

Funding for Urban Renewal

42/15 Ministry progress and brownfields' grants

(A report from the Standing Committee.)

Key Points

- In 2015, Synod received the “Ministry Progress and Brownfields Grants” report, and noting that 70% of the growth in new housing in Sydney is anticipated to be in brownfield areas, requested that Standing Committee develop –
 - recommendations for Synod 2016 as to how capital could be raised for the development and expansion of church facilities in brownfield areas, and
 - appropriate criteria that could be used to ascertain suitable and strategic parishes to receive such an investment
- Several sources of funding and various funding models were examined, with most deemed to be unfeasible as a realistic source of funds at this time. Ultimately, the report proposes that –
 - a fund be established from which grants are made to parishes to enable the expansion of facilities, seeded from \$2.5m and \$1m drawdowns of the Diocesan Endowment over the next two years respectively, with capital then maintained by incrementally increasing over 3 years the current 2% Land Levy to a total 4% “Diocesan Development Levy”
 - a new committee, Expanding Churches for Expanding Communities, is constituted to administer the approval of grants, utilising transparent and objective criteria to assess applications
- The proposed fund is forecast to enable a further 20 parishes per decade to expand their facilities (in contrast to the 3 parishes that have successfully raised funds for significant developments by their own means or without selling property in the last decade)

Purpose

1. The purpose of this report is to propose the establishment of a fund to enable the expansion of existing church facilities, to be funded from a parish levy and special capital appropriations from the Diocesan Endowment.

Recommendations

2. That Synod receive this report.
3. That Synod consider the following motion to be moved “by request of the Standing Committee” –

‘Synod, noting the report “Funding for Urban Renewal” –

 - (a) notes –
 - (i) that 70% of the growth in new housing in Sydney is anticipated to be in Brownfields areas, and
 - (ii) the urgent desire to introduce more people to Jesus,
 - (b) requests that Standing Committee –
 - (i) re-badge the existing “Land Levy” to be the “Diocesan Development Levy,” and that this Levy increase from the current 2% to 3% in 2018, then to 3.5% in 2019, and then to 4% in 2020 and subsequent years, with the excess over 2% being used to establish and replenish a new “Expanding Churches for Expanding Communities” (“ECEC”) Fund,
 - (ii) appropriate from the Diocesan Endowment \$2.5m in 2018, and a further \$1m in 2019, to be used for the ECEC Fund,
 - (iii) establish the “Expanding Churches for Expanding Communities” Committee, to be comprised of 7 persons (1 Archbishop’s appointment, 3 clergy elected by Synod, and 3 lay people elected by Synod), having a term of 3 years, with one clergy and one lay member retiring each year, but being eligible for re-appointment for up to three consecutive terms,

- (iv) inform all parishes annually of the availability of the ECEC grant scheme and process by which applications can be received,
 - (v) adopt the process, criteria and weightings outlined in the schedule to this report for the selection of successful grant applicants,
 - (vi) establish and resource (including the ability to engage appropriate consultants) a separate group that supports parishes in managing their property in order to rejuvenate the Diocese,
 - (vii) amend the Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance for all relevant years so as to reflect the resolutions of the Synod,
- (c) requests the Large Receipts Policy Committee to –
- (i) consider a model for the proposed Large Receipts Levy (due for consideration by 2020) which provides additional funds for ECEC, and
 - (ii) bring a proposal to Synod by 2018.’

4. That Synod consider the following procedural motion to be moved “by request of the Standing Committee –

‘Synod agrees, for the purpose of considering the motion regarding “Funding for Urban Renewal”, to Bishop Michael Stead and Rev Gavin Poole providing a joint presentation, with visuals, for up to 15 minutes opposing the motion, immediately after the mover and seconder have spoken and suspends so many of the business rules which would prevent these arrangements.’

Background

5. The Diocese has made considerable progress in developing infrastructure to support the proclamation of the gospel in a rapidly changing city. At a macro level, we now have in place a 2% Land Levy on parishes that enables the acquisition of land in Greenfields sites through the Mission Property Committee. Furthermore, New Churches for New Communities (NCNC) is raising funds to build ministry centres on these sites.

6. However, the original “Brownfields report” identified that 70% of the growth of Greater Sydney will occur in existing urban areas. This is readily evidenced by the increasing density that is occurring in many suburbs in Greater Sydney. The Diocese currently has little in place to support the development and expansion of infrastructure for existing parishes.

7. In 2007, there was a \$20m drawdown of the Diocesan Endowment. Approximately half was used to fund the acquisition of Greenfields sites and the other half contributed towards the building projects of 10 existing parishes. The Brownfields report in 2015 was instigated at the request of Synod to explore the effectiveness of these “Brownfields” grants.

8. Part of this research was the compiling of significant parish building projects over the previous decade, and how they were funded. Appendix A in this report lists the parish building projects over \$1.5m that occurred over the period 2005-2014. It demonstrates the difficulty of parishes funding such projects without the external help of grants or without selling other property assets. Only three projects over this decade-long period have been funded entirely by fundraising and borrowings. Outside of the Northern Region, only one parish was able to do so. Further, all three parishes are ranked using the SEIFA index (the ABS measure “Socio-Economic Indexes for Areas”) as being in the top 20% of NSW. The “Funding for Urban Renewal” (FUR) committee was established by Standing Committee to explore the possibilities that may exist to enable more churches to expand their facilities. Notably, the Greenfields land purchase strategy has been able to continue because of the recurring 2% Land Levy.

9. In addition to providing smaller unsecured loans to parishes, the Finance and Loans Board currently provides a report to Standing Committee that accompanies proposed mortgaging ordinances. Using their existing criteria, they have independently expressed the view that it is difficult for parishes to fund (solely by internal fundraising and borrowings) typical building programs. The Finance and Loans Board would expect that the total annual revenue of a parish of \$1m is required to achieve a typical \$3m building project.

10. Using the 2014 receipts data, only 13 parishes (out of a total of 270 parochial units) would meet such a criterion. When considering project funding, one must also consider the necessity of having a 10% contingency buffer, as well as the upfront requirement to fund the 10% GST on the project. Regardless of the precise project size and even if the criterion was relaxed, it is very difficult for parishes to fund expansion (not just upgrades) without land sales or external assistance. Appendix A demonstrates the reality that very few parishes have successfully expanded without external help or land sales. Appendix B demonstrates that very few parishes are likely to be able to in the future in the form of a sensitivity analysis that varies the project size and total parish income.

11. The Brownfields report identified the more restrictive policies being introduced in various Local Government Councils as they pertain to the development of churches (“places of public worship”). The announcement of Council amalgamations in 2016 will accelerate this movement. For example, one church that lodged a Development Application (DA) with its Local Government Area (LGA) was then reclassified to be part of a new LGA. While the new LGA had more restrictive policies for church development, it assessed the DA under the policies of the original LGA. Over time, new Councils will consolidate their planning instruments which may include more restrictive policies for church development.

12. At its session in 2015, the Synod received the Ministry Progress and Brownfields Grants Report, and passed resolution 42/15 in the following terms –

“Synod gives thanks to God for the contribution of \$9.32m from the Diocesan Endowment in stimulating some \$43m in parish building projects, which has facilitated enhanced new ministry opportunities, measured by notable increased attendance and offertory growth in a number of those churches.

Further, noting –

- (a) the report regarding Ministry Progress and Brownfields grants, and
- (b) that 70% of the growth in new housing in Sydney is anticipated to be in brownfield areas, and
- (c) the urgent desire to introduce Jesus to more people,
Synod requests that Standing Committee, in consultation with the Strategic Research Group and any other necessary parties, develop –
 - (a) recommendations for Synod 2016 as to how capital could be raised for the development and expansion of church facilities in brownfield areas, and
 - (b) appropriate criteria that could be used to ascertain suitable and strategic parishes to receive such an investment.”

13. At its meeting on 16 November 2015, the Standing Committee constituted a committee comprising the Rev Raj Gupta, Mr Geoff Kyngdon, the Rev Stephen Semenchuk, the Rev Zac Veron and Ms Nicola Warwick-Mayo, with power to co-opt, to undertake the work requested in resolution 42/15 and report to a future meeting of the Standing Committee.

14. The committee determined that a more appropriate name for its work would be ‘Funding for Urban Renewal’ (FUR). The term ‘Brownfields’ usually refers to the cleaning up of chemical sites in preparation for development. The work of the committee, however, is to facilitate the expansion of the facilities of existing churches. The term ‘Urban Renewal’ is intended to include any parish that is not considered a Greenfields site, and should not be limited to those areas experiencing rapid urban growth.

Funding of Urban renewal

15. The committee explored a number of options to supplement parish fundraising, that were ultimately ruled out. A summary of these follow –

- (a) *Drawdown on Diocesan Endowment*

While it is noted that the Diocesan Endowment (DE) now has over \$150m in net assets, the view was formed that a large drawdown is not an appropriate avenue to consider pursuing at this time. The Glebe Administration Board updated the Standing Committee in May 2016 concerning the Diocesan Endowment. It reported that the “GAB has advised its stakeholders that the maintenance of the real value will be measured over rolling 10 year periods, the first of which commenced on 1 July 2010.” On this basis, the report noted that, at 31 December 2015, the actual net assets of the DE exceeded the real value by \$35m in total, or by \$11m (excluding the respective values of St Andrew’s House). However, this stated objective must also be understood in the context of the longer term performance of the DE. For this reason, the FUR committee is not recommending larger drawdowns.

In the interests of providing information to Synod members, the FUR Committee has sought comment from the GAB about the effect of either a one off \$10m drawdown (which is envisaged could help around 10 parishes) or two successive drawdowns of \$2.5m and \$1m over 2 years. The smaller drawdowns amount to 1.7% and 0.7% of the net assets of the DE, and the committee’s view is that this should have negligible impact on distributions from the DE.

(b) *Fundraising*

Consideration was given to direct fundraising from parishioners across Anglican churches. However, in view of the diocesan organisations already fundraising within the Sydney Anglican community, as well as local parish fundraising activities, this option was not thought feasible.

(c) *Redeploy "Lazy Assets"*

Noting the results of the "New Capital Project" that was conducted more than a decade ago, it was thought unrealistic to expect a release of funds to the Diocese from the redeployment of lazy assets held by parishes. However, the Committee identified that there is a larger issue related to the management of lazy assets within parishes, and agreed that part of the Committee's report to Synod should include a recommendation that a separate group be established and resourced to support parishes managing their property in order to rejuvenate the Diocese.

(d) *Underwrite Loans*

Some time was also given to considering the underwriting of loans to parishes. It was noted that parishes currently seem able to meet the criteria of commercial lenders, and the provision of adequate security does not seem to be the stumbling block. Accordingly, there seems little advantage to be gained by such loans being underwritten.

(e) *Interest Free Loans*

The committee also undertook extensive modelling to determine if a fund could be established to provide interest free loans to parishes for such development. A number of issues arose as a result of this modelling.

First, the monies required to provide the initial capital to the fund could not easily be sourced without resorting to the same options the Committee was exploring. Second, there was a conflict in the loan term to parishes between affordability and fund replenishment. From the point of view of the replenishment of the fund, short loan periods were preferable. However, from a parish perspective, shorter loan periods would necessitate higher loan repayments at the very time the parish was already burdened with commercial loan repayments and potential investment in ministry staff as the church grows. Third, in the context of parish facility expansion, the funding issue for parishes is not in how much they can borrow, but rather their ability to generate their own funds to supplement the borrowing and enable loan repayment.

Providing parishes with additional loan funds (albeit interest free) merely increases their repayment burden into the future. This is highlighted in Appendix B which shows the difficulty of most parishes to fund significant projects and service the required loans. The Committee concluded that it would be more beneficial to provide parishes with a grant than a loan.

16. Noting that assistance for the appropriate development and expansion of existing churches can be considered as a missing piece in the current Diocesan strategy, the funding proposal that was considered most feasible was to re-badge the current 2% "Land Levy" to be a "Diocesan Development Levy," and for it to have small incremental increases over a 3-year period until it reaches 4%. In an environment of relatively low wage growth, the impact of such increases would be minimised for parishes if implemented at this time, and over time. In this way the parishes of the Diocese working together would provide a pool of around \$2m annually, as a percentage of net receipts, to fund a grant scheme for the expansion of existing churches, while maintaining the existing 2% levy for Greenfields sites. It is proposed that such a scheme be based on quantitative criteria, and an open transparent process, which is addressed below. Such a scheme would typically be limited to fund up to 50% of the total project cost.

17. The Ministry Progress and Brownfields Grants Report observed the significant leveraging impact that the 2007 grants stimulated. Taking the parishes with an adult attendance of more than 200 (excluding Broadway), the grant stimulated a project building value 3.5 times the grant amount. Another way to look at the impact is that, 5 years on, the grant enabled an annual "return on investment" of 32%. While past performance is no guarantee of future returns, a scheme of grant funding of \$2m annually may enable parish building projects of \$7m annually, with the remainder of the funds being provided predominantly through increased local giving, or through fundraising in order to repay loans.

18. Current circumstances suggest that it is important to act now to encourage the funding of urban renewal projects: historically low interest rates provide a unique opportunity to encourage such investment, while at the same time it is expected that the current Council amalgamations will accelerate the tightening of local council development controls for churches. An overarching driver is the first priority of Mission 2020: "Reach all the lost in our Diocese with the life-giving gospel of Christ." Accordingly, while large drawdowns from the Diocesan Endowment may not be considered feasible, it is proposed to seed fund the gradual

increase of the proposed "Diocesan Development Levy" from the Diocesan Endowment to enable such a scheme to take advantage of the current opportunities.

19. The committee produced two options to fund a Diocesan Development Levy, outlined below, and after consideration is recommending Option 1.

- (a) Option 1: Drawdowns from the Diocesan Endowment of 1.7% and 0.7% in 2018 and 2019 respectively.

Year	Total Diocesan Development Levy incl. Greenfields Land	Proposed Drawdown from DE	Total est. funding for ECEC	Potential no. of parishes enabled to develop
2016	2%	Nil	Nil	Nil
2017	2%	Nil	Nil	Nil
2018	3%	\$2.5M	\$3.5M	3-4
2019	3.5%	\$1M	\$2.5M	2-3
2020	4%	Nil	\$2M	2

- (b) Option 2: Larger drawdowns from the Diocesan Endowment to enable a more widespread and greater immediate impact.

Year	Total Diocesan Development Levy incl. Greenfields Land	Proposed Drawdown from DE	Total est. funding for ECEC	Potential no of parishes enabled to develop
2016	2%	Nil	Nil	Nil
2017	2%	Nil	Nil	Nil
2018	3%	\$5M	\$6M	6-7
2019	3.5%	\$3M	\$7.5M	8
2020	4%	\$2M	\$4M	4
2021	4%	Nil	\$2M	2

Survey of clergy regarding this proposal

20. In an effort to determine the appetite for a proposal of this nature, more than 50 rectors were surveyed as to their views, and in particular if they would support such a proposal (Option 1, as above) at Synod. The responses were overwhelming favourable. The following table summarises their responses –

	No of responses	% of responses
Favourable	39	76%
Open to considering	6	12%
Against	6	12%
Total	51	100%

21. During the survey, many of those who responded also suggested the need for a transparent process and criteria to assess the recipients of Diocesan funds. A process which addresses this need is suggested below.

22. Some of those who responded also suggested consideration be given to applying the proposed levy to parishes on a sliding scale. While this may assist some parishes, a sliding scale also has a larger impact on others. Accordingly, it is the view of the committee that a flat application of the proposed levy would be preferable, having the additional benefits of being simpler to implement and administer. Nonetheless, in order to allow the Synod to consider this possibility if desired, the following alternative would raise a similar amount of funds for the ECEC Fund (and maintain \$2m annually for Greenfields Land purchases).

Diocesan Development Levy using Sliding Scale					
Year	Net Operating Receipts (NOR)			ECEC funds (using 2014 NOR)	
	Less than or equal to 300,000	300,001- 400,000	Over 400,000	Diocesan Endowment Drawdown	Total ECEC (DE plus Levy)
2016	2.0%	2.0%	2.0%	Nil	Nil
2017	2.0%	2.0%	2.0%	Nil	Nil
2018	2.2%	3.0%	3.0%	\$2.5m	\$3.3m
2019	2.4%	3.5%	4.0%	\$1.0m	\$2.5m
2020	2.5%	4.0%	4.5%	Nil	\$2m

23. The Strategic Research Group has been consulted.

Appropriate criteria and transparent process

24. An integral part of this proposal has been the consideration of appropriate criteria to enable the strategic use of limited funds. Previous Diocesan experience and the Brownfields Report identified a number of factors that contribute to a parish being suitable and strategic in this regard. A proposed process for the assessing of grant applications is included as a Schedule to this report. It seeks to utilise the strategic factors, be transparent, and be open to all parishes to apply. It is noted that many parish buildings may have capacity to cater for growth. It is for this reason that capacity is a key factor in assessing applications.

25. Critical to the implementation of this process, is the establishment of a new Diocesan committee, the "Expanding Churches for Expanding Communities" Committee. This committee would be tasked to apply this process and criteria to applications for grant funding, in order to determine which parishes should be successful each year. The proposed committee should have the following membership: 7 persons (1 Archbishop's appointment, 3 clergy elected by Synod, and 3 lay people elected by Synod), having a term of 3 years, with one clergy and one lay member retiring each year, but being eligible for re-appointment for up to three consecutive terms. The proposed committee would ideally incorporate skills such as town planning, strategic ministry practices and architectural creativity.

Large receipts levy

26. Noting that a further source of funds for funding urban renewal may be found in the proposed Large Receipts Levy (currently due for the consideration of Synod by 2020), the committee also recommends that Synod ask the Large Receipts Policy Committee to –

- (a) consider a model for the proposed Large Receipts Levy which includes opportunities to provide additional funding for the ECEC Fund, and
- (b) bring a proposal to Synod by 2018 instead of 2020.

Comments on the proposal from various diocesan stakeholders

27. As part of its consideration of this proposal, the Standing Committee –

- (a) requested the Glebe Administration Board to undertake modelling of the impact of appropriating capital from the Diocesan Endowment, as outlined in this proposal,
- (b) requested the Diocesan Resources Committee to consider the implications of this proposal on other funding arrangements, and
- (c) invited the Mission Property Committee to provide comments on this proposal, and
- (d) invited the Anglican Church Property Trust to provide comments on this proposal.

The modelling referred to in paragraph (a) and the advice and comments referred to in paragraphs (b), (c) and (d) are set out in appendices C, D, E and F respectively.

For and on behalf of the Standing Committee.

THE REV RAJ GUPTA
Chair, Funding for Urban Renewal Committee

24 August 2016

SCHEDULE

Expanding Churches for Expanding Communities**Process to assess applications for Diocesan funding of “urban renewal” projects.**

The characteristics of a project that is likely to be considered favourably are as follows –

Typically, the project will –

- (a) cost over \$1m,
- (b) result in capacity increase of at least 30% of “auditorium” space and / or associated facilities,
- (c) be at least 50% funded by the parish, with a maximum grant of \$1.25m, and
- (d) address any need for accessibility to the church through increased car parking spaces if public transport is inadequate.

Typically, the parish will –

- (a) have a documented ministry strategy in place,
- (b) be able to provide a letter of support from the regional Bishop,
- (c) not have received a Diocesan grant / assistance in the previous 10 years,
- (d) be willing to commit appropriate levels of all of its available capital resources (including lazy assets and reserves),
- (e) have demonstrated the ability to secure and service any borrowings required, and
- (f) have a commitment from the rector that he is willing to stay long term.

The Expanding Churches for Expanding Communities Committee will provide an initial assessment and prioritisation of applications, in alignment with Mission 2020, using the following criteria –

Leadership and Capacity criteria

- (a) Leadership - the most recent NCLS newcomer statistic provides some objective indication about the missional effectiveness of current leadership.

$$A = (\text{NCLS Newcomer level for parish}) / (\text{Diocesan average})$$

- (b) Capacity constraints - A focus for capacity constraint in the main “auditorium” / nave, particularly as it constrains the largest congregation.

$$B = (\text{Average weekly attendance incl. kids of largest congregation}) / (75\% \text{ of seating capacity})$$

- (c) Attendance - building projects are more successful in parishes with an adult attendance that is over 200, where the ability of facilities to offer programs is greater.

$$C: \text{Under } 100 = 1; 101-150 = 1.5; 151-200 = 2; 201-250 = 3; 251+ = 3.2$$

Demographic and strategic investment criteria

- (d) Population growth of LGA (projected) - It is more prudent to assist projects that are occurring in suburbs with growing population. The NSW Department of Planning & Environment publishes Population Projections Data that includes projected population estimates for each Local Government Area (LGA).

$$D: \text{High (annualised LGA growth 2016-2026 } \geq 1.8\%) = 1.2;$$

$$\text{Medium (annualised LGA growth 2016-2026 exceeds } 1.3\%, \text{ less than } 1.8\%) = 1.1;$$

$$\text{Low (annualised LGA growth 2016-2026 } \leq 1.3\%) = 1.0$$

- (e) Internal fundraising potential - Parishes in higher socio-economic areas have a greater ability to raise funds internally. Parishes ranked in a higher State socio economic percentile band are given a lower weighting on this measure. The ABS SEIFA index (Socio-Economic Indexes for Areas) provides an objective measure for every suburb in Australia.

$$E: \text{SEIFA of } 91-100\% = 0.5; 81-90\% = 0.6; 71-80\% = 0.9; 61-70\% = 1; 51-60\% = 1.1; 41-50\% = 1.2; 31-40\% = 1.3; 21-30\% = 1.4; 11-20\% = 1.5; 0-10\% = 1.6$$

- (f) Leverage of Diocesan Grant Investment - parishes proposing to provide more funds will be favoured.

F: >40% = 1.0; 30.1-40% = 1.1; 20.1-30% = 1.2; 10.1-20% = 1.3; <10% = 1.5

The initial assessment and prioritisation of projects will be assessed with this formula from these objective criteria: **(A+B+C) x (D+E+F)**.

Using this formula, parishes must score a minimum of 15 points to be eligible. Beyond this, the initial assessment and prioritisation of projects is determined by a simple descending ranking using this score.

Final assessment and determination will comprise a review of the highly desirable characteristics in conjunction with the initial assessment, together with any special circumstances. For example, it might not be prudent to provide a grant to a parish with lazy assets. Excessive variations from the indicative initial assessment will be referred to Standing Committee for approval.

Examples of the application of the initial assessment criteria

The scheme would be available to all parishes. Consider the following examples –

- (a) Parish Alpha is in a low socio-economic area, with a SEIFA ranking in the lowest 12% of the state. It has a small “auditorium” capacity of 100, and yet its family congregation averages 120 adults and children. The total average adult attendance of the parish is 150. Its evangelistic thrust is indicated by a newcomer level of 15%. The area is on the South West train line and areas of the suburb have recently been rezoned for high rise residential, so its population growth projections are higher than most. The parish is desiring to undertake a \$2m building project to expand its facilities, and is applying for a \$1m grant.
- (b) Parish Beta is a larger parish of 340 adults (average attendance) in a lower socio economic area, with a SEIFA percentile in the lowest 21% of the state. Its family congregation averages 210 adults and children in an “auditorium” that has a seating capacity of 300. The local Council has recently rezoned substantial areas within the parish for high rise units, meaning that the surrounding area is projected to have a high population growth. The parish conducted its own NCLS mid-point review survey, which revealed a newcomer level of 13%. It is applying for a grant of \$1.25m, to be put toward a \$5m building project.
- (c) Parish Gamma is a smaller parish located in a wealthier part of Sydney. The suburb has a SEIFA that puts it in the 70% percentile band (that is, it is better off than 70% of other suburbs in NSW). Its primary congregation sees an average attendance of 110 adults and children, in an “auditorium” with a seating capacity of 150. The overall average adult attendance of all congregations is 180. The population projections for the LGA are more modest. Yet, it has had significant evangelistic impact, with a newcomer level of 20%. It is seeking an \$800,000 grant to help fund a \$2m expansionary building project.
- (d) Parish Delta has a newcomer level of 5%. The primary congregation is 70 adults and children, in an “auditorium” with a seating capacity for 150, and overall parish size of 140 adults (average attendance). It is in an LGA ranked as low growth, and is seeking \$1m grant toward its \$3m building program. The parish is in a relatively wealthy area, having a SEIFA percentile band of 90%.

The following table indicates how each of these scenarios would be scored in the initial assessment and prioritisation process –

	Parish Alpha	Parish Beta	Parish Gamma	Parish Delta
A: Leadership	.15/.09 = 1.67	.13/.09 = 1.44	.20/.09 = 2.22	.05/.09 = 0.56
B: Capacity constraints	120/(75% x 100) = 1.60	210/(75% of 300) = 0.93	110/(75% of 150) = 0.98	70/(50% of 150) = 0.62
C: Attendance	150 → 2	340 → 3.2	180 → 2	140 → 1.5
D: Pop. projected	High → 1.2	High → 1.2	Low → 1.0	Low → 1.0
E: Internal fundraising potential	SEIFA at 12% → 1.5	SEIFA at 21% → 1.4	SEIFA at 70% → 1.0	SEIFA at 70% → 0.6
F: Leverage of investment	1,000,000 / 2,000,000 → 1.0	1,250,000 / 5,000,000 → 1.2	800,000 / 2,000,000 → 1.1	1,000,000 / 3,000,000 → 1.1
Formula (A+B+C) x (D+E+F)	19.49	21.20	16.12	7.23

Three of these parishes exceed the 15 point minimum. Initial assessment would suggest that Parish Delta should not be eligible. The prioritisation of the initial assessment will depend on the other parishes that have applied. This formula would be explicit on the application form.

FUNDING OF SYDNEY ANGLICAN CHURCH BUILDING PROJECTS (GREATER THAN \$1.5M) 2005-2014

Parish	Project	Completion Date	Project Total (\$AUD)	Funding of Project				
				Internal Fundraising (\$)	Loan (\$)	Diocesan Grant (\$)	Property sale (\$)	Other (\$)
Broadway	New church building	Apr 2012	18,500k	3,900k	1,500k	1,750k	2,300k	9,050k
Hoxton Park	New ministry centre	Dec 2008	5,280k			1,400k		3,880k
North Sydney	St. Thomas Ministry Centre	Dec 2012	4,400k	1,200k	3,200k			
Naremburn / Cammeray	New church / administration facilities	Jan 2010	3,900k	3,125k	250k	500k		25k
Bowral	New ministry centre	May 2015	3,800k	1,800k	200k		1,800k	
Rooty Hill	New ministry centre	Apr 2010	3,300k	900k	1,250k	1,150k		
Dapto	New ministry centre	Aug 2011	3,300k	1,100k	1,100k	1,100k		
Berowra	New ministry centre	Sep 2011	3,000k	1,500k	600k	900k		
Normanhurst	New ministry centre	Aug 2014	2,700k	1,300k	1,400k			
Glenmore Park	New auditorium	Dec 2011	2,400k	300k	1,200k	900k		
Neutral Bay	Hall alterations & additions	Apr 2014	2,400k	800k	600k		1,000k	
Annandale	Church alterations & additions	Sep 2009	2,400k	400k	1,000k	1,000k		
Lower Mountains	New ministry centre	Mar 2014	2,385k	235k	1,000k		1,150k	
Chatswood	Hall alterations & additions	Mar 2015	2,210k	1,050k	460k		700k	
Dee Why	New parish centre	Apr 2008	2,000k	1,200k			800k	
Kiama	New hall / ministry Centre	Aug 2013	1,750k	1,050k	700k			
Watsons Bay	Hall alterations & additions	Mar 2014	1,675k	75k			1,600k	
Smithfield Road	Church alterations & additions	Aug 2013	1,600k				1,600k	

FINANCE & LOANS BOARD INDICATIVE ASSESSMENT OF BUILDING PROJECT SIZE

Net Operating Receipts (NOR) Range (\$)		No of Parishes in NOR Range	Project Size						
			\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000	\$3,500,000	\$4,000,000
Over	2,000,000	1	1	1	1	1	1	1	1
1,900,000	2,000,000	0	-	-	-	-	-	-	-
1,800,000	1,900,000	0	-	-	-	-	-	-	-
1,700,000	1,800,000	3	3	3	3	3	3	3	3
1,600,000	1,700,000	0	-	-	-	-	-	-	-
1,500,000	1,600,000	1	1	1	1	1	1	1	1
1,400,000	1,500,000	2	2	2	2	2	2	2	2
1,300,000	1,400,000	1	1	1	1	1	1	1	1
1,200,000	1,300,000	1	1	1	1	1	1	1	-
1,100,000	1,200,000	1	1	1	1	1	1	1	-
1,000,000	1,100,000	3	3	3	3	3	3	-	-
900,000	1,000,000	5	5	5	5	5	-	-	-
800,000	900,000	6	6	6	6	6	-	-	-
700,000	800,000	9	9	9	9	-	-	-	-
600,000	700,000	12	12	12	12	-	-	-	-
500,000	600,000	12	12	12	-	-	-	-	-
400,000	500,000	24	24	-	-	-	-	-	-
300,000	400,000	37	37	-	-	-	-	-	-
200,000	300,000	62	-	-	-	-	-	-	-
100,000	200,000	74	-	-	-	-	-	-	-
-	100,000	13	-	-	-	-	-	-	-
Total		267							
Without assistance			118	57	45	24	13	10	8
With 50% grant (max \$1m)			254	180	118	57	45	24	13

Glebe Administration Board – 42/15 Ministry Progress and Brownfields Grants

Key Points

- On 25 July 2016 the Standing Committee requested, among other things, that GAB undertake modelling of the impact of special appropriations of \$3.5 million from the Diocesan Endowment as proposed by the Funding for Urban Renewal Committee.
- GAB instructed Mercer to undertake the relevant modelling.
- The modelling shows that if special appropriations of \$3.5 million are made (thus reducing the net assets of the Diocesan Endowment) and the diminution of the value of the net assets is to be recovered over the 10 year period from 2017 to 2026, then the ordinary distributions in each year from 2018 to 2026 will need to be reduced by an amount of about \$600,000 compared to the level of ordinary distributions projected to be available if the special appropriations were not made.
- If special appropriations of \$3.5 million are made, but the diminution in the value of the net assets of the Diocesan Endowment is not to be recovered, the ordinary distributions for each year from 2018 to 2026 will need to be reduced by \$100,000 to \$200,000 per year compared to the level of ordinary distributions projected to be available if the special appropriations were not made.

Purpose

1. The purpose of this report is to advise the Standing Committee of the modelling undertaken by Glebe Administration Board (“GAB”) at the request of the Standing Committee of the impact of appropriating a total amount of \$3.5 million by way of special appropriations from the Diocesan Endowment, as proposed by the Funding for Urban Renewal Committee (the “FUR Committee”).

Recommendation

2. Standing Committee receive this report.

Background

3. The FUR Committee has recommended to the Standing Committee that, in relation to Synod resolution 42/15, a fund be established from which grants are made to parishes to enable the expansion of facilities, to be seeded with special appropriations of \$2.5 million and \$1 million from the Diocesan Endowment over the next two years.
4. The FUR Committee had sought comment from GAB about these proposed appropriations. GAB had advised (so far as is presently relevant) –
 - (a) GAB considered that it is the prerogative of the Standing Committee, by ordinance, to appropriate for the purposes of the Diocese, such capital from the Diocesan Endowment as the Standing Committee considered appropriate.
 - (b) Having regard to the obligation of GAB under the *Glebe Administration Board Ordinance 1930* to maintain the real value of the remaining capital of the Diocesan Endowment, it would be expected that any appropriation of capital would reduce future distributions from the Endowment.
 - (c) GAB recommended that the Standing Committee ask GAB to undertake modelling of the impact of appropriating capital from the Diocesan Endowment to enable the Standing Committee to be better informed before any such appropriation is made.
5. On 25 July 2016 the Standing Committee requested, among other things, that GAB undertake modelling of the impact of the proposed appropriations of \$3.5 million on projected future distributions from the Diocesan Endowment.

Results of the modelling

6. GAB engaged Mercer to undertake the modelling requested by the Standing Committee.
7. The modelling was undertaken on the basis of the following assumptions –
 - (a) Net assets (prior to any special appropriation) of \$152.2 million (being the value of the net assets of the Diocesan Endowment as at 30 June 2016).
 - (b) A consistent annual investment return of CPI plus 3.5% per annum.
 - (c) CPI of 2.4% per annum.
 - (d) A portfolio structure of 65% growth assets and 35% defensive assets.
 - (e) The real value of the Diocesan Endowment to be maintained over 10 years with at least a 70% probability.
 - (f) A modest smooth increase in total spending each year over the next 10 years.
8. In undertaking their modelling, Mercer applied its latest asset class return assumptions which, in the case of some asset classes, assume lower future returns than were projected when the triennial review of the investments of the Diocesan Endowment was undertaken in April 2016.
9. Three scenarios were modelled by Mercer –
 - (a) The first scenario assumed that no special appropriations of the type proposed by the FUR Committee were approved. This is the base case against which scenarios providing for special appropriations can be compared.
 - (b) The second scenario assumed that special appropriations of \$3.5 million were made (which has the effect of reducing the net assets of the Diocesan Endowment) but that the diminution in the value of the net assets and foregone income thereon is recovered (by way of reductions in ordinary distributions) over the 10 year period from 2017 to 2026. Under this scenario, the appropriations of \$3.5 million are not a permanent diminution in the value of the Diocesan Endowment.
 - (c) The third scenario also assumed that appropriations of \$3.5 million were made, but that the diminution in the value of the net assets of the Diocesan Endowment was not recovered - the \$3.5 million appropriations are permanent appropriations from the Endowment.
10. A summary of the results of the modelling is attached. The modelling shows the following outcomes –
 - (a) Even if no special appropriations are made from the Diocesan Endowment, the latest asset class return assumptions indicate that it may be difficult for distributions in 2018 to be maintained at the same level as in 2017.
 - (b) If the special appropriations of \$3.5 million and foregone income thereon are to be recovered over the 10 year period 2017 to 2026, then the ordinary distributions in each year from 2018 to 2026 will need to be reduced by an amount of about \$600,000 compared to the level of ordinary distributions projected to be available if the special appropriations were not made.
 - (c) If the special appropriations of \$3.5 million are to be regarded as a permanent diminution in the net assets of the Diocesan Endowment and are not to be recovered, then the ordinary distributions in each year from 2018 to 2026 will need to be reduced by \$100,000 to \$200,000 per year compared to the level of ordinary distributions projected to be available if the special appropriations were not made.
11. Since instructions were given to Mercer to undertake the modelling, GAB was advised by the FUR Committee that it is now proposed that the timing of the special appropriations be delayed by one year. GAB has not had the modelling undertaken again. A delay of one year in the making of the special appropriations will not materially change the outcomes referred to in paragraph 10.

Comments

12. The real value of the Diocesan Endowment has not been maintained since 1975, as indicated in the graph set out in Attachment B. In part, this is because of the making of significant special appropriations in the mid 2000s. The making of further special appropriations (as proposed by the FUR Committee) will further exacerbate the failure to maintain real value over the long term.

13. While the real value of the Diocesan Endowment has been maintained since 1 July 2010, being the date on which Mercer became investment manager, it should be noted that the investment performance of the Diocesan Endowment from 1 July 2010 to date has been above long term market returns because of generally favourable market conditions. However, this performance is unlikely to be repeated in the foreseeable future and, indeed, periods of modest or even negative returns are to be expected in light of poorer prevailing investment market conditions. As GAB has previously advised the Standing Committee, over the length of a full investment cycle it remains possible (principally because of the market risk inherent in the investment process which can never be fully mitigated) that the real value of the Diocesan Endowment will not be maintained. The making of special appropriations will exacerbate this risk.
14. As indicated in paragraph 10(b), under the second scenario (being special appropriations of \$3.5 million and foregone interest thereon to be recovered over 10 years), ordinary distributions from 2018 to 2026 will need to be reduced by about \$600,000 per year, or \$5.3 million in total over that period. This is a significant reduction in ordinary distributions.
15. As indicated in paragraph 10(c), under the third scenario (being special appropriations of \$3.5 million which are permanent diminutions in the value of the Diocesan Endowment), ordinary distributions from 2018 to 2026 will be reduced by between \$100,000 to \$200,000 per year, or about \$1.3 million in total. However unlike the second scenario, these reductions in ordinary distributions are permanent. Over a long period, a reduction in ordinary distributions of between \$100,000 and \$200,000 per year totals a significant amount.
16. Accordingly, under both the second and third scenarios, the making of special appropriations today is at the expense of the opportunity to spend in future. The key difference between the scenarios is the period over which future opportunity to spend is impacted (being a large impact over the next 10 years in the second scenario, or a smaller impact in perpetuity in the third scenario).
17. If the Synod or the Standing Committee, by ordinance, determines to make the special appropriations of \$3.5 million, GAB requests that the ordinance also direct GAB as to whether the total amount so appropriated is to be recovered in the manner proposed by the second scenario, or is to be regarded as a permanent diminution in the net assets of the Endowment as proposed by the third scenario.

MARK PAYNE
Chief Executive Officer

11 August 2016

42/15 – Ministry Progress and Brownfields Grants – Results of Modelling

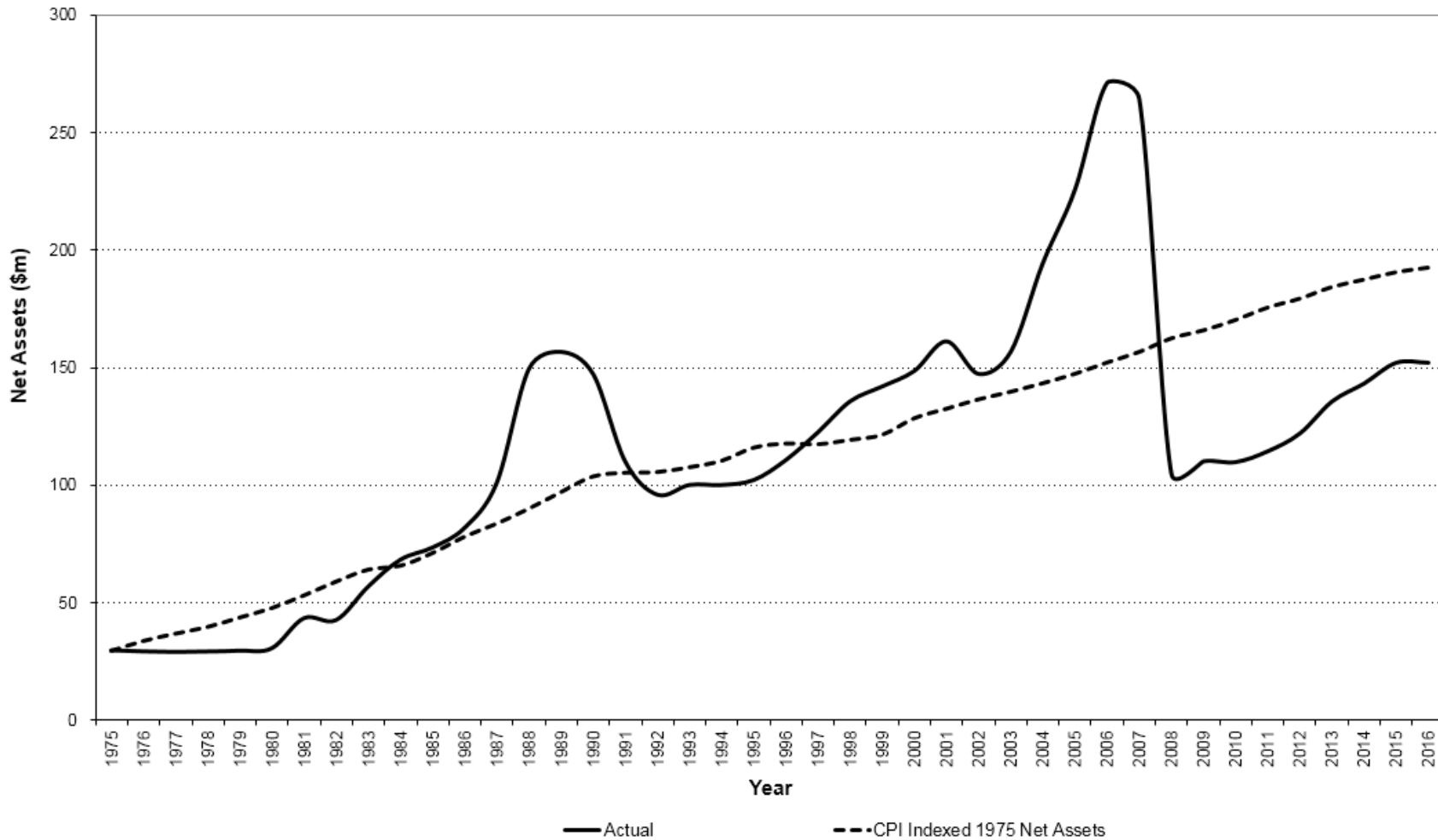
Year	No Special Appropriation			Special Appropriation of \$3.5 million – Restore diminution in net assets over 10 years			Special Appropriation of \$3.5 million – Permanent diminution of value in net assets		
	Limit of spending \$m	Estimated costs \$m	Amount available for distribution \$m	Limit of spending \$m	Estimated costs \$m	Amount available for distribution \$m	Limit of spending \$m	Estimated costs \$m	Amount available for distribution \$m
2017*	5.8	1.4	4.4	5.8	1.4	4.4	5.8	1.4	4.4
2018	5.6	1.4	4.2	5.1	1.4	3.7	5.5	1.4	4.1
2019	5.8	1.4	4.4	5.2	1.4	3.8	5.7	1.4	4.3
2020	6.0	1.4	4.6	5.4	1.4	4.0	5.8	1.4	4.4
2021	6.2	1.5	4.7	5.6	1.5	4.1	6.0	1.5	4.5
2022	6.4	1.5	4.9	5.8	1.5	4.3	6.3	1.5	4.8
2023	6.7	1.5	5.2	6.1	1.5	4.6	6.5	1.5	5.0
2024	6.9	1.5	5.4	6.3	1.5	4.8	6.8	1.5	5.3
2025	7.2	1.6	5.6	6.6	1.6	5.0	7.0	1.6	5.4
2026	7.5	1.6	5.9	6.9	1.6	5.3	7.3	1.6	5.7

* No adjustment has been made to the Limit of Spending for 2017, given that a recommendation about the amount available for distribution in 2017 has already been made to the Standing Committee.

MARK PAYNE
Chief Executive Officer

11 August 2016

VALUE OF ENDOWMENT 1975 - JUNE 2016



Diocesan Resources Committee – report on Funding for Urban Renewal proposal

Key Points

- A new/additional levy will have a detrimental effect on parishes, and further appropriations from the Diocesan Endowment will have a detrimental effect on Diocesan organisations.
- If the Funding Urban Renewal Committee's proposal is to proceed it should be considered as part of the next Statement of Funding Principles and Priorities prepared for Synod in 2017.

Purpose

1. The purpose of this report is to provide Standing Committee with advice from the Diocesan Resources Committee ("DRC") in relation to the implications on other funding arrangements of the Funding Urban Renewal ("FUR") Committee's proposal for a levy on parishes and appropriations from the Diocesan Endowment ("DE").

Recommendations

2. Standing Committee receive this report.
3. Standing Committee agree that any funding for the FUR Committee's proposal in the form of a new/expanded levy on parishes and/or an appropriation from the DE should not take effect before 2019 and be considered as part of the background against which Synod considers the next Statement of Funding Principles and Priorities (in 2017) and then the resulting Synod funding and PCR ordinances (in 2018).

Background

4. The DRC noted that at its meeting on 25 July 2016 Standing Committee –
 - (a) received a report from the FUR Committee which recommended creating a new Expanding Church for Expanding Communities Fund with a levy on parishes and appropriations from the DE, and
 - (b) requested the DRC to consider the implications of this proposal on other funding arrangements.
5. The DRC also noted that the Rev Raj Gupta had advised that since the Standing Committee meeting he had spoken to all the members of the FUR Committee and that Committee had agreed to present a revised form of their report to Standing Committee on 22 August 2016 that recommends a new/additional levy on parishes of 1% in 2018, 1.5% in 2019 and 2% in 2020 plus appropriations from the DE of \$2.5m in 2018 and \$1m in 2019.
6. The DRC agreed to advise the Standing Committee of the following implications arising from the FUR proposal –
 - (a) The proposed new/additional levy would have a detrimental impact on parishes, reducing the funds they collectively have available to support local ministry by approximately \$1,080,000 in 2018, \$1,665,000 in 2019 and \$2,290,000 in 2020.
 - (b) Based on modelling undertaken for the Glebe Administration Board by Mercer, the proposed appropriation of \$3.5 million from the DE would have a detrimental effect on organisations in 2018 and for many years thereafter if the funds available for allocation to them by Synod were reduced by either –
 - (i) \$600,000 pa (approximately 14%) for the next 10 years, if the diminution in the value of the assets of the DE is to be recovered over the next 10 years, or

- (ii) \$100,000 to \$200,000 pa indefinitely, if the diminution in the value of the assets of the DE is not to be recovered.
 - (c) 2018 is the third year of the current Synod funding triennium and these proposed new measures were not contemplated in the Statement of Funding Principles and Priorities received by Synod in 2014 as the basis for funding in this triennium. Furthermore, the proposed new measures were not included in the Synod funding and PCR ordinances passed by Synod in 2015 to give effect to those funding principles, so Synod has not had the opportunity to evaluate the relative priority of the FUR proposal against all the other purposes for which Synod funds are allocated and parishes levied.
- 7. The DRC acknowledges that its recommendation that there not be any new/expanded levy on parishes and/or an appropriation from the Diocesan Endowment (“DE”) before 2019 will have the effect of delaying the launch of the FUR proposal by a further year. On the other hand, to approve the FUR proposal before then effectively means Synod ranks this particular proposal a higher priority than every other new proposal that may emerge and higher than continuing or increasing the funding to each existing project/recipient, before even hearing the arguments for those alternatives.

BISHOP PETER HAYWARD
Chair, Diocesan Resources Committee

16 August 2016

Mission Property Committee comment on the proposal of the Funding for Urban Renewal Committee

Purpose

1. The purpose of this report is to convey the comments of the Mission Property Committee (“MPC”) regarding the proposal of the Funding for Urban Renewal Committee in response to Synod resolution 42/15, Ministry progress and brownfields’ grants.

Comments

2. The MPC, noting the request from Standing Committee, resolved (among other things) to thank the Standing Committee for the opportunity to comment about the Funding for Urban Renewal report dated 14 July 2016, and so provide the following responses –
 - (a) the MPC will not provide comment on any proposed appropriation of capital from the Diocesan Endowment and any proposed changes to the quantum or scope of the existing Land Levy as these will be for both Standing Committee and the Synod to determine,
 - (b) it is noted that in accordance with its charter the MPC is currently providing advice and support to parishes developing land, constructing or renovating ministry buildings, or contemplating land sales,
 - (c) the MPC offers assistance to assess the proposed FUR grant applications for significant parish projects noting that –
 - (i) MPC performed this function in the “2007 Brownfields Grants” and provided recommendations to the Standing Committee for the application of a \$20m appropriation from the Diocesan Endowment.
 - (ii) MPC assisted parish recipients of the 2007 Brownfield Grant funding (in conjunction with the ACPT) by overseeing and managing the delivery of the projects on time and on budget.
 - (iii) MPC assesses on an ongoing basis, the areas of the Diocese experiencing or which are likely to experience rapid increases in population and projects which are likely to lead to a rapid increase in the number of persons attending churches in the Diocese.
 - (iv) MPC engages appropriate independent professional consultants to support parishes in rejuvenating their ministry buildings.
 - (v) MPC has an existing executive management support structure provided by the Sydney Diocesan Secretariat led by the Head of Parish Property and the Manager, Parish Property who have professional backgrounds in property finance and town planning. This executive management support structure is fully funded from the activities of the Mission Property Committee.
 - (vi) It was a recommendation of post GFC findings to consider simplification of Diocesan committees and reporting structures.
 - (vii) In accordance with best practice in grant administration procedures, the Committee responsible for assessing grant applications is also required to be resourced to administer grant projects until completion, and is best placed to also provide strategic advice to unsuccessful parishes.
 - (d) it is noted, in the light of the above, that the establishment of an, “Expanding Churches for Expanding Communities” committee is not required as the functions of that proposed committee are already specified by the Mission Property Ordinance 2002 and undertaken by the Mission Property Committee under the oversight of the Standing Committee, and
 - (e) MPC recommends that Standing Committee confirm that the Mission Property Committee, under the oversight of the Standing Committee, continues to be the appropriate diocesan body to –
 - (i) receive “Land levy” funding.
 - (ii) receive any moneys appropriated from the Diocesan Endowment for Funding for Urban Renewal projects (that is, funding for significant parish projects).
 - (iii) assess grant funding applications from parishes for Funding for Urban Renewal projects.

- (iv) provide recommendations to Standing Committee in relation to the aforementioned parish grant funding applications.
- (v) exercising strategic and operational oversight of the application of the grant funding for specific projects.

MR GEOFF KYNGDON
Chair, Mission Property Committee

15 August 2016

Extract from Minutes of the ACPT Board meeting of 29 July 2016

8.3 Funding Urban Renewal (Brownfields Projects)

The ACPT Board resolved to **receive** the Funding Urban Renewal report and the following request from the Manager, Diocesan Services on behalf of the Standing Committee of Synod –

‘At its July 2016 meeting Standing Committee received the attached report regarding Funding Urban Renewal (FUR).

Consideration of recommendations (b),(c) and (d) in that report were deferred, however, Standing Committee received the following report regarding advice from the GAB and invited several organisations to provide comment regarding the proposal outlined in the report from the FUR committee.

In line with the resolution of Standing Committee below (and in particular, paragraph (c)), could I ask that you invite the ACPT to comment on the proposal attached and provide this, if possible, for the August meeting of Standing Committee?

“Standing Committee received the following report from the Diocesan Secretary –

‘At its meeting on 22 June 2016, the Glebe Administration Board (“GAB”) received from the Funding for Urban Renewal Committee an advance copy of the report being considered by Standing Committee at this meeting. The advance copy of the report was provided to enable the GAB to provide its advice in relation to the proposal in the report in accordance with Standing Committee’s policy concerning special capital appropriations from the Diocesan Endowment.

The GAB resolved to request that Standing Committee be advised as follows –

- (a) GAB considers that it is the prerogative of the Standing Committee, by ordinance, to appropriate for the purposes of the Diocese, such capital from the Diocesan Endowment as the Standing Committee consider appropriate.
- (b) Having regard to the obligation of GAB under the *Glebe Administration Board Ordinance 1930* to maintain the real value of the remaining capital of the Diocesan Endowment, it would be expected that any appropriation of capital would reduce future distributions from the Diocesan Endowment, including distributions in 2017, and that, in the case of an appropriation of \$10 million, the reduction in future distributions would be material.
- (c) GAB recommends that the Standing Committee ask GAB to undertake modelling of the impact of appropriating capital from the Diocesan Endowment to enable the Standing Committee to be better informed before any such appropriation is made.’,

and –

- (a) **requested** the Glebe Administration Board to undertake modelling of the impact of appropriating capital from the Diocesan Endowment, as outlined in this proposal,
- (b) **requested** the Diocesan Resources Committee to consider the implications of this proposal on other funding arrangements, and

- (c) **invited** the Mission Property Committee (MPC) and Anglican Church Property Trust (ACPT) to provide comments on this proposal,

and **asked** that the outcome of the modelling referred to in paragraph (a) and the advice and comments referred to in paragraphs (b) and (c) be provided if possible for the August meeting of Standing Committee, but if not, in a timeframe to enable their inclusion as appendices to any printed Synod report.”

The ACPT Board also resolved, noting the above request from Standing Committee, to **receive** the report from the Head of Parish Property, the Managers, Parish Property (James Cartwright and Scott Lincoln) dated 27 July 2016.

The ACPT Board further resolved to thank the Standing Committee for the opportunity to comment about the Funding for Urban Renewal report dated 14 July 2016, and so provides the following responses –

- (a) it is noted that the Standing Committee has authority to appropriate capital from the Diocesan Endowment for diocesan purposes and that modelling from the Glebe Administration Board has been requested about that,
- (b) it is noted that the Diocesan Resources Committee has been requested to consider the implications of the proposal on other funding arrangements,
- (c) it is noted that the Mission Property Committee has been requested to provide comments about the proposal,
- (d) it is noted that any proposed changes to the quantum or scope of the existing Land Levy will be for both Standing Committee and the Synod to determine,
- (e) it is noted that the ACPT is the trustee of funds and property held on trust for the Mission Property Committee pursuant to the terms of the *Mission Property Ordinance 2002*, and, receives quarterly updates from the Mission Property Committee about its Priority Projects and other activities in both the Greenfields and Brownfields areas of the Diocese,
- (f) it is noted that pursuant to the terms of its governing ordinance - the *Mission Property Ordinance 2002* - that the Mission Property Committee has –
- (i) 9 members of which 6 are elected by the Standing Committee and 3 appointed by the Archbishop, with the current committee being comprised of 1 clergyman and 8 lay people with a range of skills spanning property and environmental law, architecture, town planning, property development, property strategy, finance and project management.
 - (ii) as part of its functions that it provide advice and support to parishes developing land and constructing or renovating ministry buildings.
- (g) it is also noted that the Mission Property Committee –
- (i) has the proven capacity to assess grant funding applications for significant parish projects and to execute the associated property development projects, having –
 - previously assessed the, “2007 Brownfields Grants” and provided recommendations to the Standing Committee for the application of a \$20m appropriation from the Diocesan Endowment.
 - assisted parish recipients of the 2007 Brownfield Grant funding (in conjunction with the ACPT) by overseeing and managing the delivery of the projects on time and on budget.
 - (ii) assesses on an ongoing basis, the areas of the Diocese experiencing or which are likely to experience rapid increases in population and projects which are likely to lead to a rapid increase in the number of persons attending churches in the Diocese.
 - (iii) engages appropriate independent professional consultants to support parishes in rejuvenating their ministry buildings.
 - (iv) has an existing executive management support structure provided by the Sydney Diocesan Secretariat led by the Head of Parish Property and the Manager, Parish Property who have professional backgrounds in property finance and town planning. This executive management support structure is fully funded from the activities of the Mission Property Committee.
- (h) it is noted, in the light of the above, that the establishment of an, “Expanding Churches for Expanding Communities” committee is not required as the functions of that proposed committee are already specified by the Mission Property Ordinance 2002 and undertaken by the Mission Property Committee under the oversight of the Standing Committee, and

- (i) recommends that Standing Committee confirm that the Mission Property Committee, under the oversight of the Standing Committee, continues to be the appropriate diocesan body to –
- receive “Land levy” funding.
 - receive any moneys appropriated from the Diocesan Endowment for Funding for Urban Renewal projects (that is, funding for significant parish projects).
 - assess grant funding applications from parishes for Funding for Urban Renewal projects.
 - provide recommendations to Standing Committee in relation to the aforementioned parish grant funding applications.
 - exercising strategic and operational oversight of the application of the grant funding for specific projects.

The ACPT further resolved to ask that SDS management provide this report to the Standing Committee and also a copy to the Mission Property Committee for its information.