

**Anglican Church Property Trust Diocese of Sydney (ACPT)  
Report to 3rd Ordinary Session of the 51st Synod of the Diocese of Sydney - 2019**

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As the Chair of the ACPT, and on behalf of the Board, I have pleasure in presenting the ACPT's 2018 annual report to the Synod.

As noted in previous annual reports to Synod, the role of the ACPT from its constituent documents, an Act of the NSW parliament (1917) and an ordinance of the Synod (1965), has changed from a relatively passive trustee of church trust property to one responding to significantly more complex regulatory, legal, political and social environments. Board members may be exposed to potential personal liability under legislation such as that relating to heritage and fire safety.

Complexity continues to increase for parishes and the ACPT. Examples include-

- obligations under the *NSW Heritage Act (1977)*
- ongoing compliance with ACNC legislation
- ongoing compliance with fire safety aspects of the Environmental Planning and Assessment Regulations (2000)
- obligations under the *Cemeteries & Crematoria Act 2013*
- operating in an increasingly litigious external environment and associated implications for insurance, reputation/risk and personal liability
- changes to NSW planning instruments
- more complex administration of the various Local, NSW and Federal Government grant programs
- issues arising from the Royal Commission into Institutional Responses to Child Sexual Abuse

Because parishes are unincorporated bodies there is a necessary interface with ACPT in parish church trust property matters. In passing ordinances concerning parish church trust property, the Standing Committee, resolved in February 2014:

*Standing Committee declares its view that the polity of this Diocese generally gives precedence to parishes over the affairs of the Diocese, including in relation to the management of property held for a parish and the benefit of income from such property.*

This intersection needs to be managed with consistency and having regard to the interests of parishes, the increased complexities noted above, the legal and fiduciary obligations of the ACPT and the potential personal liability that may be imposed upon its Board members.

Since Synod 2018, as in previous years, ACPT, as the corporate trustee of the Diocese, operated across the full spectrum of diocesan activities. Some notable outcomes include –

- Authorised the SDS management team supporting the ACPT to conduct a “Building for the Future” seminar in November 2018 at Annandale parish. The interactive workshop was for members of parishes contemplating building projects and was attended by 100 persons with a further 100 people participating via a live stream to 21 locations
- Exercised oversight and administered 26 building contracts (each valued in excess of \$1m per contract) for projects ranging from an organ replacement at Gordon parish to a new ministry centre at Carlingford and North Rocks parish

- Assisted parishes make 168 applications under the NSW Government CBP that led to 85 parishes being granted funding totalling \$1.5m (taking the total grants by the NSW Government under the CBP program to \$12.8 million in the period 2010 – 2018).
- Assisted 16 parishes install rooftop solar photovoltaic panels on their buildings with 12 parishes receiving a total of \$216,000 of funding for their projects through the Federal Government Solar Communities 2018 grant program
- In addition to the aforementioned parish grants, ACPT also assisted 31 parishes successfully to apply for grants totalling \$274,826 under the Federal Government’s “Stronger Communities Program”, 58 parishes successfully to apply for grants totalling \$202,425 under the Federal Government’s “Volunteer Grants Program” and a further 4 parishes -successfully to apply for grants totalling \$169,576 under various other Federal and NSW Government grant programs
- Invested, on behalf of parishes, approximately \$70 million in the Diocesan Cash Investment Fund and maintained the Long Term Pooling Fund which has some 96 parish unitholders with an aggregate unitholding of in excess of \$62 million
- Concluded the 2018/2019 diocesan insurance renewal at competitive rates which generally enhanced policy coverage, compared with the maturing policies and ensured availability of insurance cover for a comprehensive suite of insurance products, for over 300 diocesan entities (parishes & numerous diocesan organisations) at competitive premium rates
- Approached Ministers of the NSW Government to advance the cause of several parishes in relation to specific local parish matters
- Implemented the Standing Committee’s decision to modify the methodology on which the ACPT management fee is calculated for all parishes from 1 January 2019

I take this opportunity to thank parish councils, the senior episcopal team and the SDS teams that support the Board, especially recognising the contribution made, often in the face of intensive workloads, to deliver lasting and meaningful ministry outcomes. I also take this opportunity to acknowledge the contribution made to the efficient functioning of the ACPT through the critical skills provided by all members of the Board. As at 31 December 2018 the Board comprised the following members-

<b>Name</b>	<b>Title, Description</b>	<b>Experience/Skills</b>
Dr Glenn Davies	Archbishop of Sydney	Ministry
The Rev Canon Christopher Allan	Sub Dean, St Andrew’s Cathedral, ex project manager, Lend Lease Corporation.	Ministry
Mr Wayne Bramley	Director, Inscon (Insurance Consultancy)	Insurance
Mr Roger Collison	Investment Consultant	Finance/Investment
Mr Richard Neal	Partner, Teece Hodgson & Ward Solicitors	Law
Mr David Nelson	Registered Valuer, David Nelson & Partners	Property
The Rev David Ould	Rector, parish of Glenquarie and former Chartered Accountant	Ministry
Mr Peter Rusbourne	Partner, Watkins Tapsell, Solicitors	Law
The Rev Andrew Schmidt	Rector, parish of Randwick and ex solicitor, Clayton Utz	Ministry
Dr Robert Tong AM	Solicitor	Law
Mrs Melinda West	Manager, Pascoe Whittle, Accountants	Accountancy

The Board extends its appreciation to Ms Michelle Lim (Director, KPMG with a banking and strategic advisory background) and Mr Ian Pike (former Head of Business Credit at BankWest). Both Michelle and Ian provide professional specialist advisory assistance to the ACPT’s investment, insurance and Finance subcommittee (IIFC).

Additionally, I thank the staff of SDS who continue to serve the Board faithfully and diligently.

In closing, I would like to acknowledge with gratitude the respective contributions of Mr Glynn Evans and Mr Roger Collison to the ACPT and wider diocese, following their decisions to step down from their trustee roles during the past 12 months. I also take the opportunity to welcome Mr Wayne Bramley and Mr Ian Pike to the Board as their replacements and thank Mr Roger Collison for his willingness to continue supporting the ACPT's work as an adviser to the IIFC.

A summary of the year's work by ACPT from the Head of Parish Property, Mr Greg Ellem follows. I commend this report to the Synod.



Mr Richard Neal,  
**Chair, Anglican Church Property Trust Diocese of Sydney**

June 2019

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### **Summary by the Head of the Parish Property, Mr Greg Ellem**

My colleagues, Penny Barletta, Judi Harrington, Scott Lincoln, Sally Satya, Lyndon Tam and Cindy Wong and I appreciate the assistance provided by the Board, the senior episcopal team and the many parish volunteers, as we partner parishes in a variety of property and insurance matters as they continue to undertake front line Christian ministry across the diocese.

We serve the Board as its executive management arm and relate to the Board in accordance with several service level agreements that are annually negotiated with the Board and reviewed during the year. In this ACPT report to Synod you will find -

- Executive Summary
- Constitution and purpose
- Major activities undertaken by ACPT during 2018
- Contact details of the insurance and parish property services team

#### **1. Executive Summary**

During 2018 the SDS management team supporting the ACPT (as trustee for parishes and some diocesan organisations) –

- Received, reviewed, signed and processed 511 documents for parishes (including development applications, building contracts, leases, licence agreements, contracts of sale, applications for grant funding, insurance claims, etc.). This compares with 406 documents processed in the 12 months to Synod 2018
- Facilitated three security training workshops in CBD and suburban parish locations to assist parishes deal with the heightened security risk to parishes due to global terrorism. These workshops were attended by over 100 parish representatives
- Undertook research and consulted with 75 parishes in order to register various cemeteries and columbaria (niche or memorial walls) with Cemeteries and Crematoria NSW to ensure compliance with the relevant Act.\

- Administered 125 Public Liability insurance notifications and 72 Industrial Special Risk (Property and Contents) insurance claims
- Prepared and issued 12 circulars to parishes about a range of policy/procedure matters such as the quarterly performance of ACPT's Long Term Poling Fund and the Diocesan Cash Investment Fund, grant funding, NSW, Local and Federal, security training workshops, Building for the Future seminar, using Anglican Halls as polling places for parishes, as well as the quarterly "About Your Invested Funds" circular to parishes and diocesan organisations on whose behalf the ACPT invests funds.
- As noted by the Chair, ACPT representatives met with the parliamentary staff and elected members of the NSW Government and local Councils, in relation to several specific parish building, sale and heritage projects. Further meetings have been arranged during 2019.
- Co-ordinated meetings of the Christian Church Property Network (CCPN), comprising most Protestant Denominations and the Roman Catholic Church, to ensure a co-ordinated and cohesive approach on matters of mutual concern to the relevant government bodies.

## 2. Constitution and Purpose

The ACPT is an incorporated body constituted by the *Anglican Church of Australia Trust Property Act 1917*. The *Anglican Church Property Trust Diocese of Sydney Ordinance 1965* regulates the functioning of ACPT. Pursuant to the 1917 Act, ACPT is the legal owner and trustee of church trust parish property within the Diocese of Sydney. As owner, ACPT is required to be involved in a wide range of parish property transactions, including but not limited to insurance, leases, licences, property sales/purchases, building contracts and administration of estates.

## 3. Major Activities undertaken by ACPT during 2018

### Strategic Land Acquisition and Construction on behalf of the Mission Property Committee (MPC).

- The ACPT concluded construction of a modular worship centre at Wilton parish to improve the amenity for worship and increased the seating capacity to 150 persons with associated amenities and car parking areas
- The ACPT undertook planning and design and obtained development consent for a future ministry centres at Leppington and Marsden Park

The ACPT obtained development consent for a future ministry centre at Riverstone and concluded civil infrastructure works for the adjoining land subdivision, surplus land sale and provision of associated ministry housing for the Riverstone parish

### Insurance

Pursuant to the terms of the *Church Insurances Ordinance 1981* the ACPT effects insurance on behalf of parishes and some diocesan organisations under the Church Insurances Program (CIP). The annual renewal date of the diocesan insurance policies is 31 August. There is an annual insurance premium of approximately \$2.8 million, to insure some 1,100 parish buildings and property of many diocesan organisations under the church insurances program (CIP).

The ACPT Manager, Insurance Services commences the renewal process early each calendar year by collecting key insurance data from parishes and diocesan organisations to facilitate negotiations with various investment grade insurance counterparties for suitable insurance cover for parishes and many diocesan organisations. Significant time is invested in administering the cover for those diocesan organisations that participate in the CIP (including Anglican Aid, Anglican Education Commission, Anglican Media, Arundel House, Anglican Youthworks, Camperdown Cemetery Trust, Endowment of the See, Evangelism & New Churches, GFS, Glebe Administration Board, Ministry Training & Development, Moore Theological College, Mothers Union, New Churches for New Communities, Sydney Anglican Loans, Sydney Anglican Indigenous Peoples Ministry Committee,

St Andrew's House Corporation Council St James Hall, Sydney Diocesan Services and Work Outside the Diocese). This is achieved with under the oversight of the diocesan insurance broker, Marsh Pty Ltd (Marsh).

With the assistance of Marsh, insurance policies are established for a suite of insurance products with a spectrum of insurance counterparties, all of whom are ascribed an "investment grade" external counterparty credit rating by the recognised international insurance Credit Rating Agencies.

Insurance-related enquiries are dealt with by the Manager, Insurance Services (Cindy Wong) and the Insurance Assistant, Ms Sally Satya. The enquiries handled by Cindy and Sally include day-to-day insurance enquiries and issuance of Certificates of Currency which enable parishes to conduct off-site activities.

#### Investment, Insurance and Finance Subcommittee of the ACPT Board (IIFC)

In addition to the insurance responsibilities outlined previously, the IIFC, currently comprising the Subcommittee Chair, Mrs Melinda West (who is also the deputy chair of the Board) along with fellow board members Mr Richard Neal, Mr Wayne Bramley, Mr Ian Pike and the Rev David Ould. As noted by the chair, these members are well supported by Ms Michelle Lim and Mr Roger Collison, who provide advice to the Board in respect to the oversight of the Long Term Pooling Fund (LTPF) as well as reviewing and developing policy and procedures for adoption by the full ACPT Board in relation to more than 275 investment funds that the ACPT manages as trustee on behalf of parishes and diocesan organisations.

The Investment Objective for the LTPF is to achieve a real rate of return of 3.5% pa over rolling 5 year periods (after external investment management fees and tax effects) subject to:

- preserving the real value of a unit in the LTPF over a rolling year period (commencing 1/7/2010)
- adopting a distribution policy that is consistent with the Investment Objective

The real rate of investment return generated by the LTPF over the period 1/7/2010 to 31/12/2018 was 6.51% pa. During 2018 distributions aggregating \$2.4 million were made to beneficiary parishes and diocesan organisations."

#### NSW Community Building Partnership (CBP) Grant Programs

Since the initial CBP grants were announced in 2009, the ACPT has promoted, facilitated and administered all CBP Grant Programs. The process includes –

- assisting parishes construct applications and liaising with local MPs
- reviewing documentation and grant conditions applicable to each successful parish
- responding to enquiries from parishes about various aspects of the CBP Grant Program
- responding to enquiries from the NSW CBP Office and NSW Government Members of Parliament about successful parish projects
- receiving and distributing grant funds to each successful parish
- reporting to the NSW State Government in accordance with grant funding criteria
- following up incomplete acquittal information from grantees to satisfy NSW Government CBP Grant Program audit procedures and ensure that parishes are given a fair opportunity to share in future CBP Grant Programs

A summary of the CBP Grant Programs follows -

<b>Year</b>	<b>No. of successful Parishes</b>	<b>\$ Grant amount (rounded)</b>
CBP 2009 - 2018	517	\$11,309,663
CBP (I) – (IX)		
CBP 2019 (X)	85	\$1,516,000
<b>Total</b>	<b>602</b>	<b>\$12,825,663</b>

