

Mission Property Committee

(A progress report to the Synod.)

Executive Summary

At its session in 2012, the Synod will be considering a proposal for a levy on parishes to fund the acquisition by the Mission Property Committee (MPC) of land for church sites in greenfield areas of the Diocese.

The purpose of this report is to provide the Synod with an outline of the strategic priorities and major activities of MPC. In doing so the report covers the following matters –

- The acquisition of land for future church sites – the MPC has identified 13 areas where the Diocese has insufficient land holdings. To date 3 sites have been acquired at Oran Park, Stanhope Gardens and Austral (Leppington). The MPC plans to acquire further strategically located sites within areas of rapid population growth across the Diocese.
- The construction of ministry centres across the Diocese – The MPC strategy is to obtain authority approvals for the staged construction of ministry centres. The initial stage would allow for 300 seats, with approval up to the maximum capacity of each site to allow for future expansion and flexibility depending on ministry needs.
- The MPC has made various approaches to government to facilitate the provision of new ministry centre construction.
- A statement of intention to cooperate has been agreed by various key Anglican organisations operating in greenfield areas of the Diocese.
- The MPC supports the Synod adopting as a strategic challenge the objectives identified in Standing Committees “Towards 2050” report received by Synod last year. While the proposed goal of establishing one new ministry centre per year for 30 years will be a stretch in the first 5 years, the MPC supports such a program, noting that this will be dependent upon funding for the program.
- The funds held by the MPC are currently earmarked for one further strategic land purchase and towards the construction of new ministry centres on those sites three sites already acquired by the MPC. The MPC does not hold adequate funds to meet the strategic opportunities identified in the Towards 2050 report. It is estimated that a further 10 sites (average purchase price \$2.5 million) and the construction of 13 new ministry centres will cost a total of \$90 million (excluding indexation).
- The MPC supports the recommendation of Standing Committee to Synod to raise \$2 million per annum for the MPC to acquire land for church sites in greenfield areas through a levy on parishes.
- The MPC also proposes that a fundraising strategy be reported to the Synod in 2013 that will include direct capital fundraising campaigns for the construction of new ministry centres, a review of the large receipts policy due to be considered by the Standing Committee, and a rental contribution from parishes receiving funding from the MPC.

Introduction

1. At its session in 2012, the Synod will be considering a proposal for a levy on parishes to fund the acquisition by the Mission Property Committee (MPC) of land for church sites in greenfield areas of the Diocese.
2. The purpose of this report is to provide the Synod with an outline of the strategic priorities and major activities of MPC. In doing so the report covers the following matters –
 - (a) the acquisition of land for future church sites;
 - (b) the construction of ministry centres across the Diocese,
 - (c) the MPC’s response to the “Towards 2050” report received by Synod last year
 - (d) the approaches made to government to facilitate the provision of new ministry centre construction
 - (e) the co-ordination of a statement of intention to cooperate among various key Anglican organisations operating in greenfield areas of the Diocese, and
 - (f) the fundraising activities of the MPC.
3. Each of these matters is considered below.

Land Acquisition

4. Based on forecasts by the NSW Government, Sydney's population is expected to increase from the current population of 4.4 million by a further 1.3 million by 2031, with about 70% of this increase occurring in brownfield areas and 30% in greenfield areas. This additional population is expected to require 570,000 more dwellings.
5. The MPC is required, under the Mission Property Ordinance 2006, to prepare a Strategic Report which outlines a strategy for the acquisition of land for church sites and the construction of new ministry centres. The focus is within new greenfield residential land release areas located on the fringe of the existing urban areas within the Diocese where over 285,000 dwellings are to be constructed and where rapid population growth is forecast over the next 25 years.
6. The MPC has identified 13 greenfields development areas throughout the Diocese in which there are inadequate diocesan land holdings and where land should be acquired to construct new ministry centres. The Standing Committee has identified the following areas as prioritised projects in which the MPC is authorised to acquire land –
 - Riverstone (North West Sydney)
 - Llandilo/ADI (Western Sydney)
 - Ingleside (Northern)
 - Oran Park/ Leppington (South West)
 - Box Hill (North West)
 - Catherine Fields (South West)
 - Harrington Park (South West)
 - Edmondson Park / Denham Court (South West)
 - West Dapto (Illawarra)
 - Stanhope Gardens (North West)
 - Marsden Park (North West)
7. The MPC has considered opportunities to purchase land within each of the areas listed above.
8. Since 2009, land has been acquired in Sydney's South West at Oran Park and Austral and in Sydney's North West at Stanhope Gardens.
9. Negotiations for land acquisition often involve a lengthy process spanning a number of years. The MPC is also currently in negotiations to acquire further land for future ministry opportunities in the North West area at Marsden Park, Riverstone and Box Hill. The MPC is also maintaining a watching brief in relation to the other areas listed above, noting that there are currently insufficient funds to consider any further land acquisitions in the short term.
10. The NSW Government does not plan or allocate land for new Anglican churches within greenfield areas.
11. As a consequence, the MPC will continue to approach developers of land release areas for available land to allow the integration of church ministry centres within these new communities. Developers of large scale greenfields land release have proven more co-operative than smaller scale developers. At Oran Park where the MPC acquired land in 2010, the vendor, Greenfields Development Corporation, sold land close to the town centre for a new ministry centre that should attract new residents looking for much needed social infrastructure and opportunities to connect with the newly established community.
12. Where there are multiple land owners within the new greenfields release area, the MPC will select the most suitable site that is available and where possible in a location where the associated residential development is 3 years or more away. An early purchase allows greater choice to be made, and for acquisitions to be made at a substantially cheaper rate per square metre of land area.
13. These factors influenced the selection of the site purchased by the MPC at 500 Bringelly Road, Austral, where a strategic decision was made to purchase land located near the proposed Regional Centre of Leppington in the South West of Sydney. The 2.5 ha site was purchased in 2009 for \$1.75m which equates to \$68 per square metre. The land has subsequently been rezoned, with land values significantly increasing. The site is well placed to accommodate a new ministry centre in conjunction with the nearby rail link (currently under construction) and the residential development which is expected to proceed within the next 10 years.

14. Appropriate due diligence is conducted prior to a land acquisition so that the land is purchased at or below market value, and is suitable for the construction of a new ministry centre. In the event that subsequent unforeseen changes to development plans mean that the land ceases to be suitable for a ministry centre, a suitable exit strategy is planned such that a benefit is obtained from the general increase in land prices. This increases the financial ability of the MPC to relocate to a more suitable site in the future, should this be necessary.

15. Sites are selected based on a number of criteria including –

- (a) Strategic Location – a site that has high visibility to residents in the area, generally on a main road, is easy to find, potentially near a well known landmark with a high community profile (that might act as a permanent advertisement for a ministry centre), and is centrally located within the proposed population catchment area incorporating the travel habits of future residents. A position near where people gather (shopping or community centres, schools) is preferred.
- (b) High accessibility – good vehicular access for visitors catering for the flow of traffic from all directions, accessible from major road network (as opposed to neighbourhood precinct) with a parking area to accommodate 1 car per 2 to 3 persons attending any ministry centre on the site. A corner block is preferred to allow multiple access points whilst at the same time providing additional separation from adjoining land uses. Preference for location near public transport (train station or busway) is preferred, although high car ownership within greenfields areas dictates that vehicular travel is the priority.
- (c) Land size with room for expansion - the MPC aims to purchase land between 1 to 2 hectares (2.5 to 5 acres), with a preference for land at the higher end of this range. This will ensure that the ability of the church to expand will not be impeded and provide reasonable flexibility for ministry strategies which might be adopted in the future. The option of purchasing greater land area than required as a land bank for future sale is generally not favoured given the concern for investing limited funds in surplus vacant land and the inherent risks involved in such a strategy.
- (d) Zoning development controls and infrastructure – the site must allow suitable development controls for a new ministry centre and allow ease of connection of services.
- (e) Physical constraints – proposed freeways, golf links and parklands are considered in determining the likely population catchment. The likely future adjoining land uses are also considered with undesirable uses such as electricity transmission lines to be avoided.

16. While acknowledging that there are many socio-economic factors involved, it is worth noting that affiliation with the Anglican Church during the urban growth of Sydney is traditionally stronger in the outer-suburban areas. The opportunities for ministry in the various greenfields release areas across Sydney have also been identified by various religious groups.

17. The Roman Catholic Church has purchased land in Catherine Fields (adjoining Oran Park in the South West), Austral (close to the MPC site in the South West) and Box Hill (in the North West where the MPC is actively searching for land to acquire).

18. At Marsden Park in the North West (where the MPC is currently looking to purchase land), the Roman Catholic Church has also considered a land purchase, with a number of existing places of public worship (Muslim and Buddhist) already located along Richmond Road.

19. The Uniting Church commenced a church planting strategy at Oran Park in 2011. It is also understood that a number of strategic sites have been purchased in the South West growth Corridor by Islamic groups.

Construction of new ministry centres

20. It is becoming increasingly difficult and costly to obtain development consent for the construction of a new ministry centre within a greenfields land release area especially once the land is surrounded by residential development. The MPC strategy is therefore to design the buildings and obtain development approval ahead of the construction of local residential homes to enable staged construction in line with growth in the surrounding population and congregation. The design is to give due consideration to the most efficient way to expand over time.

21. Approval is then sought to construct a new ministry centre in a number of stages from the initial stage of a minimum of 300 seats up to the maximum potential development capacity of the site. This staged construction is designed to provide initial savings in construction costs, support the early establishment of a ministry presence which can grow as the population moves into the release area. This

staged approach also avoids excess allocation of resources and building capacity for those areas where long term population and ministry growth is uncertain.

22. The Stage One plans for the proposed new ministry centres at Oran Park and Stanhope Gardens are each costed at approximately \$5 million. As the surrounding area develops, the congregation will be best placed to develop the site further as required.

23. The MPC has obtained development consent from Camden Council to construct a 500 seat auditorium and associated facilities at the MPC Oran Park site. The initial Stage One development comprises 250 seats, 5 children's rooms and car parking for 66 cars. The final stage involves a 500 seat auditorium and 160 car spaces (noting there are an additional 100 car spaces located in the adjoining streets). In order to support the establishment of a new ministry at Oran Park prior to the construction of the new ministry centre, the MPC has also purchased the adjoining site and funded the construction of a 2-storey project home to be used as a new ministry residence.

24. In August 2012 the MPC lodged plans with Blacktown City Council for the construction of a new ministry centre at a site acquired at Stanhope Parkway, Stanhope Gardens. The site adjoins the Stanhope Gardens Shopping Centre and a proposed Anglican Retirement Village (ARV) retirement village, and is located on the fringe of the North West of Sydney growth corridor. The design of the ministry centre allows for the initial construction of a 300 seat auditorium, with the ability to expand over time to a 1,000 seat auditorium with associated facilities and car parking areas.

Towards 2050 report to Synod

25. The MPC supports the Synod adopting, as a strategic challenge, the objective identified in Standing Committee's "Towards 2050" report to Synod last year of establishing a sustained program of land acquisition and construction of ministry centres within the priority greenfield areas of the Diocese as identified above.

26. The lead time required for the MPC to acquire land, obtain development consent and raise funds is approximately 5 years based on the experience of the 3 ministry centres that have been constructed by the MPC over the last decade being Rouse Hill, Kellyville and Hoxton Park.

27. While the planning and construction for multiple projects is able to be conducted in parallel, it is the time that is required to complete a capital fundraising campaign for each project that is most critical. Each campaign is estimated to last approximately two years (incorporating a six month planning phase, a 12 months active phase, and a six month follow up phase) that will determine the project delivery period.

28. Both the Oran Park and Stanhope Gardens areas were initially identified as priority areas more than two decades ago, and so are the highest priority projects to be completed in the short term as ministry demands are already pressing. Beyond this a dynamic project priority listing will be developed that can readily include three of the other listed priority areas referred to earlier.

29. In response to the unmet demand for new ministry centres in greenfield areas, the MPC currently believes that it is feasible to fundraise support dollars to deliver a new ministry centre project with an expanded vision to deliver a ministry centre, every two years. This proposal would result in the MPC committing to deliver a total of five new ministry centres over a ten year period.

30. In contrast, the Towards 2050 report proposes a goal of establishing one new ministry centre per year for the next 30 years for the purposes of meeting the strategic challenge faced by the Diocese in terms of population growth in greenfield areas.

31. While the goal proposed in the Towards 2050 report will be a stretch in first 5 years as the number of projects in the pipeline is expanded, the MPC supports such a strategic goal over the longer term, noting that this will be dependant upon funding for the program. A summary of the MPC's fundraising strategy is presented below, noting that the MPC supports the recommendation in the Towards 2050 report that a final fundraising strategy should be provided to the Synod for adoption in 2013.

32. The Towards 2050 report also affirms that the above mentioned strategic challenge must be complemented by a church planting strategy across the Diocese.

33. The MPC believes that the demand of rapid population growth and significant costs involved in the provision of property and infrastructure means that the model of ministry undertaken from ministry centres on land acquired for this purpose will only be one of a number of ministry strategies that should be pursued across the Diocese.

34. The MPC's contribution to any broader ministry strategy is therefore to establish a presence across the growth areas by pursuing a combination of strategically located sites and other options for co-location of buildings that can be used for ministry on land owned by others. The purpose is not to pre-empt future ministry strategies, but provide a base from which they can grow.

35. For example, it is envisaged that the Regional Bishops' strategy for church plants that use schools and community halls, will mean that such church plants will be well established before consideration is given to their occupation of a 300 seat (stage one) new ministry centre.

36. While the MPC is not directly involved in such ministry strategies, it is important that there is regular communication between the various stakeholders to ensure that the property strategy being proposed by the MPC complements (rather than hinders), such ministry strategies.

37. Upon acquisition of appropriate land, the scale and timing of construction of each MPC new ministry centre building is regularly reviewed having regard to the ministry strategy of the Regional Bishop and the growth of the surrounding population.

38. The most recent building designs at Oran Park and Stanhope Gardens involved consultation with the proposed church planting ministry teams including amendments to the plans throughout the design phase to incorporate feedback received. The final designs were approved by the relevant Regional Architectural Panel and the church planters.

39. The MPC therefore supports the recommendation in the Towards 2050 report that the Board of Evangelism and New Churches provide to the Synod in 2013 a report outlining its strategy for church planting in both greenfield and brownfield areas of the Diocese. However the MPC believes that it would assist the Synod if such a report clarified the respective roles of Evangelism and New Churches and the Regional Bishops in relation to the proposed church planting teams and progression to parish status.

Approaches to Government in relation to new ministry centre construction

40. The MPC and Anglican Church Property Trust (ACPT) approached the NSW Government and, with the support of other Christian churches for the MPC submission, in May 2012 obtained an exemption from the Special Infrastructure Contributions Levy for all places of public worship within NSW. This has resulted in savings of approximately \$230,000 per greenfields ministry centre development.

41. The MPC and ACPT have also approached the NSW Government regarding the existing and future town planning legislation in order to ensure that the development potential of the MPC and parish sites is protected and where possible enhanced. In particular, the Standard Template Local Environmental Plans being rolled out by the NSW Government for Councils throughout the State has meant that both existing and new churches are being zoned out of local communities.

42. The NSW Government has undertaken a review of its controls and is to provide a planning practice note in the second half of 2012 for places of public worship. It is hoped this will provide consistent guidance for local councils in allowing development of ministry centres.

43. The MPC and the ACPT have also made a submission to the Australian Tax Office regarding a draft tax ruling that will have the effect of removing the existing tax deductibility for new ministry centres which have not commenced to build by that date and for all future capital fundraising. Under the existing applicable tax ruling, tax deductibility means significant savings to donors which have the potential to attract more generous gifts. As a result, the ACPT has approved establishment of a Christian Education Building Fund (CEBP) for the purposes of the proposed Oran park capital fundraising campaign. There are also in excess of 50 parishes have separate school building funds endorsed as deductible gift recipients. The CEBP and many of the separate parish funds are likely to be adversely impacted by the draft ruling.

44. The submission highlights a number of technical flaws in the draft ruling and specifically objects to the removal of the 50% usage requirement and the potential adverse implications that this will have on future ACPT building projects. The Archbishop has directly intervened to approach the Federal government regarding this matter.

45. The draft ruling is scheduled to be issued on 24 October 2012.

Statement of intention to cooperate among Anglican Organisations

46. Where appropriate, opportunities for co-location of a ministry centre within a Diocesan school or aged care facility (ARV or Anglicare) are considered.

47. The relationship between the three Anglican organisations represented within the square kilometre of the Oran Park Anglican precinct is seen as a critical element in the establishment of ministry at Oran Park, and key to the soon to be launched fundraising campaign. The organisations are Oran Park Anglican College (a Sydney Anglican Schools Corporation (SASC) school), Chesalon Living at Oran Park (Anglicare) and the Anglican Church at Oran Park, known as NewLife Church at Oran Park.

48. In order to formalise the already existing goodwill and communication between the three bodies, the MPC initiated a Statement of Intent of Cooperation (Statement of Intent) signed by the following senior representatives of each organisation –

Mr Geoff Kyngdon, Chairman MPC,
Mr Rob Freeman, CEO, Anglican Retirement Villages,
Mr Grant Millard, CEO, Anglicare,
Dr Laurie Scandrett, CEO Sydney Anglican Schools Corporation

49. While the initial focus of the Statement of Intent was on the three organisations represented at Oran Park, subsequently ARV, MTC and Youthworks have been given the opportunity to participate. While MTC and Youthworks have declined to participate at this stage (in part due to the short time allowed to them for consideration of the document), ARV has joined the signatories.

50. The Statement of Intent is designed to provide the Oran Park fundraising team with information to assess the strategic benefits of these Diocesan organisations working cooperatively. The MPC anticipates that it will provide the focus for increased strategic planning and action between the four organisations which will leverage the resources of all.

51. The various representatives at Oran Park have taken the opportunity to integrate ministries including regular visits by the Rev Stuart Starr to school assemblies of Oran Park Anglican College (SASC) and visits by the residents of Chesalon Living (Anglicare) to the College.

Fundraising Strategy

52. An important function of the MPC is to initiate fundraising activities to raise capital and support the ongoing financial viability of the work of the MPC.

53. The MPC Strategic Report identifies the strategic opportunity to acquire 10 further properties (average purchase price \$2.5 million) and construct 13 new ministry centres (average cost \$5 million) to meet the growing population of the Diocese over the next 25 years.

54. To meet this opportunity it is estimated that a total of \$90 million (excluding indexation) is required to be raised. This strategic opportunity will be missed if the MPC is not properly resourced to do its work. Failure to provide a number of income streams for greenfields projects will lead to unsustainable practices which dissipates the MPC's capital.

55. The MPC's strategy is to fund its strategic priorities from the following 4 sources –

- (a) Allocation of parish funds for land acquisitions
 - (i) In July, 2012, the Standing Committee resolved to support a levy on parishes to raise \$2 million per annum for the MPC to acquire land for church sites in greenfield areas as a Long Term Mission Commitment. The MPC supports this recommendation of Standing Committee to Synod.
 - (ii) Given the significant lead times involved, the MPC is currently constrained in committing to land acquisitions and construction projects given the uncertainty of future funding sources. The proposed levy on parishes will provide a regular income stream on a monthly basis making it possible for the MPC to plan a number of years ahead for land acquisitions, and then commence the relevant authority approvals and building documentation processes so that a pipeline of building projects is developed to meet the Towards 2050 strategic challenge.
- (b) Direct capital fundraising campaign for construction of ministry centres
 - (i) As reported to the Synod in 2011, the Archbishop has provided leadership and active support for the launch of the Oran Park capital fundraising appeal, with a target of raising \$5 million. It is proposed to encourage fundraising through local parish partnerships between established parishes and the church plant, as a diocesan wide project. It is proposed that a total of 5 new projects be included over the next 10 year period.
 - (ii) In order to allow the MPC to focus on the acquisition of land and construction of new ministry centres, following extensive research, a Capital Fundraising Consultant, Ms Alicia Watson of "What's On" consulting was appointed. The feasibility study found that while it will be a challenge, fundraising must be seriously considered and pursued vigorously and creatively. A fund raising officer, Ms Penny Barletta, (who has previously worked in parish management and the Secretariat) has been appointed to assist in the administration of the Campaign. Ms Barletta has entered over 1,000

donors details from the former Vision funds into a ACPT fundraising database to assist in the campaign communications.

- (iii) With the support of the Archbishop and the Mission Board, a fundraising committee has been established to plan the capital campaign which is envisaged to be officially launched in 2013.
 - (iv) As part of the campaign, it is proposed that a “voluntary partnership” contribution be sought from all parishes including the support of an ongoing relationship (through financial, prayer and other practical support) from established churches to the proposed new church plants.
 - (v) There is considerable precedent for the proposed campaign. In excess of 800 individual donors contributed to the former Vision for Growth (1984-1990) and Vision 2001 (1991-2001) appeals which led to over \$7 million being raised to establish 46 new development projects.
 - (vi) Numerous established parishes provided prayer, emotional and financial support to the new congregations. In relation to the financial support, this involved parishes giving part or all of the proceeds from the sale of surplus parish property that was sold. A recent example is Neutral Bay parish directing \$2.4 million (50%) of the proceeds from the sale of St Chad's Cremorne to MPC Greenfields projects.
 - (vii) Due to a general reluctance on the part of developers to construct new housing within greenfields release areas given the long term turn around times for the construction of infrastructure, there now tends to be uncertainty in relation to the timing of new dwelling construction. This means that the MPC must adopt a more cautious approach towards the timing of the construction of new ministry centres on land that has been acquired to serve the surrounding housing releases.
 - (viii) It is therefore considered to be strategically sensible for the MPC to initially commit to a long term fundraising campaign vision (“decade of development”) that encourages pledges over a longer term period. Such a campaign would involve staged appeals, being progressively rolled out following the successful completion of the preceding project appeal. Such a longer term vision is seen as critical to support the ongoing funding requirements of the Diocese.
 - (ix) A large scale capital campaign is estimated to be in the vicinity of \$25 million (five sites to be constructed over ten years).
 - (x) A bequest program will also form part of the appeal and is to be promoted more generally.
 - (xi) The Mission Board is considering the broader issue of a specific fundraising committee for the Diocese. The MPC also supports the initiative of the Mission Board for the establishment of a broadly based fundraising body separate to the MPC.
- (c) Large Receipts
- (i) In accordance with the determination of Standing Committee from time to time under the Large Receipts Policy (LRP), a share of proceeds from the sale of existing (non-strategic/surplus church trust property) is required to be made towards broader diocesan purposes, including MPC greenfields projects.
 - (ii) The MPC believes that the existing LRP is not consistently applied and that the process under the LRP needs to be defined more closely. Accordingly, the MPC has requested that the Standing Committee give due consideration to a review of the adequacy of the present LRP against the background of a notional redefinition of church trust property into two specific categories – “church trust diocesan property” (being church trust property that has been owned by the ACPT for at least 40 years) and “church trust parish property” (being church trust property that has been owned by ACPT for less than 40 years). Although the existing LRP is dated 2005, the MPC considers that it needs to be updated to reflect the proper stewardship of diocesan assets that have been held as church trust property for many decades, if not hundreds of years.
 - (iii) As part of its review of the LRP, the Standing Committee will consider a more detailed discussion paper that has been prepared by the MPC about this matter.
- (d) Rental contribution to MPC from parishes receiving funding from MPC
- (i) The Mission Board has endorsed an MPC policy whereby a rental contribution is to be paid by parishes which benefit from the MPC's current and future Greenfield

developments. This allows for the recycling of funds to other greenfield projects in accordance with the following 2 principles for future MPC projects –

1. Long term lease by the parish of the MPC ministry centre for a minimum period 15 years and until the parish substantially commences fundraising for the construction of a “Stage 2” building (this allows the parish to support the Stage 2 building project). The rent paid under such a lease would be set at 10% of parish receipts to commence immediately upon occupation of the building (noting that the objective is for a relatively small portion of the MPC’s capital outlay to be repaid).
 2. Lease of the ministry residence to the parish at 50% of market rental valuation, increasing to 100% of market fee after five years, until the original capital investment of the MPC is repaid in full.
- (ii) The justifications for the long term lease arrangements proposed above are as follows –
1. There is significant precedent for parishes contributing to their ministry facilities, although the amount of contribution has been inconsistently applied. It is proposed that the final rental fee would be determined on a case by case basis taking into account the different circumstances, for example, where there is no existing congregation, versus a sizeable established congregation.
 2. One of the findings of the Oran Park fundraising feasibility study was that the potential financial support from across the Diocese toward the Oran Park project will be enhanced if there is a plan for the new congregation, in time, to also make a contribution, via the payment of the proposed rental fee. Such a fee will in turn be “recycled” by the MPC towards other greenfield projects.
 3. There are also the following inter-generational and cross-jurisdiction equity issues that arise – A new ministry centre is expected to remain in place for a significant period of time, through multiple generations, and provide the base facilities from which the parish will benefit over the longer term. The proposed funding of the construction of a new ministry centre development is sustainable “when it meets the needs of the present without compromising the ability of future generations to meet their own needs”. The MPC sees use of a long term lease as the most appropriate way to promote intergenerational equity between the current adult income earning generation and the future church members comprising the children, youth and new adult members that will benefit from use of the ministry centre.
 4. Gifting may create “laziness” or a lack of parish commitment/ownership in comparison to adjoining church plants that are required to financially contribute to the ownership or rental of facilities (such as a school halls etc). The MPC learnt this lesson in the distribution of the Brownfields grants, whereby there was a stark contrast in the commitment of parishes to deliver projects on time and on budget where no parish contribution had been made compared to those parishes that significantly contributed to the project.
 5. The lease fee is below that which the parish would otherwise pay in a school hall.
 6. Expressing the rent as a percentage allows affordable increases in the rental fee to be set as a proportion of parish net receipts over the longer term and ensures that the lease agreement calculation is kept simple.
 7. Church members will be aware from the outset of the vision to contribute to the broader Diocese by the rental fee being recycled to the next Diocesan greenfields project. The leadership of the church can plan budgets accordingly.
 8. The parish of Glenmore Park provides a helpful example of the growth cycle of a parish which has received grant funding. At its inception in 1986, grants from the original New Sites Advisory Committee, Vision 2001 and the parish of Penrith allowed a “Stage 1” 150 seat church complex to be constructed in 1996. The ministry has since grown and the \$2.3 million “Stage 2” 500 seat ministry centre (partly funded by Brownfields grant of \$0.9m) was completed in December 2011. Over the period 2000 to 2010, the net operating receipts increased by more than 500% from \$85,743 to \$532,608. In addition the parish raised an additional \$347,229 for its building fund and committed to a term debt facility of \$1.14 million.

9. The MPC considers that such an example demonstrates that while the majority of seed funding was required to come from the wider Diocese, there is a place for an ongoing payment to be made by the parish back towards the pool of MPC funds to continue supporting the Diocesan Mission in other greenfields areas. The objective is for the local parish, over time, to make a relatively small contribution to other greenfields church plants, in support of the wider Diocesan Mission.
- (e) Other funding options that were considered but not supported by the MPC were –
- (i) Borrowing – the greater flexibility offered by a long term lease is favoured over a parish loan. It was also the MPC's preference not to financially over burden a newly established and growing congregation with a long term debt.
 - (ii) Development of assets – in order to mitigate the development risk associated with such a strategy, the MPC has determined that it will not pursue a strategy which involves the acquisition of a parcel of land larger than that required for a ministry centre (with a view to subsequent redevelopment and sale to make a profit).

Recommendation

56. The MPC recommends that the Synod receive this report.

For and on behalf of the Mission Property Committee.

GEOFF KYNGDON

Chair, Mission Property Committee

21 August 2012