.
 - (d) St Michael's and St John's serve as cathedrals for regional and ceremonial occasions from time to time, such as ordinations, Episcopal welcomes, regional training and diocesan events. Other examples include the Easter Conventions and regional thanksgiving services for Anglicare at St Michael's. The diocesan thanksgiving service and farewell to Bishop Yong was recently held at St John's.
 - (e) Removing cathedral status, after being known as a cathedral for a considerable number of years, would be, as mentioned above, a disappointment or even a discouragement for many members of

the church. Further, it is likely that many in the wider community would see this as some kind of demotion or downgrading of "their" cathedral, or even be perceived as a decrease in Anglican interest in their city. These cities would be left with Roman Catholic cathedrals but no Anglican cathedrals.

- (f) Concerning the right of nomination in case of a vacancy in the position of the Senior Minister, the respective Chapters do not consider this right of the parish church as an essential advantage that needs to be regained. Appointments of the Senior Canon by the Archbishop have been well received and serve the parishes well, so long as the concurrence of the chapter to the appointment is retained.
- (g) The removal of cathedral status of St Michael's and St John's may also be viewed by Anglicans in the Wollongong and Western Sydney regions as a downgrading of the significance of their region and of regionalism in general, and as an indication of a kind of unwelcomed centralism. Further, the change of status from Provisional Cathedral (with the associated former context of the possible formation of a separate diocese) to Regional Cathedral would signify that regionalism and remaining as one diocese is our preferred future for the sake of mission, fellowship and gospel ministry.

Recommendation

10. The Standing Committee recommends that the Synod pass the bills as ordinances.

For and on behalf of the Standing Committee

IVAN LEE

Bishop of Western Sydney

4 August 2011

St John's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011

No 36, 2011

Long Title

An Ordinance to change the status of the Provisional Cathedral of St John's at Parramatta to a regional cathedral and to update the terminology used in the St John's Provisional Cathedral Parramatta Ordinance 1969.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the St John's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011.

2. Amendment of the St John's Provisional Cathedral Parramatta Ordinance 1969

The St John's Provisional Cathedral Parramatta Ordinance 1969 is amended as follows –

- (a) delete each occurrence of the word "Provisional" and insert instead the word "Regional", and
- (b) delete each occurrence of "Bishop of Parramatta" and insert instead "Bishop of Western Sydney", and
- (c) delete the text of the Preamble and insert instead the following –

"It is desirable to provide for a Regional Cathedral in the geographically distinct region of the Diocese, the City of Parramatta and its surrounds, to provide an additional teaching seat for the Archbishop of Sydney, and for his Assistant, the Bishop of Western Sydney, and to provide a centre for diocesan leadership and regional ministry relevant to the City of Parramatta and its surrounds.
The Synod of the Diocese of Sydney Ordains as follows.", and
- (d) delete the matter "Church Grounds and Buildings Ordinance 1990, the Church Administration Ordinance 1990, the Trustees and Glebe Lands Ordinance 1990" in clause 2 and insert instead the matter "Parish Administration Ordinance 2008", and
- (e) in clause 3 –
 - (i) delete the words "Presentation and Exchange Ordinance" in the heading and insert instead the words "Nomination Ordinance", and
 - (ii) delete the matter "Presentation and Exchange Ordinance 1988" in the text and insert instead the matter "Nomination Ordinance 2006", and
- (f) in clause 6 –
 - (i) delete the matter "clause 9 and 10 of the Church Grounds and Buildings Ordinance 1990" and insert instead the matter "the Parish Administration Ordinance 2008", and
 - (ii) delete both references to the words "Church Committee" and insert instead the words "Parish Council", and
- (g) delete the matter "Churchwardens, Church Committee" in clause 9 and insert instead the word "Wardens", and
- (h) delete clause 10(3), and
- (i) delete the words "area comprising the Area Deaneries in that part of the Diocese in which the Bishop of Parramatta exercises episcopal duties" in clause 10(5)(b) and insert instead the words "Western Sydney Region", and
- (j) delete each occurrence of the word "area" in clauses 10(5)(b), 10(5)(c) and 12 and insert instead the word "region", and
- (k) delete the matter "parish, provisional parish or assisted provisional parish" in clause 10(5)(c) and insert instead the words "parish or provisional parish", and
- (l) delete the matter "parishes, provisional parishes and assisted provisional parishes" in clause 10(5)(c)(i) and insert instead the words "parishes or provisional parishes", and
- (m) delete clause 10(5)(c)(ii) and insert instead the following –
 - (ii) are summoned to each session of Synod under Part 7 or 8 or clause 51 or 52 of the Synod Membership Ordinance 1995 and who are resident within such region.", and
- (n) delete the word "Churchwardens" in clause 10(5)(d) and insert instead the word "Wardens", and
- (o) delete each occurrence of the words "vestry" in clauses 10(5)(e) and 16(3) and insert instead the word "general", and
- (p) delete the words "and the Archdeacons" in clause 12, and
- (q) delete clause 16(2)(f) and insert instead the following –

- (f) The Senior Canon shall for the purposes of such elections be deemed to be the Returning Officer and have a casting vote accordingly.”, and
- (r) delete the words “Church Committee of St John’s” in clause 16(2)(h) and insert instead the words “Parish Council”, and
- (s) delete the words “Church Committee of the said church” in clause 19 and insert instead the words “Parish Council”, and
- (t) delete clause 21.

3. Amendment of the Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995

Delete the matter “ St John’s Provisional Cathedral Parramatta Ordinance 1969” in clause 9 of the Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995.

4. References in other ordinances

Except in this Ordinance, a reference in any ordinance to –

- (a) the Provisional Cathedral of St John’s Parramatta is taken to be a reference to the Regional Cathedral of St John’s Parramatta, and
- (b) the St John’s Provisional Cathedral Parramatta Ordinance 1969 is taken to be a reference to the St John’s Regional Cathedral Parramatta Ordinance 1969.

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 12 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

St Michael's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011

No 37, 2011

Long Title

An Ordinance to change the status of the Provisional Cathedral of St Michael's at Wollongong to a regional cathedral and to update the terminology used in the St Michael's Provisional Cathedral Wollongong Ordinance 1969.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the St Michael's (Regional Cathedral and Miscellaneous Amendments) Ordinance 2011.

2. Amendment of the St Michael's Provisional Cathedral Wollongong Ordinance 1969

The St Michael's Provisional Cathedral Wollongong Ordinance 1969 is amended as follows –

- (a) delete each occurrence of the word "Provisional" and insert instead the word "Regional", and
- (b) delete the text of the Preamble and insert instead the following –

"It is desirable to provide for a Regional Cathedral in the geographically distinct region of the Diocese, the City of Wollongong and its surrounds, to provide an additional teaching seat for the Archbishop of Sydney, and for his Assistant, the Bishop of Wollongong, and to provide a centre for diocesan leadership and regional ministry relevant to the City of Wollongong and its surrounds.
The Synod of the Diocese of Sydney Ordains as follows.", and
- (c) delete the matter "Church Grounds and Buildings Ordinance 1990, the Church Administration Ordinance 1990, the Trustees and Glebe Lands Ordinance 1990" in clause 2 and insert instead the matter "Parish Administration Ordinance 2008", and
- (d) in clause 3 –
 - (i) delete the words "Presentation and Exchange Ordinance" in the heading and insert instead the words "Nomination Ordinance", and
 - (ii) delete the matter "Presentation and Exchange Ordinance 1988" in the text and insert instead the matter "Nomination Ordinance 2006", and
- (e) in clause 6 –
 - (i) delete the matter "clause 9 and 10 of the Church Grounds and Buildings Ordinance 1990" and insert instead the matter "the Parish Administration Ordinance 2008", and
 - (ii) delete both references to the words "Church Committee" and insert instead the words "Parish Council", and
- (f) delete the matter "Churchwardens, Church Committee" in clause 9 and insert instead the word "Wardens", and
- (g) delete clause 10(3), and
- (h) delete the words "area comprising the Area Deaneries in that part of the Diocese in which the Bishop of Wollongong exercises episcopal duties" in clause 10(5)(b) and insert instead the words "Wollongong Region", and
- (i) delete each occurrence of the word "area" in clauses 10(5)(b), 10(5)(c) and 12 and insert instead the word "region", and
- (j) delete the matter "parish, provisional parish or assisted provisional parish" in clause 10(5)(c) and insert instead the words "parish or provisional parish", and
- (k) delete the matter "parishes, provisional parishes and assisted provisional parishes" in clause 10(5)(c)(i) and insert instead the words "parishes or provisional parishes", and
- (l) delete clause 10(5)(c)(ii) and insert instead the following –
 - (ii) are summoned to each session of Synod under Part 7 or 8 or clause 51 or 52 of the Synod Membership Ordinance 1995 and who are resident within such region", and
- (m) delete the word "Churchwardens" in clause 10(5)(d) and insert instead the word "Wardens", and
- (n) delete each occurrence of the words "vestry" in clauses 10(5)(e) and 16(3) and insert instead the word "general", and
- (o) delete the words "and the Archdeacons" in clause 12, and
- (p) delete clause 16(2)(f) and insert instead the following –

- (f) The Senior Canon shall for the purposes of such elections be deemed to be the Returning Officer and have a casting vote accordingly.”, and
- (q) delete the words “Church Committee of St Michael’s” in clause 16(2)(h) and insert instead the words “Parish Council”, and
- (r) delete the words “Church Committee of the said church” in clause 19 and insert instead the words “Parish Council”, and
- (s) delete clause 21.

3. Amendment of the Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995

Delete the matter “St Michael’s Provisional Cathedral Wollongong Ordinance 1969” in clause 9 of the Regions (Transitional Provisions and Miscellaneous Amendments) Ordinance 1995.

4. References in other ordinances

Except in this Ordinance, a reference in any ordinance to –

- (a) the Provisional Cathedral of St Michael’s Wollongong is taken to be a reference to the Regional Cathedral of St Michael’s Wollongong, and
- (b) the St Michael’s Provisional Cathedral Wollongong Ordinance 1969 is taken to be a reference to the St Michael’s Regional Cathedral Wollongong Ordinance 1969.

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 12 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

Solemnisation of Marriage Ordinance 2011

Explanatory Report

Reference

1. On 13 October 2010 the Synod passed resolution 15/10 as follows –

“This Synod requests the Standing Committee to bring to the first session of the next Synod either –

 - (a) an ordinance which would repeal the Holy Matrimony Canon 1981 and an ordinance or regulations that would then govern the solemnization of holy matrimony in the Diocese of Sydney, or
 - (b) any viable alternative to produce the same result.”
2. On 5 November 2010, the Standing Committee appointed a committee consisting of Bishop Glenn Davies and Mr Justice Peter Young AO, with power to co-opt, to consider this matter.

Background

3. It is useful to consider briefly why our church considers that it is worthwhile to be involved in marrying people. It would seem that in some parts of the Early Church marriage was shunned and the ‘good Christian’ lived in a sort of transitional existence in a community working for the Lord and expecting Christ’s return at any moment. The group that considered sex and childbearing as not in accordance with their ascetic view of Christianity added to this problem.¹
4. However, about AD140, attitudes changed and the Church realised that it needed to provide for the indefinite future and encourage believers to marry and produce children who would carry on the faith. This seems to have been encouraged by promoting elaborate celebrations of marriage as well as in other ways.
5. By the Middle Ages, the Church had been given sole jurisdiction on the validity of marriages. The policy was strictly applied because the whole of English law estates, which meant in practice the law governing status in the community, was based on the rights of the eldest legitimate son.
6. The rules of the Church required both the persons being married to have been baptised.
7. However, the Church regarded (and still regards) marriage as being founded on consent of the parties. Thus, the Church (though not the State) recognised some ‘Common Law marriages’ where a man and a woman had committed themselves exclusively to each other for life.
8. In the 18th Century, the secular State tightened the laws of marriage and in England required that there be a public ceremony before a Church of England minister. There were partial exemptions for certain religious groups.
9. Today, the State still uses the services of Anglican ministers to ensure that there is a valid marriage. However, this is subsidiary to the Church’s interest in performing marriages.
10. For committed church members, the marriage service is a celebration and a calling down of God’s blessing on the couple.
11. With respect to the marriages of what we might call ‘outsiders’, performing marriage services is part of our ministry encouraging people to commence contact with the Church. We encourage people to use the facilities of the church for marriage, funerals etc as it opens up an otherwise unavailable opportunity for ministry.
12. Thus, it is in the Church’s interest not to dissuade people from making this contact successfully.
13. As part of the review and restatement of the laws of the Church, the General Synod passed the Solemnization of Matrimony Canon 1981.
14. For some reason, which despite speaking to those who sponsored it we cannot discover, the Canon changed the traditional law that both parties must be baptised to a requirement that at least one of them must be baptised. It would seem probable that the change was influenced by the Vaisey Report into English Canon Law² which recommended relaxation of the rule that both parties be baptised to allowing marriages with one baptised party if the bishop was prepared to agree to it. However, the Vaisey Draft Canon XXXVII never came into force.
15. The General Synod 1981 canon was adopted in Sydney by the General Synod—Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982.
16. On the basis that requiring one person to be baptised did not seem to make any sense and that it might inhibit ministry, members of this Diocese sponsored a measure in the General Synod to remove the requirement of baptism.

¹ See the discussion by Ellen Goodman ‘The Origin of Decrees of Nullity—Eschatology exigency and Expediency’ (1985) 8 *University of Tasmania Law Review* 181

² SPCK 1947

17. The requirement for at least one of the persons being baptised in any proposed marriage was the subject of a Doctrine Commission Report in February 2007.³ The Report set out the reasons for removing this requirement: it had no biblical warrant and was an impediment to mission. Weddings are one of the few remaining points of contact between unchurched Australians and the Anglican Church and it is widely considered undesirable to require at least one party to the marriage to be baptised before they can be married in the Anglican Church. Since marriage is God's design and blessing for all humanity, rather than just his covenant people, the Doctrine Commission commended the introduction of the Bill to General Synod.

18. It must not be thought that the reference to 'unbaptised' necessarily means 'non-Christians'. Members of the Salvation Army may well be Christians though not baptised. Conversely it may be remembered that the Rev JH Newman, when still an Anglican, declined to marry a Mr Jubber to a Baptist as she had not been validly baptised in the established church.⁴

19. In 2007 the General Synod passed a provisional canon, namely the Solemnization of Matrimony Amendment Canon 2007 [Provisional Canon P01, 2007]. The effect of the provisional canon was to remove the requirement that at least one of the persons to be married needed to be baptised.

20. The process of enabling a provisional canon to become a canon duly passed is that each diocese has the opportunity to consider its merits and decide either to assent to or dissent from the provisional canon. Unless all dioceses assent to the provisional canon it returns to the next session of General Synod for another vote, requiring a two-thirds majority in each house of General Synod for it to become a canon duly passed.

21. In 2009, the Synod of the Diocese of Sydney passed the General Synod – The Solemnization of Matrimony Amendment Canon 2007 Assenting Ordinance 2009 which effectively gave its assent to the Provisional Canon, as did 75% of those dioceses who considered the legislation (15 of the 20) between 2007 and 2010.

22. In 2010, the General Synod considered whether the Provisional Canon should become a Canon duly passed. By a series of errors and misunderstandings, the provisional canon narrowly failed to gain the required two-thirds majority in each house for adoption. Although the Canon passed in the Houses of Laity and Clergy, it failed in the House of Bishops by two votes, where unfortunately two bishops who had voted against the Canon had done so due to a misunderstanding of how to express their voting intentions, as both were in favour of the Canon passing. Although the vote was recommitted on the floor of the Synod, it subsequently failed in the House of Clergy. The Provisional Canon was thereby rejected by the Synod.

23. Thus, the current 1981 Canon continues to govern the solemnisation of marriage with its requirement that at least one of the parties to a marriage is baptised.

Possible Ways Forward

24. The committee considered four possible pathways to achieve the goal of allowing marriages of two unbaptised persons –

- (a) encourage the Metropolitan to grant a dispensation for non-compliance with the current Canon's requirement that at least one party to the marriage is baptised;
- (b) repeal the 1982 Ordinance that adopted the 1981 Canon and provide regulations for solemnising matrimony;
- (c) repeal the 1982 Ordinance that adopted the 1981 Canon and promote an Ordinance that would regulate marriage; or
- (d) promote a Bill at the next General Synod in 2013 or 2014 which would amend the current Canon accordingly.

Granting Dispensations (option a)

25. As noted before, the current Canon was adopted by the Synod in 1982 (General Synod—Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982), but unlike some General Synod Canons, there was no provision for any regulations in the Canon, other than the power of the bishop to give express permission for a marriage to be solemnised in a place other than a church building (clause 3(c)). The committee therefore took the view that no regulation could be made under the current Canon, whereby the requirement of one person to be baptised could be overturned.

26. Nonetheless, it may be possible for the bishop of a diocese to grant a dispensation for non-compliance with the Canon's requirement that at least one party to the marriage is baptised. The current Canon alludes to the custom of granting a dispensation in relation to marriage banns in clause 4 –

Nothing in this canon shall affect the provisions of any ordinance of a diocese in force or having effect at the time when the diocese adopts this canon relating to the publication of Banns of Marriage and dispensation therewith.

³ A copy of the Doctrine Commission Report was published with the General Synod Papers for both 2007 and 2010 and may be accessed at [http://www.anglican.org.au/Web/Website.nsf/files/Book%20%20-%20Bills/\\$FILE/Fifteenth%20General%20Synod%202010%20-%20Book%20%20-%20Bills%5B1%5D.pdf](http://www.anglican.org.au/Web/Website.nsf/files/Book%20%20-%20Bills/$FILE/Fifteenth%20General%20Synod%202010%20-%20Book%20%20-%20Bills%5B1%5D.pdf)

⁴ Noel Annan, *The Dons*, (University of Chicago Press, Chicago, 1999), p 50.

27. The practice of dispensations has an ancient pedigree and a 'very large proportion of the dispensations recorded in history have been concerned with cases of marriage.'⁵ The classic case was when the monasteries were dissolved, the Archbishop of Canterbury dispensed the monks and nuns from their vows of celibacy so that they could marry.

28. 'Dispense' in ecclesiastical law does not mean 'do away with'. The image is rather that the Archbishop has a cauldron full of laws and he ladles out (or dispenses like a dispensing chemist) those laws according to their spirit and intention rather than their strict form. That is, the laws are applied to individual cases to meet the spirit of the law.

29. A dispensation is generally regarded as an act of jurisdiction which removes a law of obligation in particular circumstances. Thus, it would be possible for a dispensation to be granted which would allow two persons to be married, where neither person was baptised. Although dispensations were authorised by bishops of the ancient church, the practice developed in the Medieval Church whereby only the Pope was authorised to issue dispensations. This is still the law of the Roman Catholic Church today.

30. However, Henry VIII transferred the power of dispensations to the Archbishop of Canterbury (Henry VIII Statute 25 cap 21) at the time of the Reformation. In the Anglican Church of Australia the powers of the Archbishop of Canterbury are inherently the powers of the five Metropolitans (Canon Law Repeal Canon 1989, clause 3(2)). However, the difficulty of pursuing this route is that even if any diocese in NSW might be able to receive a dispensation from their Metropolitan, the Archbishop of Sydney, thereby allowing the marriage of two unbaptised persons, there is little likelihood of dioceses in other Provinces of Australia (e.g., North West Australia) being granted such a dispensation.

Repeal Ordinance and provide Regulations (option b)

31. An economical way forward would be to repeal the 1982 Adopting Ordinance, this would effectively exclude the current Canon and thereby remove the requirement that at least one party to a marriage be a baptised person. Although the current Canon repealed the relevant law of the Canons of 1603, it is worth noting that the repeal of the Adopting Ordinance would not thereby reactivate any relevant law of the 1603 Canons which had been repealed by the enabling legislation.⁶

32. Consideration was given as to what other requirements might also be removed by simply repealing the Adopting Ordinance. The current Canon includes the following requirements –

- (a) the celebrant must be a minister nominated by the Archbishop and registered as an authorised celebrant according to the laws of the Commonwealth of Australia;
- (b) the marriage must be conducted in a licensed church building unless express permission is given by the bishop for some other specific place;
- (c) the persons to be married must not be within the prohibited relationships as declared by the laws of the Anglican Church of Australia in force in the Diocese;
- (d) where either of the persons to be married are minors, there must be compliance with the laws of the Commonwealth of Australia;
- (e) two witnesses are required for the marriage; and
- (f) where either of the persons to be married are divorced, there must be compliance with the laws of the Anglican Church of Australia in force in the Diocese.

33. The committee considered that all these requirements could be codified by way of episcopal regulation, as was the case when the Bishops of the Province promulgated regulations in 1902 and 1922 for the use of clergy solemnising marriages in NSW. Some of the requirements of the current Canon are already covered by Commonwealth law which both regulates marriage and requires that the Diocese nominate those clergy who are to solemnise matrimony in accordance with the rites of the Anglican Church of Australia. This enables the Archbishop to withdraw such nomination, if there were a breach of diocesan regulations.

Repeal Ordinance and pass New Ordinance (option c)

34. Another way forward would be to repeal the existing Adopting Ordinance, which would effectively exclude the current Canon and introduce a new Ordinance to regulate the solemnisation of marriage in the Diocese. Since this new Ordinance would require ministers to solemnise marriages in accordance with the rites and ceremonies of this Church, it could not be construed as making any alteration in the ritual or ceremonial of this Church (Section 71(1) of the Constitution), so it would be competent for the Synod to pass such legislation.

35. However under this option, the committee was divided as to whether it would also be expedient to repeal the General Synod – Matrimony (Prohibited Relationships) Canon 1981 Adopting Ordinance 1982.

36. Bishop Davies recommended this course so that all the legislation pertaining to marriage is located in one ordinance. Moreover, such an Ordinance would not need to cite certain aspects of the Marriage Act 1961, as the current Canon does, but merely reinforce the application of the Marriage Act and legislate for those matters which

⁵ W J Sparrow Simpson, *Dispensations* (London: SPCK, 1935), 39.

⁶ 'The repeal of an ordinance, or part of an ordinance, or the exclusion of a canon of the General Synod by which previous law was repealed shall not have the effect of reviving the previous law without express words to that effect.' Clause 11A of the Interpretation Ordinance 1985.

belong to the doctrine and practice of solemnising marriage in the Diocese. Furthermore, since the current Canon (unwittingly?) omitted four prohibited relationships in the Table of Kindred and Affinity, the new Ordinance would correct this oversight.

37. It should be noted that the Marriage Act lists those relationships where marriage is prohibited by law. The Church list is of those relationships which are disallowed between couples seeking an Anglican service for the solemnisation of their matrimony.

38. Justice Young considered that using the Table of Kindred and Affinity as the Church list would not assist for the following reasons, in summary –

- (a) it is desirable that there be one set of ecclesiastical prohibitions for the whole of Australia;
- (b) the terminology has changed from 1563. For instance 'sister' in 1563 in church law meant sibling, sister in law, even a sister of a former spouse. Merely to produce the 1563 list without a new dictionary leads to confusion. This change of meaning led to the Deceased Wife's Sister Act of 1875 (39 Vic No 20) (later also enacted in England in 1907)⁷ later s 18 of the Marriage Act 1899 (NSW) (see also s 18B); and
- (c) Bishop Davies' list adds to the list in the General Synod Canon by including four relationships from the Table of Kindred and Affinity which are not in the Canon. This may open up discussion on the content of the list;
- (d) Justice Young therefore preferred that the Ordinance not repeal the General Synod – Matrimony (Prohibited Relationships) Canon 1981 Adopting Ordinance 1982.

Promote Bill at General Synod (option d)

39. The fourth way forward considered by the committee was to promote a Bill to the next General Synod which would amend the current Canon so as to remove the baptism requirement or to allow for its removal with the permission of the bishop.⁸ However, even if this were successfully passed as a Provisional Canon in 2013 or 2014, unless it was more or less embraced by a large majority in 2013/4, it would still need to be passed at the following General Synod in 2016 or 2017, with no certainty that it would achieve the two-thirds majority.

40. The committee recognised that the Synod may not wish to wait a further five or six years before the baptism requirement is removed. As the explanatory statement accompanying the Synod's assent to the Provisional Canon P01, 2007 in 2009 stated:

In the event that the General Synod does not pass the Canon, it may be possible for our Synod to exclude the Canon and re-enact its provisions by ordinance without the requirement that at least one party be a baptised person.

41. Synod passing its own legislation is, at least, a short term solution. However, it is preferable that there be an Australia-wide approach.

42. It would be appropriate for the Diocesan Bishops to be canvassed to see if they would support a General Synod Canon as per the 2007 Provisional Canon with the proviso that the Bishop must assent to the marriage in church of two unbaptised persons.

Standing Committee's response

43. The Standing Committee requested that a bill be promoted to Synod "by request of the Standing Committee" which repeals the General Synod – Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982 and which regulates the solemnisation of marriage in this Diocese (option c in this report). However the Standing Committee declined to promote the bill in a form which also repeals the General Synod – Matrimony (Prohibited Relationships) Canon 1981 Adopting Ordinance 1982.

44. The Standing Committee also requested the Archbishop to enquire whether a revised General Synod Canon permitting the Bishop to allow a marriage where neither party is baptised would be agreeable to the House of Bishops.

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

21 September 2011

⁷ See Cripps on Church and Clergy 8th ed p539

⁸ At the 2010 General Synod there was a proposal to allow two unbaptised persons to be married with the permission of the bishop. Although this amendment was unsuccessful, it is possible that a future General Synod may pass an amendment Canon which contains this provision.

Solemnisation of Marriage Ordinance 2011

No 43, 2011

Long Title

An Ordinance to repeal the General Synod – Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982 and to provide regulations for the Solemnisation of Marriage in the Diocese.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name

This Ordinance is the Solemnisation of Marriage Ordinance 2011.

2. Repeal and Exclusion

(1) The General Synod – Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982 is repealed and the Canon is thereby excluded.

(2) Such repeal and exclusion does not invalidate any act taken under the General Synod – Solemnization of Matrimony Canon 1981 Adopting Ordinance 1982 prior to the date of assent to this Ordinance.

3. Definitions

In this Ordinance, unless the context otherwise requires –

- (a) the expression “this Church” means the Anglican Church of Australia in this Diocese;
- (b) “Marriage Act” means the Marriage Act 1961 of Australia as amended from time to time;
- (c) “marriage” means a voluntary union for life of one man and one woman to the exclusion of all others;
- (d) “minister” means a minister who, on the nomination of this Church, is authorised by the laws of the Commonwealth of Australia to solemnise marriage.

4. Marriage Act Requirements

The obligations imposed by this Ordinance are in addition to the obligations imposed by the Marriage Act.

5. Requirements

Marriage shall not be solemnised in the Diocese –

- (a) except in accordance with the rites and ceremonies of this Church;
- (b) unless the celebrant is a minister;
- (c) except in a church or chapel of this Diocese provided that the Archbishop may give permission for the solemnisation of the marriage at some other specific place in this Diocese or a regional bishop has given such permission in relation to some other specific place in his region;
- (d) unless the persons to be married are not within a prohibited relationship; and
- (e) where either or each of the parties to be married is a divorced person, unless, in accordance with the laws of this Church, the Archbishop has given permission for the solemnisation of the marriage in this Diocese or a regional bishop has given his permission for the solemnisation of the marriage in his region.

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 18 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

21/10/2011

Solemn Promises Ordinance 2011

Explanatory Statement

Background

1. At its session in 2010, the Synod referred a bill for the Solemn Promises Ordinance 2010 to the Standing Committee for review and, if thought fit, to pass the ordinance in light of the proposed amendments and other comments made at the session.
2. At its meeting on 6 December 2010, the Standing Committee passed the Solemn Promises Ordinance 2010, being a modified form of the bill considered by the Synod. However the Archbishop declined to give his assent to this ordinance, indicating a preference to wait for the promotion of a revised form of bill to the next session of the Synod in 2011.
3. The bill for the Solemn Promises Ordinance 2011 (the bill) being promoted to the Synod differs from the bill promoted to Synod in 2010 in the following respects –
 - (a) a Preamble has been included,
 - (b) clause 2(c) has been extended to refer to the Archbishop's successors,
 - (c) a previous provision making it an offence for a person to willfully breach a solemn promise has been omitted,
 - (d) a previous provision providing that canons 36 and 37 of 1603 have no effect has been omitted,
 - (e) a previous provision authorising the liturgical resource known as Sunday Services (2001 Edition) has been omitted (with a view to such authorisation being undertaken in a separate ordinance),
 - (f) the order of solemn promises in the Schedule has changed,
 - (g) the solemn promises concerning doctrine and services have been revised.

Proposal to provide alternative framework of solemn promises

4. In this Diocese, clergy are required at various times to make an oath of canonical obedience, provide a declaration and assent to the doctrine and formularies of the Anglican Church of Australia and give certain undertakings concerning vestments and the administration of Holy Communion. These are required before ordination to the diaconate or presbyterate, before licensing by the Archbishop and before consecration as a bishop following appointment as an Assistant Bishop.
5. All dioceses require clergy to make an oath of canonical obedience and to provide a declaration and assent to doctrine and formularies. However it is understood that the two undertakings are unique to Sydney. The oath, declaration and assent reflect the Ordinal. The two undertakings reflect the BCP Communion Service, the General Synod – Canon Concerning Holy Communion 2004 Adopting Ordinance 2004 and the Announcement of Divine Service and Clerical Vestures Ordinance 1949.
6. The bill proposes that the current forms of oath, declaration, assent and undertakings be replaced by corresponding forms of solemn promise. The bill also proposes that the language used in the current forms be updated to reflect more contemporary language and recent developments, for example in the forms of divine service that may lawfully be conducted in this Diocese.
7. If passed, the bill would provide an alternative framework to that set out in the Oaths, Affirmations, Declarations and Assents Canon 1992. By resolution 14/93, the Synod strongly dissented from the Provisional Canon for the Oaths, Declarations and Assents Canon 1992. While the Oaths, Affirmations, Declaration and Assents Canon 1998 addressed some of the concerns expressed by the Synod about the provisional canon, the Canon still requires that a member of the clergy or the laity declare his or her assent to be bound by the Constitution of the Anglican Church of Australia. This goes beyond the effect of the Constitution itself which binds a person only to the extent that it affects church trust property. It is therefore considered that the approach taken in the bill is to be preferred to the Canon.

Declaration and assent

8. A declaration and assent is not an oath for the purposes of the civil law and therefore the form and substance of any declaration and assent is a matter for the internal ordering of the Diocese.
9. In this Diocese, the current form of declaration and assent is set out in the Schedule to the General Synod – Form of Declaration and Assent Canon 1973 Adopting Ordinance 1973 as follows –

“The Anglican Church of Australia, being an Apostolic Church, receives and retains the Catholic Faith, which is grounded in Holy Scripture and expressed in the Creed, and within its own history, in the Thirty-nine Articles, in the Book of Common Prayer and in the Ordering of Bishops, Priests and Deacons.

Accordingly, I..... do solemnly make the following declaration –

I firmly and sincerely believe the Catholic Faith and I give my assent to the doctrine of the Anglican Church of Australia as expressed in the Thirty-nine Articles of Religion, the Book of Common Prayer and the Ordering of Bishops, Priests and Deacons; I believe that doctrine to be agreeable to

the Word of God; and in public prayer and administration of the sacraments, I will use the form in the said book prescribed, and none other, except as far as shall be ordered by lawful authority.”

10. In place of the current form of declaration and assent, it is proposed that the following forms of solemn promise be given –

“I.....firmly and sincerely believe the Holy Scripture to be the Word of God, and assent to the doctrine of the Anglican Church of Australia, an expression of the Catholic and Apostolic Faith which is determined by the teaching of Scripture, confessed in the 39 Articles and given liturgical form in the Book of Common Prayer and in the Ordering of Bishops, Priests and Deacons, and I solemnly promise to teach and uphold the Word of God.

I.....solemnly promise to conduct only services in the Book of Common Prayer or –

- (a) services authorised by ordinance of the Synod for use in the Diocese, or
- (b) other services of public worship which are agreeable to the Word of God and consistent with the doctrine of the Anglican Church of Australia,

pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998.”

Oath of canonical obedience

11. By virtue of section 8 of the Anglican Church of Australia Constitution Act 1961, it is only lawful to administer and take oaths in the Anglican Church of Australia which were customarily used by the Church in NSW before the enactment of that Act. No other oaths may be used.

12. In this Diocese, the current form of oath of canonical obedience is as follows –

“I....., Clerk, do swear that I will pay true and canonical obedience to the Archbishop of Sydney and his successors in all legal and honest commands. So help me God.”

13. Although the meaning of the current oath is that clergy will obey such commands as the bishop may by law impose (*Long v Bishop of Cape Town* (1863) 1 Moo. PCCNS 411 and 448, 465), this meaning is not readily apparent from the form of words used. The wording of the oath has therefore given rise to difficulties, particularly for some ordination candidates.

14. The requirement to give an oath as proposed, for example, to an affirmation has also given rise to difficulties for some.

15. In order to address these difficulties, it is proposed that the current form of oath of canonical obedience be replaced by a form of solemn promise in the following terms –

“I..... solemnly promise that I will obey all such directions as the Archbishop of Sydney and his successors are authorised by law to give.”

Undertakings

16. The undertakings currently required of clergy are as follows –

“I....., being desirous of obtaining a Licence to perform the office of a Minister in the Diocese of Sydney, hereby solemnly undertake that so long as I hold any such licence, I will neither by myself nor by others permit the use of the Chasuble or other vestment in any Church, Chapel or other place in this Diocese in which I may officiate.

I....., being desirous of obtaining a licence to perform the office of a Minister in the Diocese of Sydney, hereby solemnly undertake that so long as I hold any such Licence in the above Diocese I will administer the elements of bread and of wine separately in the Holy Communion.”

17. In place of these undertakings, it is proposed that the following forms of solemn promise be given –

“I.....solemnly promise that so long as I hold a licence to perform the office of minister in the Diocese of Sydney, I will neither by myself nor by others permit the use of the chasuble or other eucharistic vestment in any church or chapel or other place in the Diocese in which I may officiate.

I.....solemnly promise that so long as I hold a licence to perform the office of minister in the Diocese of Sydney, that I will administer the elements of bread and wine separately in the Holy Communion.”

18. The first of these promises expresses the law in the Diocese with regard to vesture of ministers. While the Reformation saw the end of priestly garments in the Church of England, the Anglo-Catholic revival reintroduced these medieval garments for the celebration of the sacraments, especially the Lord's Supper. In response to a ruling of the Privy Council, Archbishop John C Wright required all clergy licensed in the diocese of Sydney to sign a declaration that they would not wear the chasuble. This was later codified in an ordinance of the Synod in 1949, which prohibited clergy from wearing the chasuble and other eucharistic vestments, namely the dalmatic and tunicle.

19. The second promise succinctly expresses the manner in which Jesus administered the bread and the cup to each of his disciples in the Last Supper. During the Middle Ages the cup was withdrawn from the laity, but it was restored during the Reformation, so that each recipient was given the opportunity of eating the bread and

drinking the cup. This promise reminds clergy of the importance of administering each of these elements separately, rather than seeking to combine them or seeking to administer only bread.

Other matters

20. In order to implement the proposed framework of solemn promises, the bill provides that –
- (a) except for the solemn promises provided under the bill, no oath, affirmation, promise, declaration, assent, undertaking or similar assurance is to be required from a person by or on behalf of the Archbishop before the person is ordained, licensed or consecrated in the Diocese (clause 2(3)),
 - (b) a person who fails or declines to make the solemn promises required by the bill is not to be ordained, licensed or consecrated as the case may be (clause 2(4)),
 - (c) the Form of Declaration and Assent Canon 1973 is excluded (clause 3),
 - (d) a member of clergy is not to exercise or hold themselves out as exercising any Anglican ministry in this Diocese without the permission of the Archbishop, such permission ordinarily being given by licence of the Archbishop (clause 4).

Recommendation

21. 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

15 June 2011

Solemn Promises Ordinance 2011

No 34, 2011

Long Title

An ordinance to provide for the solemn promises to be made before a person is ordained, licensed or consecrated, to exclude the Form of Declaration and Assent Canon 1973 and for related matters.

Preamble

A. While the Australasian Bishops Conference of 1850 agreed that the Canons of 1603 were generally binding on them and the clergy of their respective dioceses, where the Canons could not be 'literally complied with' because of 'the altered state of circumstances since the enactment of the Canons', the Bishops expressed their opinion that the Canons should be complied with 'in substance' as far as possible. Further, they agreed that a revised and 'fresh adaptation of the Canons to suit the present condition of the Church' should be made as soon as lawfully possible.

B. Diocesan Synods came into being in New South Wales in 1866 and each Diocesan Synod has power to make ordinances for the order and good government of the Anglican Church of Australia and the regulation of its affairs within the Diocese.

C. Since 1850, Canon 36 and Canon 37 have been adapted to 'suit the present condition of the Church' in this Diocese.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name of Ordinance

This Ordinance is the Solemn Promises Ordinance 2011.

2. Solemn promises to be made

- (1) A person is to make the solemn promises set out in the Schedule before that person is –
 - (a) ordained to the diaconate in the Diocese, or
 - (b) ordained to the presbyterate in the Diocese, or
 - (c) first licensed by the Archbishop –
 - (i) where the person has not been ordained to the diaconate or the presbyterate in the Diocese, or
 - (ii) following a period of service by that person outside the Diocese pursuant to a licence of another bishop, or
 - (d) consecrated as a bishop following his appointment as an Assistant Bishop.
- (2) The solemn promises required under subclause (1) are –
 - (a) to be made in writing, and
 - (b) to be witnessed by the Archbishop or the Registrar or a person delegated by either of them, and
 - (c) given for the benefit of the Archbishop and his successors.
- (3) No oath, affirmation, promise, declaration, assent, undertaking or similar assurance, except as provided in subclause (1), is to be required from a person by or on behalf of the Archbishop prior to their ordination, consecration or licensing in the Diocese.
- (4) A person who fails or declines to make the solemn promises required under subclause (1) is not to be ordained, licensed or consecrated as the case may be.

3. Exclusion of Form of Declaration and Assent Canon 1973

The Form of Declaration and Assent Canon 1973 is excluded.

4. Permission to exercise Anglican ministry

A member of the clergy is not to exercise or hold themselves out as exercising any Anglican ministry in the Diocese without the permission of the Archbishop, such permission or licence being given by licence of the Archbishop.

Schedule

I firmly and sincerely believe the Holy Scripture to be the Word of God, and assent to the doctrine of the Anglican Church of Australia, an expression of the Catholic and Apostolic Faith which is determined by the teaching of Scripture, confessed in the 39 Articles and given liturgical form in the Book of Common Prayer and in the Ordering of Bishops, Priests and Deacons, and I solemnly promise to teach and uphold the Word of God.

I solemnly promise to conduct only services in the Book of Common Prayer or –

- (a) services authorised by ordinance of the Synod for use in the Diocese, or

(b) other services of public worship which are agreeable to the Word of God and consistent with the doctrine of the Anglican Church of Australia,

pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998.

I solemnly promise that I will obey all such directions as the Archbishop of Sydney and his successors are authorised by law to give.

I solemnly promise that so long as I hold a licence to perform the office of minister in the Diocese of Sydney, I will neither by myself nor by others permit the use of the chasuble or other eucharistic vestment in any church or chapel or other place in the Diocese in which I may officiate.

I solemnly promise that so long as I hold a licence to perform the office of minister in the Diocese of Sydney, I will administer the elements of bread and wine separately in the Holy Communion.

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 11 October 2011.

CJ MORONEY
R WICKS
Secretaries of Synod

I Assent to this Ordinance.

PETER F JENSEN
Archbishop of Sydney

18/10/2011

Authorised Services Ordinance 2011

Explanatory Statement

1. The Solemn Promises Ordinance 2011 provides for certain solemn promises to be made by a person before the person is ordained to the diaconate or presbyterate in the Diocese, is first ordained by the Archbishop or is consecrated as a bishop following his appointment as an Assistant Bishop.

2. One of the solemn promises that is required to be made is to conduct only services in the Book of Common Prayer or –

- (a) services authorised by ordinance of the Synod for use in the Diocese, or
- (b) other services of public worship which are agreeable to the Word of God and consistent with the doctrine of the Anglican Church of Australia,

pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998.

3. In addition to the Book of Common Prayer, the services which are currently authorised for use in this Diocese are –

- (a) services in *An Australian Prayer Book* pursuant to the General Synod – Australian Prayer Book Canon 1977 Adopting Ordinance 1977, and
- (b) such other forms of service and variations authorised pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998, and
- (c) deviations from the Book of Common Prayer as the existing order of service permitted by the Archbishop pursuant to section 4 of the Constitution.

4. From time to time the Archbishop of Sydney's Liturgical Panel produces liturgical resources for use in this Diocese. In view of the form of solemn promise proposed to be given in respect of services, it is considered appropriate for the Synod to authorise for use in this Diocese the services prepared by the Liturgical Panel.

Recommendation

5. 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

15 June 2011

Authorised Services Ordinance 2011

No _____, 2011

Long Title

An ordinance to authorise certain services for use in this Diocese.

Preamble

- A. The Solemn Promises Ordinance 2011 provides for the making of certain solemn promises.
- B. One such solemn promise is to conduct only services in the Book of Common Prayer or –
- (a) services authorised by ordinance of the Synod for use in the Diocese, or
 - (b) other services of public worship which are agreeable to the Word of God and consistent with the doctrine of the Anglican Church of Australia,

pursuant to the General Synod – Canon Concerning Services 1992 Adopting Ordinance 1998.

- C. It is therefore expedient to authorise certain services for use in this Diocese.

The Synod of the Diocese of Sydney Ordains as follows.

1. Name of Ordinance

This Ordinance is the Authorised Services Ordinance 2011.

2. Authorised services

- (1) The services referred to in the Schedule are authorised for use in this Diocese.
- 5 (2) A minister who uses such services is taken to be exercising the discretion allowed by section 5 of the Canon Concerning Services 1992.

3. No limitation

Nothing in this ordinance limits the services which are authorised for use in this Diocese.

Schedule

Sunday Services, A Liturgical Resource prepared by the Archbishop of Sydney's Liturgical Panel, published 2001.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

Chairman of Committees

I Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on _____ 2011.

Secretaries of Synod

I Assent to this Ordinance.

Archbishop of Sydney

/ /2011

Parish Relationships Amendment Ordinance 2011

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 2011 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. This bill was promoted to the Synod in 2010 “by request of the Standing Committee” with a view to it 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.

Proposed amendments

4. The bill provides for the Principal Ordinance to be amended in three main respects.

5. 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)).

6. 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)).

7. 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)).

8. 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)).

Recommendation

9. 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

20 September 2011

Parish Relationships Amendment Ordinance 2011

No _____, 2011

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 2011.

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

(b) delete clause 4(a) and insert instead the following –

10 “(a) the minister has been licensed to the parish for at least 2 years as the minister, and”,
and

(c) in clause 6 –

(i) delete the first occurrence of the word “consider” and insert instead the words “or the Regional Bishop considers”, and

15 (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 –

“or the Regional Bishop who made the request may convene the meeting”, and

20 (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

(g) delete the matter “at least 65%” in clause 12 and insert instead the words “a majority”, and

25 (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

2011.

Secretaries of Synod

I Assent to this Ordinance.

Archbishop of Sydney

/ /2011