

Bishopscourt

(A report from the Standing Committee.)

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 Bishopscourt 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 Bishopscourt (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, Bishopscourt 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 Bishopscourt 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 Bishopscourt 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 Bishopscourt. If it is retained it will not only commit considerable capital resources which could be used for other urgent needs, but present a continuing maintenance and conservation problem.”

However, in Oct 1991 Archbishop Robinson wrote to the EOS Committee saying –

“I accept the view that Bishopscourt should be retained only if this can be done in a way consistent with the other demands of the Endowment, but my experience has led me to believe that the advantages of the present residence for the Archbishop’s task are very great, and could not easily, if at all, be had in any alternative arrangement.”

In November 1991 the Standing Committee received a report from the EOS Committee recommending “that Bishopscourt be retained as the residence for the Archbishop of Sydney and that this residence be offered to the new Archbishop as his official residence.”

In February 1992 the EOS Committee offered a fuller explanation for its previous recommendation, noting –

- (a) the Committee was not of one mind concerning the desirability in the long term of retaining Bishopscourt as a residence for the Archbishop of Sydney,
- (b) arguments for – size and convenience for hospitality, location, parking, history, possible unwelcome media attention a sale would attract, suitability for ministry,
- (c) arguments against – cost of maintenance, amount of capital tied up, long term heritage related costs, general size and style not suitable for the principal Minister of a Christian church at this time,
- (d) the Committee was, however, in agreement that (due to the general economic climate and poor state of the property market) this was not the time to sell the property.

In March 1992 the Standing Committee voted 20:19 that “Bishopscourt be offered to the next Archbishop as his official residence, but with the proviso that a change of residence might be required in the course of his episcopate.”

In August 1992 the Standing Committee rescinded its resolution of the previous March and resolved “that the residence for the next Archbishop be a house ... approved by the Standing Committee after consultation between the next Archbishop and the trustee of the EOS after his election.”

In April 1993 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.