

Glebe Administration Board

Annual Report to the Synod for 2011

This Annual Report should be read in conjunction with the Audited Financial Statements for 2011 for the Glebe Administration Board as trustee of the Diocesan Endowment.

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Introduction

Context

1. The principal activity of Glebe Administration Board ("GAB") is to act as trustee of the property known as the Diocesan Endowment. In December 2009, following the significant investment losses suffered by the Diocesan Endowment, the Standing Committee reconstituted GAB by electing a new board comprising 4 members from the previous board and 4 new members (with another new member added later).
2. The new board saw its role as guiding a governance reform process and reviewing the investment policies for the Diocesan Endowment having regard to its core objective of maintaining the real value of the Endowment and providing a reasonable income therefrom for distribution by the Synod.

3. GAB reported to the Synod in 2010 and 2011 about the reforms made to its governance processes to ensure proper board functions, oversight and accountability of management, and appropriate reporting to stakeholders about its work. GAB continues to monitor and review its governance processes, having regard to its commitment to the highest standards of governance. GAB's governance framework, policies and procedures are outlined in its Governance Statement, a copy of which can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.
4. In reviewing the investment policies for the Diocesan Endowment, the key drivers for GAB have been to manage risk, enhance investment returns, reduce costs and keep the Synod and the Standing Committee fully informed about the work undertaken. This work has resulted in significant changes in the way in which the 3 activities of the Diocesan Endowment, namely the market investments, the management of the interest in St Andrew's House, and its deposit and lending services, are undertaken.
5. In relation to the market investments, GAB has reviewed the strategic asset allocation, reviewed its investment policies, and outsourced to professional service providers the management of the investments and the investment accounting.
6. The management of St Andrew's House is no longer undertaken by GAB but, since 2010, has been undertaken by St Andrew's House Corporation in accordance with the *St Andrew's House Ordinance 1975*. In turn, the Corporation has undertaken significant work to improve the operational performance of St Andrew's House, with the releasing of vacant floors in the office tower, the leasing of the car park, and the outsourcing of the building management to a professional property manager.
7. GAB has undertaken significant work to review its deposit and lending services which comprise the Glebe Income Accounts and the lending and treasury activities. In 2011 and early 2012 a review of these services was undertaken with the advice of an external consultant which has resulted in new policies being adopted to better manage capital requirements, credit risk and liquidity risk.
8. A copy of GAB's Investment Policy Statement for the Diocesan Endowment and the new policies for deposit and lending services can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>. Copies of the quarterly reports provided by GAB about the investment performance of the Diocesan Endowment can also be accessed via that web page.
9. Significant work has been undertaken to reduce the costs of managing the Diocesan Endowment. The costs of managing the Endowment are now significantly less than they were in 2010. GAB aims to ensure that costs of administering the Endowment do not exceed more than 1.1% of the net assets of the Endowment. Administration costs were less than this benchmark in 2011.
10. GAB is confident that the reforms undertaken since December 2009 have enhanced governance and ensured that risks associated with the investment of the property of the Diocesan Endowment are managed within acceptable limits, given the core objective of maintaining the real value of the Endowment and providing a reasonable income therefrom.
11. These reforms have been undertaken during times of significant volatility in both Australian and international investment markets. In recent times, and for the foreseeable future, investment markets have been and will remain subdued, and this has impacted and will continue to impact the level of returns from the investment of the Endowment. The amounts which GAB has recommended be distributed from the Diocesan Endowment for the Synod have been reduced, but this is the consequence of the lower return environment and the requirement that the real value of the Diocesan Endowment be maintained.
12. This is the context within which this Annual Report refers to the work of GAB during 2011.

Key Outcomes

Key Outcomes in 2011

13. The key points relating to the work of GAB in 2011 as trustee of the Diocesan Endowment are as follows –
 - The property of the Diocesan Endowment was invested in accordance with the investment objective, strategic asset allocation and investment policies set out in the Investment Policy Statement for the Diocesan Endowment.
 - In 2011, the surplus from the investment of the Diocesan Endowment was \$7.903 million, which was \$234,000 under budget for the year.

- The net assets of the Diocesan Endowment increased from \$109.8 million as at 31 December 2010 to \$114.4 million as at 31 December 2011.
 - The total return on the investments during 2011 was 9.0%, versus a weighted average benchmark return of 2.7%. The total return was impacted by a significant revaluation of the St Andrew's House building as at 31 December 2011 (in which the Diocesan Endowment has a 50% interest) and the return from its deposit and lending services (Glebe Income Accounts, lending and treasury investments). However, the returns from market investments (such as Australian shares and overseas shares) detracted from performance because of poor conditions in those markets during 2011.
 - While the real value of the Diocesan Endowment has been maintained over the period 30 June 2010 to 31 December 2011, this has been the result of the impact of revaluations of St Andrew's House over that period. The real value of the market investments of the Endowment has not been maintained because of the performance of investment markets. As a consequence, GAB has recommended to the Standing Committee a reduced distribution of \$3.335 million in 2012 for spending by the Synod in 2013.
 - GAB continues to review the principles and policies for the investment of the property of the Diocesan Endowment. In March 2011, GAB undertook its annual review of the strategic asset allocation and investment policies, and this review resulted in some changes to the strategic asset allocation. During 2011 and early 2012 GAB reviewed the key policies of its deposit and lending services relating to capital adequacy, credit risk and liquidity risk to ensure that they better reflect prudent commercial and regulatory practices.
 - GAB aims to limit the costs of administering the Diocesan Endowment to an amount that is not more than 1.1% of the net assets of the Endowment. Then costs of administering the Endowment in 2011 were 1.03% of the net assets of the Endowment as at 31 December 2010.
14. During 2011, GAB was also the trustee of the St James' Hall fund. The key points relating to the work of GAB as trustee of that fund were as follows –
- The net surplus of the fund in 2011 was \$1.824 million, which was \$650,000 ahead of budget.
 - The net assets of the fund increased from \$23.4 million as at 31 December 2010 to \$23.9 million as at 31 December 2011.
 - With the approval of the parish of St James' King Street, on whose behalf the property of the fund is held, an ordinance was promoted by GAB to the Standing Committee to vest the trusteeship of the fund in the Property Trust with effect from 1 January 2012, and provide for the management of the fund by a management committee constituted by agreement between the Property Trust and the parish. This ordinance was passed by the Standing Committee. Accordingly, GAB is no longer the trustee of the fund.

Governance of GAB

Constitution and Charter

15. GAB is constituted by the *Glebe Administration Ordinance 1930* and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.
16. GAB is the trustee of the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984* (the "Diocesan Endowment"). Until 31 December 2011, GAB was also the trustee of the property held on the trusts set out in the *St James' Sydney Phillip Street Property Ordinance 1962* ("St James' Hall").
17. GAB is also the trustee of St Andrew's House. But, under clause 1 of the *St Andrew's House Ordinance 1975*, responsibility for the management of St Andrew's House is vested in the Council of St Andrew's House Corporation.
18. Under clause 2 of the *Glebe Administration Ordinance 1930*, GAB is to invest the property vested in it in a way which –
- preserves the real value of the property, and
 - provides a reasonable income therefrom.

Access

19. The principal office of GAB is Level 2, St Andrew's House, Sydney Square (PO Box Q190, QVB Post Office, NSW 1230). Telephone (02) 9265 1555. The hours of access are between 8.30 am and 5.30 pm.

Membership and Meetings

20. The members of GAB are the persons who are, from time to time, the members of Sydney Diocesan Secretariat ("SDS"), a body also incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*. The members of SDS are appointed by the Standing Committee.
21. The names of the persons who served as members of GAB during 2011 and their meeting attendance record follow –

Board Members	No of Meetings Eligible to Attend	No of Meetings Attended
Canon Bruce Ballantine-Jones OAM	12	12
Mr Mark Ballantyne	12	7
Bishop Robert Forsyth	12	10
Mr Ben Koo	12	9
Mr Andrew McLoughlin	12	10
Mr Ian Miller	12	8
Mr John Pascoe	12	11
Dr Laurie Scandrett*	4	3
Mr Ross Smith	12	11

*Dr Laurie Scandrett retired on 25 May 2011.

Structure

22. GAB has no employees. Administration, secretarial and accountancy services are provided to GAB by SDS on a fee for service basis. During 2011, the executives of SDS with the greatest authority for the strategic direction and management of GAB were –
- Mark Payne Chief Executive Officer
 - Michael Blaxland Chief Financial Officer
 - Andrew Frankling Head of Investments
23. Investment management and investment accounting services for the Diocesan Endowment are provided by third party service providers.

Committees of GAB

24. During 2011, GAB reviewed its committee structure. Following that review, GAB has an Audit Committee whose function is to monitor, report and make recommendations to GAB about the financial reporting processes of GAB, the internal control systems of GAB, and the independent audit process of GAB. The functions formerly exercised by other committees of GAB are now exercised by the Board.

Diocesan Endowment

Introduction

25. The investment objective for the Diocesan Endowment is as follows –

“To achieve a real rate of return over rolling 5 year periods of 5% per annum net of external investment management fees and adjusted for tax effects, subject to –

- (a) preserving the real value of the Diocesan Endowment over rolling 10 year periods with a 70% probability, and
- (b) the sum of the distributions from the Diocesan Endowment plus administrative and other costs (not including external investment management expenses) not exceeding 5%, on average, over rolling 5 year periods.”

26. A fuller explanation about the investment objective is set out in the Investment Policy Statement, a copy of which can be found at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

27. As at 31 December 2011, the property of the Diocesan Endowment was invested in accordance with the following asset classes, strategic asset allocation (SAA) and asset class ranges –

Asset Class	Min %	SAA %	Max %
Australian Shares	15	25	35
Overseas Shares – Developed	0	18	28
Overseas Shares – Emerging	0	2	5
St Andrew’s House ¹	20	25	30
Total Growth Assets	50	70	80
Australian Sovereign Bonds	0	10	20
Overseas Sovereign Bonds	0	7	20
Deposit & Lending Services (net capital) ²	10	13	20
Other Cash (not included in Deposit & Lending Services)	0	0	30
Total Defensive Assets	20	30	50

Notes:

- 1. GAB, as trustee of the Diocesan Endowment, is a holder of a 50% interest in St Andrew’s House (the other 50% stakeholder is Anglican Church Property Trust Diocese of Sydney as trustee of the Endowment of the See).
- 2. The strategic asset allocation for the Deposit & Lending Services reflects the amount of capital of the Diocesan Endowment allocated those Services (lending, deposit taking and treasury activities) undertaken by the Endowment.

28. The investments in the Australian Shares, Overseas Shares, Australian Sovereign Bonds and Overseas Sovereign Bonds asset classes were made through funds operated by Mercer Investment Nominees Limited and approved by GAB. Each of these funds is a multi-manager fund, meaning that the property invested in a Mercer fund is, in turn, invested in underlying funds operated by fund managers who are specialists in the relevant asset class.

29. GAB considers that investing in multi-managed funds benefits the Diocesan Endowment by –

- (a) giving it exposure to a range of investment managers in each asset class, thus reducing the risks associated with over-exposure to any one manager, and
- (b) requiring that Mercer, rather than GAB, monitor and assess the performance of each investment manager, and
- (c) simplifying the investment processes of GAB and reducing the overall costs of administering the Endowment.

Financial Results for 2011

30. The financial results for the Diocesan Endowment for 2011 are set out in the Annual Financial Statements. Those results can be restated in the following simplified manner (with the inclusion of budget information) –

\$000s	Actual 2011	Budget 2011	Variance	Actual 2010
Income				
Income from interest	12,655	12,395	260	11,650
Net income from St Andrew's House Fund	9,319	939	8,380	4,559
Income from indirect property	27	119	(92)	131
Income from Australian shares	(1,951)	3,205	(5,156)	(1,812)
Income from Overseas shares	(1,998)	1,839	(3,837)	793
Other Income	101	-	101	182
Total Income	18,153	18,497	(344)	15,503
Expenses				
Interest	7,038	7,536	498	7,216
Professional Fees	247	359	112	731
Provision for impairment of loans & mortgages	500	-	(500)	-
Other Expenses	2,465	2,465	-	4,344
Total Expenses	10,250	10,360	110	12,291
Net Surplus / (Deficit)	7,903	8,137	(234)	3,212

31. The negative variance between the actual surplus for 2011 and the budgeted surplus for 2011 was due to a number of factors. The most significant adverse factor was the consequence of the under performance of the Australian shares asset class and the Overseas shares asset class which are reflected in the lines "Income from Australian shares" and "Income from Overseas shares". The underperformance of these asset classes largely reflects market conditions during 2011.
32. However, the net income from the St Andrew's House Fund was significantly ahead of budget reflecting the change in the value of the Diocesan Endowment's interest in the fund. The principal factor impacting the increase in the value of the Endowment's interest was a significant revaluation of the St Andrew's House building, the major asset of the fund, as at 31 December 2011. The main reasons for the revaluation were the leasing of levels 3, 4 and 5 of the St Andrew's House tower, and the leasing of the car park.
33. A provision of \$500,000 was created in relation to a loan made to a non-Diocesan entity. Action is being taken to enforce security to recover the loan, and the provision has been created in respect of potential losses.
34. The net assets of the Diocesan Endowment were \$114.4 million as at 31 December 2011, compared to \$109.8 million as at 31 December 2010. The balance sheet is set out in the Annual Financial Statements and can be restated in the following simplified manner –

\$000s	Actual 31 December 2011	Actual 31 December 2010
Assets		
Cash	63,163	52,741
Australian shares	23,615	26,752
Overseas shares	19,204	20,349

\$000s	Actual 31 December 2011	Actual 31 December 2010
Australian bonds	9,294	10,953
Overseas bonds	4,231	4,297
Interest in the St Andrew's House Fund	40,962	31,629
Loans and mortgages	92,707	112,563
Other	2,235	1,084
Total Assets	255,412	260,368
Liabilities		
Provision for distribution	3,640	5,250
Glebe Income Account deposits	136,365	144,270
Other liabilities	982	1,030
Total Liabilities	140,987	150,550
Net Assets	114,425	109,818

35. The movement in the net assets of the Diocesan Endowment between 31 December 2010 and 31 December 2011 can be reconciled as follows –

	\$000s
Net Assets as at 31 December 2010	109,818
Plus capital returned from the Parish Cost Recoveries Fund in 2011	300
Plus additions to capital during 2011 from parish ordinances	44
Plus Surplus for 2011	7,903
Less Provision for Distribution	3,640
Net Assets as at 31 December 2011	114,425

36. GAB continues to have no bank debt. An undrawn line of credit for \$15 million remained in place to provide liquidity, if required. However, that line was not drawn during 2011, nor drawn subsequently.

Investment performance during 2011

37. The performance of the investments of the Diocesan Endowment during 2011 was as follows –

Assets	Year ended 31 December 2011 %		
	Return (after fees)	Index	Variance
Growth Assets			
Australian Shares	-7.95	-10.98	3.03
Overseas Shares – Developed (hedged)	-6.74	-1.95	-4.79
Overseas Shares – Developed (unhedged)	-9.08	-5.34	-3.74
Overseas Shares – Emerging (unhedged)	-20.68	-18.44	-2.25
St Andrew's House	29.47	8.10	21.37

Defensive Assets			
Australian Sovereign Bonds	12.22	13.44	-1.22
Overseas Sovereign Bonds (hedged)	10.39	11.17	-0.78
Deposit & Lending Services	21.26	15.00	6.26
Cash	6.67	4.69	1.98
Total Return on Net Assets vs Weighted Index	9.04	2.71	6.33

38. The relevant index for measuring the performance of each of the asset classes in which the property of the Diocesan Endowment is invested are as follows –

Asset Class	Index
Australian Shares	S&P/ASX 300 Accumulation Index
Overseas Shares –Developed (hedged)	Morgan Stanley Capital International World Index (ex Aust) hedged into \$A with net dividends reinvested
Overseas Shares – Developed (unhedged)	Morgan Stanley Capital International World Index (ex Aust) in \$A with net dividends reinvested
Overseas Shares – Emerging (unhedged)	Morgan Stanley Capital International Emerging Markets Free Float Index
St Andrew’s House	CPI plus 5% (being the Investment Objective)
Legacy Assets	CPI plus 5% (being the Investment Objective)
Australian Sovereign Bonds	UBSW Australian Treasury Bond Index (All Maturities)
Overseas Sovereign Bonds	JP Morgan Global Government Bond Index in \$A (Hedged)
Deposit & Lending Services	Benchmark return of 15% pa
Cash	Reserve Bank of Australia cash rate

39. The investment manager reports to GAB each quarter about the performance of the investments managed by the investment manager, and makes a presentation to a joint meeting of members of GAB and the Investment and Finance Committee of the Property Trust. GAB prepares a report each quarter about the investment performance of the Diocesan Endowment. Those reports can be found on the website at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.
40. The investment portfolio of the Diocesan Endowment was reviewed by the asset consultant in March 2011, and again in March 2012, as part of the “annual health check” of the investment of the property of the Diocesan Endowment. As a consequence, on each occasion, some changes were made to the SAA for the Diocesan Endowment. Information about those changes can be found in the reports for the investment performance of the Diocesan Endowment.

Review of Deposit & Lending Services policies

41. “Deposit & Lending Services” comprises the Glebe Income Account deposits for the Diocesan Endowment, and the loans and treasury investments of GAB. While part of the Diocesan Endowment, these services are managed separately from the market investments of the Endowment.
42. During 2011 GAB reviewed its key policies for Deposit & Lending Services, being the policies relating to capital allocation, credit risk and liquidity. The review was undertaken to ensure that those policies better reflect prudent commercial and regulatory practices. The review was undertaken with the assistance of an external consultant who provides consultancy services to a range of authorised deposit taking institutions. New policies were adopted by GAB on 28 March 2012, and copies of these policies can be found on the website at <http://www.sds.asn.au/Site/104303.asp?ph=cb>.

43. The key features of the new policies are as follows.

Capital adequacy

- (a) New rules have been adopted to ensure that Deposit & Lending Services has adequate capital to protect against risk. These rules require that the assets of Deposit & Lending Services (loans and treasury investments) be risk weighted according to the standards prescribed by the Australian Prudential Regulatory Authority ("APRA") for authorised deposit taking institutions, and that a prescribed capital ratio be adopted to allow the minimum level of capital required to be held to be determined.

Credit risk

- (b) New rules have been adopted to better manage credit risk. These rules now require that exposures to counterparties (whether treasury counterparties or borrowers) be determined by reference to the capital allocated to Deposit & Lending Services.

Liquidity risk

- (c) GAB has updated its rules to ensure adequate liquidity for its Deposit & Lending Services. Greater attention is now given to managing large depositors, and the forecasting of liquidity needs.

Expenses of administering the Diocesan Endowment

44. GAB aims to limit the total costs of administering the Diocesan Endowment to an amount of not more than 1.1% of the net assets of the Diocesan Endowment. In 2011, the costs of administering the Diocesan Endowment were \$1.13 million (being 1.03% of the net assets of the Diocesan Endowment as at 31 December 2010). For these purposes, the costs of providing the Deposit & Lending Services are not considered to be part of the costs of administering the Diocesan Endowment, since the cost of those services are taken into account when determining the return from Deposit & Lending Services.

Maintenance of the real value of the Diocesan Endowment

45. As noted earlier in this report, under clause 2 of the *Glebe Administration Ordinance 1930*, GAB is to invest the property of the Diocesan Endowment in a way which preserves its real value and provides a reasonable income therefrom. GAB measures its performance against this object with effect from 30 June 2010, which was the date from which investment management of the Diocesan Endowment was outsourced.
46. The movement in the net assets of the Diocesan Endowment since 30 June 2010 has been as follows –

Date	Value of Net Assets (\$m)
30 June 2010	\$103.4
31 December 2010	\$109.8
30 June 2011	\$110.6
31 December 2011	\$114.4

47. Over the period 30 June 2010 to 31 December 2011, the Consumer Price Index increased by 4.24%. Over the same period, the value of the net assets of the Diocesan Endowment increased by 10.6%. This suggests that the real value of the net assets has been maintained.
48. The Diocesan Endowment consists of 3 components, the market investments, the value of the interest of the Diocesan Endowment in the St Andrew's House fund, and the amount of the capital allocated to support Deposit & Lending Services. The movement in the value of these components since 30 June 2010 has been as follows –

Component of the DE	Value as at 30 June 2010 (\$m)	Value as at 31 December 2011 (\$m)	Change in value (\$m)	Change in value (%)
Market investments	61.7	61.8	0.1	0.2
St Andrew's House	27.9	41.0	13.1	47.0
Deposit & Lending Services	13.8	11.6	(2.2)	(15.9)
Total	103.4	114.4	11.0	10.6

49. This table shows that the increase in value in the Diocesan Endowment over the period 30 June 2010 to 31 December 2011 is due almost entirely to changes in the value of the interest in the St Andrew's House Fund. However, it is to be noted that the change in the value of the interest in the St Andrew's House Fund has been an unrealised change. Further, over the period, the interest has not generated any cash to enable the payment of the expenses of the Diocesan Endowment and the making of distributions.
50. The table shows a reduction in the value of the capital applied towards Deposit & Lending Services. During 2011, the capital applied has been a proportion of the balance of loans made by Deposit & Lending Services. As the total value of those loans has reduced, so too the amount of the capital applied has been reduced. The amount by which the capital allocated to Deposit & Lending Services has been reduced has been offset by a reallocation of that capital to the market investments. Those services generate a surplus each year which is available towards the payment of the expenses of managing the Diocesan Endowment and the payment of distributions.
51. The table also shows that the value of the market investments of the Diocesan Endowment increased from \$61.7 million as at 30 June 2010 to \$61.8 million as at 31 December 2011. This is an increase of only 0.2%, which is significantly less than the CPI change over the same period. However, if the reduction in the capital allocated to Deposit & Lending Services (\$2.2 million) which was applied to the market investments is also taken into account, the total value of the market investments has reduced over the period.
52. A significant factor which has contributed to the reduction in the value of the market investments is the investment performance over the period. Over the period 30 June 2010 to 31 December 2011, the overall return on the market investments was only 1.4%. The return on those investments is largely influenced by market conditions, which are beyond the control of GAB.
53. The modest overall return from the market investments points to the need to reduce the amount applied as distributions for spending by the Synod, if the value of the market investments is to be maintained. For this reason GAB has recommended that the distribution to be provided for in 2012 for spending by the Synod in 2012 be reduced to \$3.335 million, which is less than the amount of the distribution of \$3.642 million provided for in 2011 for spending by the Synod in 2012.

St James' Hall

Introduction

54. During 2011 GAB was also the trustee of the St James' Hall fund. However, pursuant to the *St James' Sydney Phillip Street Property Amendment Ordinance 2011*, the trusteeship was transferred to the Property Trust with effect from 1 January 2012 and the fund is now managed by a management committee constituted in accordance with an agreement between the Property Trust and the parish of St James' King Street.
55. The principal asset of the St James' Hall fund is the St James' Hall building which is a 14 storey office tower in Phillip Street, Sydney. That building is held on the trusts specified in the *St James' Phillip Street Sydney Property Ordinance 1962*. The income of the fund is applied in accordance with the *St James' Phillip Street Sydney Property Ordinance 1962*.

Financial Results

56. The financial results of the St James' Hall fund for 2011 were as follows –

\$000s	Actual 2011	Budget 2011	Variance	Actual 2010
Income				
Net Property Income	1,516	1,592	(76)	1,838
Other Income	25	11	14	15
Property Revaluation	693	-	693	4,656
Total Income	2,234	1,603	631	6,509
Expenses				
Fund Expenses	410	429	19	424
Net Surplus	1,824	1,174	650	6,085

57. The income from the property revaluation reflects the revaluation of the St James' Hall building as at 31 December 2011.

58. The net assets of the St James' Hall fund were \$23.91 million as at 31 December 2011, compared to \$23.41 million as at 31 December 2010. The assets and liabilities of the fund were –

\$000s	Actual 31 December 2011	Actual 31 December 2010
Assets		
Cash	836	837
Receivables	175	145
Property	27,000	26,300
Other	5	9
Total Assets	28,016	27,291
Liabilities		
Payables	356	78
Loans	3,750	3,800
Total Liabilities	4,106	3,878
Net Assets	23,910	23,413

Distributions from the Fund

59. Distributions from the Fund are paid in accordance with the *St James' Sydney Phillip Street Property Ordinance 1962*. An ordinance to provide for the distribution of income earned in 2010 and in subsequent years was passed by the Standing Committee in February 2011. The ordinance seeks to ensure that distributions from the income of the building are set at sustainable levels, having regard to the need to meet expenses, service and repay the debt of the Fund, and provide for future capital expenditure needs.

JOHN CHAPMAN
Secretary

28 May 2012