

Affiliated Churches

(A report from the Standing Committee.)

Introduction

1. By clause 10 of the Affiliated Churches Ordinance 2005 (the “Ordinance”) the Standing Committee is required to report to the first ordinary session of each Synod about –
 - (a) any declaration of affiliation made in respect of a non-Anglican church pursuant to clause 4(1) and any such declaration which ceases to be in effect, and
 - (b) any agreement entered into with an affiliated church pursuant to clause 5(1), and
 - (c) any action taken under clause 6(1) for the provision of approved benefits to affiliated churches.
2. This report addresses each of these matters.

Procedures for affiliation

3. On 12 December 2005, the Standing Committee appointed a committee (the “Affiliated Churches Sub-committee”) comprising Mr Neil Cameron, Bishop Glenn Davies, the Rev Chris Moroney, Dr Philip Selden (chair) and the Rev Al Stewart (as he then was) –
 - (a) to review and make recommendations to the Standing Committee in respect of proposals for affiliation under the Ordinance, and
 - (b) to oversee work to prepare a draft affiliation agreement for consideration by the Standing Committee and to determine the extent to which the approved benefits listed in the Schedule to the Ordinance can be properly provided under such an agreement.
4. On 26 June 2006 the Standing Committee adopted procedures for the purposes of affiliating churches under the Ordinance. These procedures were amended at its meeting on 25 June 2007 to be as follows –
 - (a) An application for affiliation from a non-Anglican church is to be made to the Diocesan Secretary who is to forward a copy of the application to –
 - (i) the Affiliated Churches Sub-committee for assessment, and
 - (ii) the Archbishop.
 - (b) The Affiliated Churches Sub-committee is to notify the Standing Committee of its receipt of an application for

affiliation and the action it proposes to take in relation to that application.

- (c) At the request of the Affiliated Churches Sub-committee, the Diocesan Secretary is to submit the approved form of affiliation agreement to the church for its consideration and signing.
- (d) The Diocesan Secretary is to notify the bishop of the diocese in which the church is situated of the proposed affiliation.
- (e) Following receipt of the form of affiliation agreement signed by the church, the Standing Committee considers motions to affiliate with the church and to authorise the Diocesan Secretary to enter into the affiliation agreement on its behalf.

Declarations of affiliation

5. By clause 4(1), the Synod or the Standing Committee may by resolution declare a non-Anglican church or a group of non-Anglican churches to be affiliated with this Church in this Diocese only if it is satisfied that the profession of faith of the non-Anglican church or group of non-Anglican churches is Bible-based.

6. The Standing Committee had declared 6 churches to be affiliated with this Church in this Diocese under clause 4(1) of the Ordinance. As at 7 August 2008, each of these declarations remains effective. Details of these affiliations are as follows –

- On 11 December 2006 the Standing Committee resolved to affiliate with the following 3 churches –
 - Northern Lakes Evangelical Church
Senior Pastor: The Rev Connan O'Shea
 - Albury Bible Fellowship
Senior Pastor: The Rev Chris Little
 - The Point Community Church
Senior Minister: The Rev Steve Covetz
- On 10 December 2007 the Standing Committee resolved to affiliate with the following 2 churches –
 - The Lakes Evangelical Church
Senior Pastor: The Rev David Sheath
 - Maitland Evangelical Church
Senior Pastor: The Rev Roger Burgess

- On 16 June 2008 the Standing Committee resolved to affiliate with –

Stanthorpe Evangelical Community Church
Senior Minister: The Rev Neville Heywood

7. In each case the Standing Committee considered a report from the Affiliated Churches Sub-committee about the church's profession of faith in order to satisfy itself that such profession is Bible-based for the purposes of clause 4(1).

8. In considering the application for affiliation from Stanthorpe Evangelical Community Church, the Standing Committee agreed that –

- (a) the test for determining whether a church is "Anglican" for the purposes of the Affiliated Churches Ordinance 2005 is whether the bishop of the diocese in which the church is situated has issued, at the request of the senior minister or pastor of that church, a licence or authority to that minister or pastor to conduct services in that church, and
- (b) a church is not to be regarded as Anglican merely because it uses Anglican forms of service or because its senior minister/pastor holds a general licence or authority to officiate from any bishop.

Affiliation agreement

9. By clause 5(1) the Standing Committee may by resolution authorise the Diocesan Secretary on its behalf to enter into an affiliation agreement with the person or persons authorised to enter into agreements on behalf of an affiliated church.

10. At its meeting on 26 June 2006, the Standing Committee approved in principle a form of agreement for the purposes of clause 5(1) of the Ordinance. The Standing Committee agreed that only substantial changes to the form of agreement need be referred to it for further approval.

Proper provision of approved benefits

11. By clause 6(1) of the Ordinance, the Standing Committee may make such ordinances and take such actions as it considers necessary or desirable to enable an approved benefit to be properly provided to an affiliated church. An approved benefit is not able to be properly provided if, in the opinion of the Standing Committee, the provision of the approved benefit would –

- (a) be contrary to law, or
- (b) result in any church trust property ceasing to be held on charitable trusts, or
- (c) result in any organisation of the Diocese ceasing to be a charitable or religious organisation for any purpose, or

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(d) impose an unreasonable burden on any person or organisation.

12. Under the Ordinance the approved benefits which are capable of being provided to an affiliated church are as follows –

Approved benefits		
No	Type of benefit	Description of benefit
1.	Membership of superannuation fund	Arrangements to enable affiliated churches to become participating employers in the Anglican SuperFund Sydney Plan held by AMP Superannuation Limited as part of the AMP Superannuation Savings Trust.
2.	Long Service Leave continuity of service	Reciprocal arrangements to provide for continuity of service between the Diocese and an affiliated church for the purposes of long service leave.
3.	Insurance cover	Arrangements to enable affiliated churches to be included as an "insured" under insurance cover obtained by the Anglican Church Property Trust Diocese of Sydney.
4.	Access to administrative, secretarial and accountancy services	Arrangements to give affiliated churches access to administrative, secretarial and accountancy services provided by the Sydney Diocesan Secretariat.
5.	Sickness and Accident Fund	Arrangements to give appropriate categories of staff of affiliated churches access to the benefits under the Sydney Diocesan Sickness and Accident Fund.
6.	Stipend Continuance	Arrangements to enable appropriate categories of staff of affiliated churches to be covered by the Stipend Continuance policy held by the Sydney Diocesan Secretariat.
7.	Clergy removals	Arrangements to enable appropriate categories of staff of affiliated churches to be covered by the Clergy Removals Fund.
8.	Finance and loans	Arrangements to enable the Sydney Church of England Finance and Loans Board to make loans to affiliated churches.

Approved benefits		
No	Type of benefit	Description of benefit
9.	Expression of affiliation with the Diocese	Arrangements to authorise affiliated churches to make reference to being affiliated with the Anglican Church of Australia in this Diocese.
10.	Professional Standards	Arrangements to provide for appropriate selection of staff for and standards of conduct by staff in affiliated churches and to enable allegations of misconduct to be appropriately dealt with.

Superannuation

13. Anglican National Super (formerly known as Anglican Superfund Sydney) is governed partly by the Sydney Diocesan Superannuation Fund Ordinance 1961 and partly by an agreement between the Sydney Diocesan Superannuation Fund Board and AMP Superannuation Limited. The agreement provides that a "Contributing Organisation" includes "any other incorporated association or corporation which the Board declares to [be a] Contributing Organisation" and that an "Employee" (who is entitled to become a member) includes any person nominated by a Contributing Organisation.

14. The Affiliated Churches Sub-committee was informed that the Board had approved in principle each affiliated church becoming a Contributing Organisation. Accordingly no change has been made to the Superannuation Fund Ordinance or to the agreement to facilitate pastors of affiliated churches becoming members of the Fund if they choose to do so.

Long service leave

15. Reciprocal arrangements for continuity of service between the Diocese and an affiliated church would be greatly appreciated by our affiliated churches. However, due to the interface between the NSW Long Service Leave Act 1955 (the "Act") and the General Synod Long Service Leave Canon 1992 (the "Canon"), it is not possible to achieve this end completely.

16. The Act is relevant to each of the pastors of affiliated churches located in NSW. In general terms the scheme of the Act is as follows –

- (a) A worker becomes entitled to long service leave after 10 years of continuous service with an employer and after each successive period of 5 years. The initial entitlement is 2 months and the subsequent entitlement for each period of 5 years is 1 month.

- (b) If the worker leaves his or her employment before completing 10 years of continuous service the worker is not entitled to any long service leave benefit unless he or she is dismissed from employment after the first 5 years other than by reason of serious and wilful misconduct. In that case the worker receives a proportionate benefit.

17. To provide and fund long service leave for clergy to whom the Act does not apply, the General Synod set up a long service leave fund. This fund is currently constituted by and administered pursuant to the Long Service Leave Canon 1992. The Canon has been adopted by the Sydney Synod. Each participating diocese contributes pursuant to the Canon amounts that are later used to make payment to the Diocese when a member of the clergy becomes entitled to leave under the Canon. Entitlement to leave is 10 weeks after 10 years of qualifying service and 5 weeks on the completion of each 5 years of qualifying service thereafter. The long service leave entitlements under the Canon are therefore more generous than those under the Act.

18. Under the Canon, a period of time spent by an ordained Anglican clergyman as a pastor of an affiliated church is not qualifying service. As a consequence, if an Anglican member of the clergy accumulates 8 years of qualifying service in the Diocese then spends 8 years of continuous service under the Act as the senior pastor of an affiliated church and then returns to the Diocese for another 8 years of qualifying service under the Canon, the member of the clergy has accrued no long service leave entitlement. Further, the contributions made by the Diocese in respect of the member of clergy for his first 8 years of qualifying service are not refunded to the Diocese but are retained by the Fund and used to reduce the contributions of contributors to the Fund generally.

19. In view of the above, the terms of the affiliation agreement provide that where a pastor of an affiliated church proposes to accept a position in the Diocese and where a member of clergy in the Diocese proposes to accept a position with an affiliated church, both parties will discuss what measures can be put in place to ensure that the relevant minister receives adequate long service leave having regard to the time spent by him in ministry in the Diocese and with the affiliated church.

Insurance cover

20. A considerable amount of time has been spent in exploring whether it is possible to include affiliated churches within the policies of the insurance obtained by the Property Trust on behalf of parishes and other diocesan entities. Following extensive consideration of this matter, it appears unlikely that diocesan insurance cover can be appropriately extended to affiliated churches. The primary reason for this is that our lack of control over such churches means that our

insurers are not prepared to include them in our cover, certainly within a reasonable premium increase.

21. In view of the above, the provisions in the affiliation agreement dealing with possible provision of insurance cover no longer have any practical significance.

22. The inability to include our affiliates within diocesan insurance cover has been raised with our affiliates. There appears to be a general acceptance of this outcome, with at least one church expressing the view that this is consistent with their desire to retain their independence from the Diocese notwithstanding their affiliation with the Diocese.

Administrative, secretarial and accountancy services

23. The Standing Committee has requested that the Sydney Diocesan Secretariat send to affiliated churches the same material it sends to parishes and to invite affiliated churches to attend any seminars it runs for the benefit of parishes. This is reflected in the affiliation agreement.

Sickness and Accident Fund

24. Following consultation with our affiliated churches, the Affiliated Churches Sub-committee reached the conclusion that benefits under the Sickness and Accident Fund are not relevant. Unlike Anglican parish clergy, ministry staff members of affiliated churches are employees and accordingly workers compensation insurance is taken out by each affiliated church.

Stipend continuance

25. Access to diocesan stipend continuance cover raises issues similar to those raised for insurance generally. Accordingly the provision of this benefit has not been pursued.

Clergy removals

26. The funds available for clergy removals under the existing Clergy Removals Fund are limited and accordingly it is not considered appropriate to extend the benefits under the Fund to specifically cover removals for ministry staff of affiliated churches. However the rules of the Fund already provide some financial benefit for Anglican clergy moving to the Diocese to take up a ministry position and also from the Diocese on retirement.

Finance and loans

27. Consideration has been given to extending the scope of loans made by the Finance and Loans Board to include affiliated churches. An initial issue was whether the funds available to the Finance and Loans Board to meet applications for loans from parishes within the Diocese were sufficient for this purpose. Other issues that have been raised include the inability of the Finance and Loans Board to take

security for the loans it makes and whether it would be prudent to make loans to non-Anglican entities without suitable security. These issues are still to be resolved.

Expression of affiliation with the Diocese

28. The Standing Committee considers the existence of affiliation arrangements should not be kept secret. On the other hand we do not see any need to formally authorise or require affiliated churches in the affiliation agreement to make reference to their affiliation with the Diocese. To this end we agreed that –

- (a) each Sydney Diocesan Yearbook should include a list of affiliated churches existing at the end of the previous calendar year and the names of the pastors of those churches, and
- (b) the affiliation agreement should otherwise remain silent as regards any public expression of affiliation by the other party.

Professional standards

29. The Professional Standards Unit has, from time to time, offered assistance and answered inquiries from affiliated churches concerning professional standards matters. The feedback from our affiliated churches suggests this is a helpful resource for them.

Conclusions and recommendations

30. The possibility of affiliating with the Diocese has generally been well received among independent evangelical churches. We are encouraged that 6 such churches have taken the step of formally expressing their partnership in the gospel with us through affiliation. Others may take this step in due course.

31. It is now clear that many of the benefits which the Synod initially contemplated could be provided to affiliates under the Ordinance can not readily be provided. There are a number of reasons for this. However perhaps the most significant factor is that the provision of a number of the benefits would be essentially inconsistent with the status of our affiliates as independent churches (eg, insurance cover).

32. There is undoubtedly more work that needs to be undertaken to ensure that the benefits which the Diocese can provide to our affiliates represent the most useful way of expressing our partnership in the gospel with such churches. Consultation with our affiliates about these matters is needed and, if appropriate, changes to the nature of our relationship with our affiliates made.

33. It is recommended that this report be received by the Synod and that the following motion be moved at the Synod “by request of the Standing Committee” –

“Synod warmly welcomes, as an expression of our partnership in the gospel, the formal affiliation between this Diocese and the following churches –

Northern Lakes Evangelical Church

Albury Bible Fellowship

The Point Community Church

The Lakes Evangelical Church

Maitland Evangelical Church

Stanthorpe Evangelical Community Church

and requests the Standing Committee to consult with each of our affiliates about the ways in which our partnership in the gospel can be strengthened and to report back to Synod next year about any action taken for this purpose.”

For and on behalf of the Standing Committee

ROBERT WICKS

Diocesan Secretary

29 August 2008