

Review of the Mission Property Committee

21/16 Membership structure of Mission Property Committee

33/16 Resourcing the management and development of parish property

(A report from the Standing Committee.)

Key Points

- The Mission Property Committee (“MPC”) has been very effective in strategic purchases of land for future ministry sites, within the constraints of available funds
- Changes of governance and the appointment of an executive director would enhance its effectiveness in its building roles
- A source of funding is needed to initiate re-developments

Purpose

1. The report describes the findings of a review of the resourcing and membership structure of the MPC.

Recommendations

2. That the Synod receive this report from the MPC Review Committee (“Committee”).
3. That Synod pass the following motion to be moved “by request of the Standing Committee” –

“Synod, noting the report of the Mission Property Committee Review Committee provided in response to Synod resolutions 21/16 and 33/16 –

 - (a) requests that Standing Committee, subject to progress on any other developments that affect the MPC, consider amending the *Mission Property Ordinance 2002* to implement the Committee’s recommendations, and
 - (b) notes with gratitude the long-standing efforts of the retiring Chair of the MPC, Mr Geoff Kyngdon.”

Background

4. At its session in 2016, Synod passed the following resolutions –

21/16 Membership structure of Mission Property Committee

“Synod records its appreciation and thanks to God for the good work of all members of the Mission Property Committee in securing sites and buildings for new churches in greenfield areas, and for its advice and support of parishes in brownfield areas; and requests Standing Committee to review the membership structure of the Mission Property Committee in consultation with its chairman and deputy chairman.”

33/16 Resourcing the management and development of parish property

“Synod, noting the report “Funding for Urban Renewal” and noting in particular the recommendation contained in draft Synod motion 8.5(b)(vi), requests that Standing Committee establish an appropriate task-force or committee (made up of people with relevant expertise) to serve as a resource to parishes in managing and developing parish property for gospel benefit.”

5. At its meeting on 5 December 2016 the Standing Committee appointed a committee comprising the Rev Phillip Wheeler, Canon Stephen Gibson and Mr Clive Ellis to undertake the work requested in resolution 21/16 and report to a future meeting of the Standing Committee.
6. At its meeting on 5 December 2016 the Standing Committee also noted Synod resolution 33/16 and –
 - (a) noted that pursuant to clause 9(1)(e) of the *Mission Property Ordinance 2002* the Mission Property Committee is already responsible for providing advice and support to parochial units which seek to acquire land, sell or otherwise realise land, construct or renovate ministry buildings, develop land, or rationalise or better utilise their land (and has been doing so for a number of years),
 - (b) requested the committee responsible for undertaking the review of the membership structure of the Mission Property Committee under Synod resolution 21/16 to take into account the

- responsibilities of Mission Property Committee under clause 9(1)(e) in conducting its review, and
- (c) requested the committee to conduct a review to determine the resources that would be necessary to allow the MPC to –
 - (i) develop some generic guidelines to assist parishes in determining the priorities for facilities development, and
 - (ii) be more proactive with regards to the development of the facilities of existing parishes.
7. Since we began our review there have been several additional events which intersect with our work, and we respond to them in the course of this report –
- (a) an Anglican Church Growth Trust (ACGT) has been proposed. Under this proposal a Trust would be established, with its own Board and an executive director. It would coordinate the work of fund raising by NCNC, church planting by ENC, and the property acquisition and development work of the MPC. It is anticipated that a proposal will be presented to Standing Committee in September,
 - (b) MPC have presented a report to Standing Committee in July 2017 with a proposal for funding early stages of re-developments in brownfield areas,
 - (c) an Appendix to the same MPC report set out “*Generic Guidelines – Overarching principles to assist parishes in determining the priorities for facilities development*”, and
 - (d) in a brief report to the same July meeting the Strategic Resource Group declared its preliminary support for the funding concept from the MPC, and indicated it would bring a further report in August.

Consultation

8. The Committee has conducted its work by seeking the views of a wide range of people who have varying levels of contact or involvement with the MPC. We invited them to respond to a survey, and we met with some of them. The survey was initially on paper and then online. The questions in the survey are shown in Appendix 1.
9. Those interviewed or invited to respond to the survey included –
- representatives of parishes in both greenfield and brownfield areas;
 - regional bishops;
 - members of the MPC;
 - ACPT members;
 - members of SDS, who carry out much of the work for the MPC;
 - some members of Standing Committee;
 - NCNC members; and
 - consultants or professional services providers to the MPC.

10. Our review was undertaken at a time when SDS was understaffed in the Property area. An experienced manager had left, and there was a delay in appointing a suitable replacement. The same staff service all parishes and the diocese in property matters. We have taken this into account in our review.

Current Composition

11. Clause 7 of the *Mission Property Ordinance 2002* (‘Ordinance’) provides that the MPC is to be composed of six persons elected by Standing Committee and three persons appointed by the Archbishop. These nine offices are to be filled after the 1st ordinary session of each ternary Synod. Vacancies may be filled, respectively, by the Standing Committee or by the Archbishop. The ordinance contains no further constraints or guidance on composition. The current membership is shown in Appendix 2.

12. A quorum of four people is sufficient to constitute an MPC meeting.

Current Resourcing

13. In addition to the volunteer efforts of MPC members, the Sydney Diocesan Secretariat employs a division of personnel under the title “Parish and Property Services.” This group is responsible for insurance, the MPC and the Anglican Church Property Trust. Of this, approximately $\frac{3}{4}$ FTE have been available to service the MPC with services ranging from Secretarial, contract negotiation, preparation and execution,

14. The funds available to the MPC for acquisition of properties and construction of ministry facilities are:
- funds raised by the land levy paid by parishes;

- proceeds from the sale of excess land;
- donations raised mainly by NCNC and directed to MPC for the construction of facilities; and
- fees applied to some parishes for efforts undertaken by the MPC on behalf of parishes.

A Brief History of the MPC

15. The Synod in 2002 adopted a 10-year mission to see people come to know Jesus as their Lord and Saviour. Its big goal was to see 10% of the people in the Diocese become members of Bible-based churches. As part of the long-term thinking behind the mission, it was recognised that a long-term property strategy was needed. This would help ensure that ministry bases were available in the developing areas of the Diocese.

16. The Mission Property Ordinance 2002 was passed. It created a Mission Property Fund ('Fund') and a Mission Property Committee ('MPC'). It set out how the Fund was to be managed, and how the MPC was to be constituted and would operate. The Standing Committee was required to determine the priorities for spending the Fund (clause 5C) under principles set out in clause 5B. The functions of the MPC were set out in clause 9.

17. This review is presented under the headings of three major tasks assigned to the MPC under the Ordinance –

- (a) acquire land in greenfield areas;
- (b) construct buildings for ministry on those lands; and
- (c) provide advice and support to parishes seeking:
 - (i) to acquire, sell or realise land,
 - (ii) to construct or renovate ministry buildings,
 - (iii) to develop land, or
 - (iv) to rationalise or better utilise their land.

18. In addition to these tasks the MPC provides advice to Standing Committee about the strategic value of properties proposed to be sold. It could be described as 'the property committee of Standing Committee'.

19. The Ordinance also commissions the MPC to raise funds for buildings, but this task is now carried out by NCNC.

Achievements

20. The MPC has purchased land at Oran Park, Marsden Park, Stanhope Gardens, East Leppington, Riverstone, Bringelly, Austral and Rossmore. It has completed construction of ministry centres at Kellyville, Rouse Hill, Hoxton Park and Oran Park, and is working on buildings at East Leppington, Stanhope Gardens Riverstone and Marsden Park. MPC oversaw the allocation of the \$20m funds drawn from the Diocesan Endowment in 2007. This was used for the Hoxton Park building, land purchases and the development of 9 parish facilities. MPC provided oversight of the parish construction projects. These projects have enabled the expansion of the ministries in Rooty Hill, Naremburn, Broadway and others.

Land in greenfield areas

21. The MPC has used information about land releases and planned growth areas from the government and other sources to plan and prioritise land purchases, and to make the purchases as funds became available.

22. In 2013 parishes began to contribute to the Mission Property Fund through the land levy. This has raised \$2 million per year to acquire new land. The land levy was reviewed after 12 months and has been continued in the years since. It has enabled the Committee to better schedule its planned purchases of land.

23. Greenfield land purchases were the first and major task of the MPC, and the membership includes the required expertise to carry out this work. As land releases occur slowly and predictably, the SDS staff have been able to handle this area of work. Reports of the progress of planned and actual purchases have been provided to the Standing Committee and the Synod. It seems that parishes see the great value of having their land levies used in this way, and do not object to the impost. This work of proactively seeking sites for future ministry locations where up to 50,000 people might in the future live and work is of great strategic importance. Unless land is acquired very early in the development of a greenfield area a suitable site for a ministry centre becomes very difficult to purchase. There is often a 5-10 year time lag from purchase until development in an area might begin in earnest. The MPC is commended for its efforts in this complex area of urban development.

Buildings in greenfield areas

24. Funding for buildings on greenfield sites comes from generous donors – corporate, parish and individual. NCNC is the body that raises funds for these facilities. Of course, increased funding would allow this to proceed more quickly. Currently only one ministry centre has been constructed with three further projects before various Councils for Development Application approval before letting of contracts for construction.

25. The construction of ministry facilities in greenfield areas has attracted more comments than the purchase of sites. The purchase of land does not create a new parish or ministry. However planning for a building and a ministry to utilise the building and reach the area is the trigger for a new parish. This raises questions about who ought to conduct this ministry and have oversight. Every land acquisition is within an existing parish in the diocese. It is at the discretion of the Bishop of the area as to the future ministry at that location. Inevitably then planning for buildings raises the question of priorities in a way that attracts more scrutiny. Whereas land purchase priorities are based on data concerning land releases and anticipated demographics, the priority for buildings is based on perceived ministry priorities. When there are multiple sites and plans for buildings at several locations in different regions and yet limited funds for construction, determining priorities is not easy. It is suggested that these decisions ought not rest with the MPC alone but rather Standing Committee or some other advisory group.

26. The building projects also require a responsiveness that is different from the land purchases. In the course of planning and gaining approval from Council and in the construction phase, many minor decisions need to be made. If these decisions have to be referred to a meeting of the MPC there will be delays which can lead to increased costs, frustration and possibly lost opportunities. Furthermore the process of gaining a DA involves multiple consultants and maintaining pressure upon Council authority to expedite approval. This is very time-consuming and complex, and MPC is seriously under resourced once multiple projects are before different Councils. MPC identifies this process of gaining approval as one of the chief bottlenecks in delivery of the vision.

27. This suggests that it would be helpful to have someone with authority to make those minor decisions without reference to the MPC. This could be achieved by appointment of an executive director or a revision of the delegation given to SDS staff as they implement the MPC's policies and decisions.

28. SDS is in the process of replacing the former experienced property officer, restoring their number in this area to the usual two. We also note that SDS and the ACPT have agreed to jointly fund an additional property manager, taking their strength to three. With this further appointment the staff allocated to MPC work should increase from the present $\frac{3}{4}$ FTE to $1\frac{1}{2}$ FTE. Even with these improvements there is still under-resourcing given the size and complexity of the Synod vision.

Brownfield properties

29. As has been highlighted in several recent reports, there is huge scope and need for improving or re-developing the ministry facilities of existing parishes. MPC and SDS are already doing work in this area.

30. This work may be initiated by any of several means –

- a parish may be conscious of the need to improve ministry facilities;
- developments adjacent to a church site may make it imperative that the site be included. An example is the parish of Brighton-Rockdale, where developments proposed on adjoining sites could leave the Rockdale site 'stranded' with a size too small to develop on its own;
- an approach may be made from the developer of an adjoining site who sees that including the church site would improve the profitability of their own development.

31. Increasingly this work will be carried out in conjunction with external developers, as the funding requirements are well beyond the capacity of most parishes. We consider it essential that the MPC have access to sympathetic developers who can envisage projects and ideas in a way that most parishes will not, and who know how these developments work and can therefore negotiate on equal terms with external developers to gain the best outcome for our churches. This is a different function from architectural design or project management.

32. Each project might cost in the vicinity of \$5-10k for initial feasibility to determine viability. The projects deemed feasible both financially and strategically for ministry would then require additional seed funding to develop the concept to DA stage with consultants, architects and financiers. This seed funding would be recovered from the project once it is underway, and recycled for subsequent projects.

33. Major brownfield developments need to be self-funding. While initial seed funding is required to develop these projects to DA stage, once financing can be obtained from developers and banks the seed funding should be recouped and returned to MPC. In some cases the seed funding might be written off

where a development fails to proceed. MPC is developing a proposal for this sort of approach currently. What is clear is that there simply will not be sufficient funds available in the Diocese to provide substantial grants to parishes in brownfield areas for re-developments. There may be assets sales and consolidation of property resources as parishes amalgamate or rationalise and this capital may be available for development, however until Synod has an appetite for a 'brownfield' property levy similar to the current 2% greenfield levy to purchase land, there will simply not be centrally available funds for brownfield developments.

34. Even if a small levy were agreed, it generates a small amount annually (\$2m) compared with the massive project costs of developments – typically multi-million dollars – and so very few parishes would be assisted. As recent Synod debates highlighted, the decision as to which parishes is very difficult! There are currently at least 30 brownfield projects under consideration that are likely to be financially viable, and so there are opportunities for developments in brownfield areas that will advance the ministry of our diocese.

35. Our Committee discussed how this might be done before we became aware of a proposal from the MPC for just such a process outlined in its report to Synod. We recommend the further development of a concept such as this.

Resourcing

36. The SDS personnel perform a great role in supporting the MPC along with their regular work for parishes. Even with the present vacancy filled, the amount of work which could be generated by MPC in its 3 areas may be overwhelming. The planned addition of another staff member will alleviate this, and it remains to be seen how much the SDS property team can manage. If the Growth Trust proposal is implemented, an executive director may further relieve some of the load.

37. Funding is an ongoing issue – more would be better! The land levy provides a regular and predictable stream of funds for land purchases. The Growth Trust would expect to stimulate contributions by donors for the construction of ministry facilities. And the proposed Property Levy – if it proceeds and is applied as suggested by the MPC – would provide an ongoing source of seed funds to initiate some brownfield re-developments.

Governance

38. The Mission Property Ordinance was passed in 2002. In more recent years there has been a focus on governance in the Diocese as in the corporate world. Synod and Standing Committee have proposed, discussed, refined, approved and further amended a set of governance principles (2013 to 2017). Many diocesan organisations are modifying their structures to comply with these principles.

39. MPC is a committee of the Standing Committee. In our view, the Standing Committee is too large and too remote from the workings of the MPC, especially as the MPC works increasingly in brownfield areas. The business of Standing Committee is far wider than MPC work alone, and some of the MPC's work is confidential as projects are developed. Standing Committee cannot provide responsive and close oversight of the MPC's work in the way that is desirable.

40. The proposal for the Growth Trust could change the governance of the MPC, giving it to a board which would also coordinate the work of NCNC (in raising funds), ENC (in providing church planters) and MPC (in their property role). We see this as a desirable development.

41. We also consider it desirable that the MPC have as a member a clergy person (ideally a Rector without a conflict of interest) with church planting insights and experience. This input would help to ensure that ministry strategies are reviewed and challenged, rather than assumed. Determining priorities and decisions about acquisitions and buildings must be driven by a ministry strategy and experience as much as by demographics, town planning considerations, financial constraints and architectural issues. Questions such as land size, style of building, capacity, and whether land for ministry housing is to be included, have lasting implications and must be resolved carefully based on well-researched ministry strategies.

42. The question has been raised: should the quorum for a MPC meeting require a member of the clergy to be present? While this may be desirable, it would mean that the inability of the clergy member to attend would prevent MPC meetings from proceeding. That would be a poor use of the time of the professional people who give their time to the work of the MPC.

Commendations

43. We want to thank all the members of the MPC, who work diligently to create ministry facilities. We especially want to thank Geoff Kyngdon, who has chaired the MPC from soon after its inception to the present. Peter Kell was the original chair in 2002 until he became CEO of Anglicare in 2004, when Geoff replaced him. Geoff will retire from this role at the end of this year. He has led a fledgling organisation to become a key partner in supporting the ministry of the gospel of Jesus into the future.

Recommendations

44. We have not tried to develop fine details of the following recommendations, because they may be overtaken by the other developments mentioned above.

45. We recommend –

- (a) the governance arrangements of the MPC be changed, so that it comes under a smaller, dedicated body instead of directly under Standing Committee;
- (b) an executive director should be appointed with authority to make decisions and to progress projects;
- (c) the MPC composition should include a member of the clergy; and
- (d) the MPC Skills Matrix should be amended to include property development expertise as well as church planting experience.

For and on behalf of the Standing Committee

CLIVE ELLIS

Chair, MPC Review Committee

18 August 2017

Survey questions

- (a) What is the nature of your interaction with the MPC?
- (b) What has been your experience of working with the MPC?
- (c) What comments would you make regarding the MPC's capacity to perform its functions?
- (d) What changes would you recommend to the functions of the MPC?
- (e) What changes would you recommend to the membership structure of the MPC?
- (f) What additional resources would be required by the MPC to be more proactive with regards to the development of the facilities of existing parishes?
- (g) Do you have any other comments you would like to make regarding the MPC?
- (h) In the event that the committee seeks further information, would you be willing to discuss these matters in person or by telephone? If so, please provide your name and contact details.
- (i) Is there anyone else that you are aware of, that you would particularly recommend that the Committee consults with?

Current membership of the MPC

Member	First appointed	Years	Nature
Mrs Emma Ellis	25 July 2016	1	Standing Committee
Mr Bruce Litchfield	1 November 2008	9	Standing Committee
Mr Robert B Mellor	1 November 2010	7	Standing Committee
Mr Trevor J Ratcliff	1 November 2007	10	Standing Committee
Mr Michael Rowe	21 March 2016	1	Standing Committee
Ms Maureen Peatman	25 February 2013	4	Standing Committee
Mr Glynn N Evans	1 June 2010	7	Archbishop
Mr Geoff R S Kyngdon	1 November 2002	15	Archbishop
Bishop Ivan Y Lee	1 November 2002	15	Archbishop