



Sydney Diocesan Services

Annual Report 2019

Our Mission

To advance the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese.

Our Vision

Enhancing Capacity for Mission

Our Values



RESPECT

Inspired by Christ's humility, we always treat people with the dignity and care that is due to them as image-bearers of God.

Show proper respect to everyone, love the family of believers, fear God – 1 Pet 2:17



INNOVATE

We continually look for better ways to serve with the resources God has given us.

Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms – 1 Pet 4:10



COLLABORATE

We seek and value the input of others to better meet the needs of those we serve.

God has placed the parts in the body, every one of them, just as he wanted them to be [for] there are many parts but one body – 1 Cor 12:18 & 20



CELEBRATE

We reflect on our achievements and efforts with a spirit of joy and thankfulness to God.

I thank my God every time I remember you [and] I always pray with joy because of your partnership in the gospel – Phil 1:3-5



DELIVER

We are focused on providing outcomes that meet the expectations of our stakeholders.

Always give yourselves fully to the work of Lord, because you know that your labour in the Lord is not in vain – 1 Cor 15:58

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Chair's Report



It continues to be a privilege to serve as the chair of SDS. The commitment and engagement of my fellow board members has been an enormous encouragement and support to me as we embark on the first year of a new strategic direction for SDS.

Our constituting ordinance commits us to a mission of advancing the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese. We do this by serving the Synod and Standing Committee, other diocesan organisations and the parishes.

Our strategic plan for 2019-2021 commits us to a vision of Enhancing Capacity for Mission which is the means by which we will discharge our mission over the next 3 years. The board remains confident that the direction set for SDS under this plan will serve the Diocese well during a time when the environment for mission is becoming more complicated and burdensome. Indeed, I am pleased to report that the 2019 targets we set for each of the objectives under the plan have been met, indicating that good progress has been made in realising our vision of enhancing capacity for mission.

As I write this report, SDS, like everyone else, is confronting the challenges posed by the COVID-19 pandemic. More will be reported to the Synod next year about the impact of COVID-19 on SDS and those served by SDS. Suffice to say that SDS has taken and will continue to take all necessary steps to ensure the safety of its staff during this difficult time and, as far as possible, the continuity of the support it provides to diocesan organisations and parishes. I have been very encouraged by the positive response shown by the SDS staff team to the new environment in which they now have to work.

I would like to recognise and thank God for the service of Mr Peter Evans who had to resign for unexpected reasons in September 2019, having been a member since January 2019. During 2019 we also welcomed as new members Mr Norm Lee and the Rev Lily Strachan. It has been very pleasing to see the refreshment of the SDS board over the last couple of years with members such as Norm and Lily. I look forward to their contribution to SDS.

As in previous years, I would like to acknowledge the dedication, hard work and professionalism of the staff team led by Robert Wicks, our Chief Executive Officer. I am sure many reading this report would have received support from one or more members of the SDS staff team and therefore know the level of skill and commitment they bring to the significant range of services they provide.

Above all, we continue to thank God for His continued blessing. We pray that our work, and the work of the Synod, the Standing Committee, the organisations we support and our parishes, will bring glory to His name in the Diocese and beyond.

John Pascoe
Chair

Chief Executive's Report



Welcome to the SDS annual report for 2019. I trust it gives a helpful insight into our work.

SDS is the central service provider for the Anglican Church of Australia in the Diocese of Sydney. Our mission (or purpose) is to serve the Synod, its Standing Committee, and the parishes and organisations of the Diocese so that, together, we can advance the broader mission of the Diocese.

A significant focus of 2019 has been implementing the first year our Strategic Plan for 2019-2021. Our vision under this plan is Enhancing Capacity for Mission. Our vision is intended to be a concise statement of what SDS wants to be (and wants to be seen to be) by 2021. It recognises that while SDS is not itself at the frontline of mission, the professional services and administrative support that SDS provides should enable parishes and others at the frontline of mission to focus more on mission. That is, SDS wants to enhance their capacity for mission.

Over the course of the plan, we expect to realise our vision by achieving the following objectives for our 5 key stakeholders –

- To maintain Synod's support for SDS as its agent for the effective administration of the Diocese.
- To increase the use by central diocesan organisations of cost recovered services provided by SDS within our core competencies.
- To increase the effectiveness of the support given by SDS to parishes.
- To increase the involvement of the broader diocesan and affiliated network in activities of mutual benefit to the Synod, parishes and central diocesan organisations.
- To increase the culture of innovation among our staff.

I am pleased to report that we have met the 2019 targets for each of these strategic objectives.

This has been achieved by taking targeted actions to make the strategic changes necessary to deliver value for our 5 key stakeholders. These actions included –

- Implementing an electronic document management system.
- Developing a secure online parish portal.
- Undertaking a gap analysis of the services we provide to organisations.
- Obtaining an external review to improve the quality of our agenda papers.
- Identifying the main administrative pain points experienced by parishes.
- Implementing a range of initiatives to encourage staff to generate ideas for improving the services we provide.

We also undertook a number of collaborative initiatives which included developing an HR resource for parishes, increasing our support for the Anglican Church Growth Corporation, and establishing a new entity, SDS Legal, to deliver legal services to Anglican and affiliated bodies.

Our 5 organisational values of RESPECT, INNOVATE, COLLABORATE, CELEBRATE and DELIVER continue to be an important touchstone for undertaking this work. In a very real sense, they reflect the attitudes and behaviours we think are necessary for us to effectively achieve our objectives and ultimately realise our vision.

Further information about the actions we have taken during 2019 to implement our strategic plan and some of our key measures of progress are set out later in the annual report.

Chief Executive's Report - continued

It is easy to view a focus on strategy as somehow being separate from the day-to-day business of SDS in delivering high quality and valued professional services and administrative support to diocesan organisations and parishes. However effective strategy is critical to ensuring SDS remains a valued service provider in an environment that is changing at an ever increasing rate. To neglect strategy in favour of day-to-day operations is a false dichotomy with a short horizon.

As outlined in more detail later in the annual report, the results of our 2019 annual survey of organisations and the on-going feedback from parishes received via our Service Desk during 2019 both indicate a high degree of satisfaction with our services. As pleasing as these results are, we cannot assume high levels of satisfaction will be maintained simply by continuing to do tomorrow what we do today. Maintaining a focus on strategy which continually seeks to provide value to our key stakeholders in a changing environment is critical to SDS's long-term mission.

As I am writing this report, SDS, together with the broader diocesan network, is facing unprecedented financial and operational challenges arising from the emergence of the COVID-19 pandemic in early 2020. The extent of the impact of the pandemic on SDS and the broader diocese is currently unknown, and will depend on a number of factors, most of which will not become clear for some time. The COVID-19 pandemic has undoubtedly disrupted our carefully laid plans and has caused, and will continue to cause, much loss and heartache across the Diocese, Australia and the world. This needs to be acknowledged, and steps taken where possible to go the extra mile in supporting one another during this difficult time.

However our response to the pandemic, driven largely by necessity, has also shed light on a number of strategic opportunities, particularly in relation to our increased capacity to meet and work remotely, which we are currently assessing. I will report further next year on the impact of the COVID-19 pandemic on, and its strategic implications for, SDS.

I conclude by expressing my deep and heartfelt appreciation for the commitment of the SDS board and our staff and the support both have given to me as CEO. Their diligence, integrity and shared commitment to the broader mission of the Diocese has been unwavering. I commend this report to you and look forward to our continued partnership in the work of the gospel of the Lord Jesus Christ.

Robert Wicks
CEO



Highlights of 2019

- Achieved the 2019 targets for each of the 5 objectives under our Strategic Plan for 2019-2021
- Implemented an electronic document management system.
- Completed a “gap-analysis” of the organisations served by SDS which indicated generally, there are not significant gaps between the current and expected quality of the services provided by SDS.
- Developed a secure online portal for parishes to replace the parish extranet.
- Completed an external review of the quality of the agenda papers we prepare for the SDS board.
- Hosted the Australian Institute of Company Directors’ (AICD) Foundations of Directorship course for 25 directors and senior executives from boards and councils across the diocese.
- Launched a staff intranet site to enable, among other things, staff to post ideas and thank one another.
- Completed the first staff “innovation” challenge to generate ideas on how we can work more effectively as an organisation.
- Implemented an innovation and values reward and recognition framework for staff.
- Contributed to the development of an HR resource for parishes.
- Increased our support of the Anglican Church Growth Corporation.
- Maintained >90% level of satisfaction in feedback from parishes seeking our help.

I was most impressed with the politeness and professional response to my request.

The feedback was very helpful and thorough. It was delivered professionally and clearly. SDS Legal did a great job advising us. Thanks.

We're very happy with the help that was given to us regarding the passing of our ordinance. The responses were prompt and thorough...the instructions were clear and precise. Thanks SDS!

Excellent support, I received a phone call clarifying my request and shortly afterwards received a follow up email with the documents requested. Thanks for your assistance.

Highlights for Organisations Served by SDS

As a service provider to the central diocesan organisations of the Diocese, SDS also wants to celebrate the key outcomes achieved by those organisations during 2019 as they pursue their mission.

Here are some of the highlights.

Synod and Standing Committee

- Passed 65 ordinances, elected 149 individuals to Diocesan schools, organisations and committees. The Synod itself passed 80 resolutions (50 in 2018), 7 ordinances (8 in 2018) and 2 policies (3 in 2018).
- Adopted a Doctrine Statement on Gender Identity as the principal statement of the doctrines, tenets, beliefs and teachings of the Anglican Church in the Diocese of Sydney with respect to gender identity.
- Following the passing of the Abortion Law Reform Act 2019, affirmed a biblical view of the sanctity of life and thanked all of those Anglicans who wrote to their local members, provided submissions, signed petitions or attended public rallies as expressions of opposition to the Act.
- Noting that the ordinary session of Synod in October 2019 would be the last session over which Archbishop Glenn Davies presides, thanked the Archbishop for the way he has presided over this and preceding synods during his term of office and gave thanks to God for the life and witness of the Archbishop, his evangelical faith, his quick mind, his wise counsel to clergy and lay members, and his representation of the Christian gospel to the secular world.
- Approved of the appointments of the Rev Gary Koo and Canon Malcom Richards as assistant bishops in the Diocese of Sydney, with the respective titles Bishop of Western Sydney and the Archbishop of Sydney's Bishop for International Relations.
- Established a body corporate to be the trustee of certain assets of the Endowment of the See, and redeclared the trusts of the EOS Expenditure Fund to create a new trust to hold both the income and capital of the Endowment of the See.



HIGHLIGHTS OF 2019

Anglican Church Property Trust Diocese of Sydney

- Executed a record number (535) of property and heritage documents for parishes and diocesan organisations, including leases and licence agreements, development and grant applications.
- Achieved a real rate of return for the ACPT's Long Term Pooling Fund over the period 1 July 2010 to 31 December 2019 of 7.47% and made distributions to beneficiary parishes and diocesan organisations of \$2.5 million.
- Processed 152 Public Liability notifications from parishes, 13 Public Liability notifications from the Professional Standards Unit (PSU) and 9 Public Liability notifications in respect to St Andrew's House and St James Hall and 13 molestation notifications from PSU.
- Processed 103 Industrial Special Risk (ISR) claims for parishes (combination of storms and bushfire damage, malicious damage, water damage, impact of trees and motor vehicle) and 3 ISR claims in respect to St Andrew's House and St James Hall.
- Project managed the triennial physical insurance cost assessment inspection of some 1,000 separate buildings (for all parishes, and 10 organisations including Youthworks and Moore College).
- Administered 18 building contracts on behalf of parishes including the redevelopment of the Chapter House of St Andrew's Cathedral and a redevelopment of the Manly Corso retail shops and church facilities at Manly parish.
- Assisted parishes prepare submissions and lodge over 200 grant opportunities for 9 different NSW and Federal Government grant programs.
- Administered in excess of \$2.5 million in successful grant funding on behalf of parishes.
- Implemented an SDS inspired "Property Matters" newsletter for parishes (Spring and Summer 2019) to enhance communication channels between SDS/ACPT and parishes.
- Implemented and administered the ACPT's Major Works Committee, which reviewed five proposals for potential joint venture building projects.
- Worked with the Anglican Church Growth Corporation executive in relation to operational matters to assist in achieving its strategic goals.
- Assisted 16 parishes install rooftop solar photovoltaic (PV) panels on their church buildings with 12 parishes receiving a total of \$216,000 of funding for their project through the federal government solar communities 2018 grant program.



Chapter House exterior works



Chapter House performance space

Anglican Church Growth Corporation

- Released the first Growth Corporation Strategic Plan 2020-2022.
- Commenced the Urban Renewal Pilot Program, in collaboration with Sustainable Development Group (SDG), with an initial list of 25 potential projects with six priority one projects with over \$3 million committed funding to get these development-ready.
- Completed a research project with SDG to provide planning and demographic projections to 2050 as the basis for the Greenfield and Urban Renewal Strategies being developed.
- Consolidated various datasets under the Anglicare Gapmaps GIS to provide consistent spatial information.
- Worked with State Government on planning policy issues to address potential increases in developer contributions to be paid by churches and prohibitions of places of public worship in residential and business zones.
- Drafted the property funding options paper that includes the concept of a “Future Fund” for development of greenfield and urban renewal developments.

Mission Property Committee

- Commenced construction of a new church building at Stanhope (completed in May 2020).
- Procured modular kid’s church buildings for occupation by the Hope Leppington church plant.
- Commenced a subdivision and sale of the surplus land at Stanhope with the sale proceeds to contribute to the construction of the MPC Leppington new church.
- Assisted Huskisson parish in developing its property masterplan including a land sale and the purchase of a new church site.

Glebe Administration Board

- Completed the third and final stage of the restructuring of the investments of the Diocesan Endowment (DE) to become more like a perpetual endowment, by gaining full exposure in unlisted infrastructure in early 2019.
- Achieved a 14.7% investment market return for the DE in 2019
- Achieved a real rate of return for the DE between 1 July 2010 and 31 December 2019 of 8.96% pa,

which exceeded the average total spend objective over that time period of 4.07% pa.

- Distributed \$2.8 million from the DE to the Synod in 2019.
- Made distributions from the Diocesan Cash Investment Fund (DCIF) during 2019 at a rate of 1.46% pa compared to a benchmark of 1.23% pa.
- Achieved a \$15 million increase in the funds under management in the DCIF with \$117 million by year-end.
- Facilitated 2,200 transactions for the DCIF without any settlement issues.

St Andrew’s House Corporation

- Earned a net operating surplus of \$9.82 million.
- Paid distributions of \$5.43 million (\$5.30 million in 2018).
- St Andrew’s House valued at \$215.5 million (\$175.5 million in 2018).
- Commenced cosmetic refurbishment work on Town Hall Square arcade.
- Undertook several planned lifecycle equipment maintenance & replacement projects.
- Progressed strategic plan actions including a review of several options to maximize the value of the St Andrew’s House site.
- Continued work to secure key strategic tenancies in Town Hall Square arcade.
- Reviewed & updated reserving policies to enhance the capacity to pay consistent distributions from the income generated by St Andrew’s House.
- Enhanced SDS’s management capacity for commercial property by appointing an experienced Asset Manager to a newly created staff position.



MPC development of a new church at Stanhope Gardens.

Endowment of the See Corporation

- Established the Endowment of the See Corporation as a corporate trustee for the Endowment of the See.
- Established the Endowment of the See Trust and restructured the trusts associated with the Endowment of the See.
- Submitted a Development Application to the City of Sydney Council in December 2018 for the development of the new residence for the Archbishop, and continued to interact with the Council to progress the design and build (Development Application approved in February 2020).

Sydney Anglican Loans

- Earned a net operating surplus of \$0.384 million (\$0.435 million in 2018) with net assets of \$17.362 million (\$16.977 million in 2018).
- Approved 8 loans totalling \$4.078 million (8 loan totalling \$3.308 million in 2018).
- Completed financial reviews of 2 mortgage ordinances for the Standing Committee.



Above: St Paul's Carlingford redevelopment including construction of a 500-seat auditorium. Building contracts administered by the ACPT.

Left: West Wollongong church redevelopment including new foyer, meeting rooms, kitchen, amenities and spire. Building contracts administered by the ACPT.



Overview of 2019

- The mission of SDS is to advance the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese.
- We pursue our mission by providing 30 distinct lines of service to the Synod, the Standing Committee and 16 other central organisations of the Diocese, and through them, to our 270 parishes.
- We achieved the 2019 targets for the 5 objectives under our Strategic Plan for 2019-2021, and in so doing are on track to fulfil the vision under our plan of “Enhancing capacity for mission”.
- We are making the strategic changes required to achieve the objectives under our plan through targeted actions, including a range of initiatives taken during 2019.
- We regularly measure our position in respect to those strategies we regard as leading indicators of the value we provide to our key stakeholders.
- We undertake our work through the prism of 5 organisational values adopted under our strategic plan: RESPECT, INNOVATE, COLLABORATE, CELEBRATE, DELIVER.
- Our governance arrangements reflect our ongoing desire to ensure the highest standards of corporate governance are adopted and maintained.
- We remain in a sound financial position.

Service Delivery

Services we provide

Secretarial & Governance Services	Office Services	Diocesan & General Administrative Services	Property Services	Financial Services	Other Professional Services
Corporate secretarial support	Reception, meeting rooms and catering	Administer ordinances and diocesan policies	Strategic/technical property advice	Payroll and packaging	Legal and regulatory support
Strategy development and implementation	Mail and office supplies processing	Administer Clergy Assistance Program	Administer estates/bequests	Cash management	IT services
Risk management and compliance		Manage events	Administer grant programs	Investment management	Human resources management
Board membership support		General administrative advice	Maintain title and security document registry	Loan management	Corporate communications
			Commercial property management	Financial and management accounting	Social issues research and support
			Property (project) management	Financial management	
			Administer Diocesan Church Insurances Program	Budgeting and forecasting	
			Assessment of Insurance Requirements		

Central Diocesan Organisations

We serve the following 17 central diocesan organisations –

- Synod and the Standing Committee
- Anglican Church Property Trust Diocese of Sydney
- Endowment of the See Corporation
- Glebe Administration Board
- Mission Property Committee
- St Andrew's House Corporation
- Sydney Anglican Loans
- Anglican Church Growth Corporation
- Anglican Education Commission
- Anglican National Superannuation Board
- General Synod Representatives
- Ministry Training & Development
- New Churches for New Communities
- Professional Standards Unit
- SDS Legal
- St Andrew's Cathedral Chapter
- Sydney Anglican National Redress Scheme Corporation

SDS has written service level standards with each of the central diocesan organisations it serves which specify the services to be provided by SDS, and the required service levels. The service level standards for a calendar year are agreed with the relevant organisation before the start of that calendar year.

SDS operates on a cost recovery model for the delivery of its services. This means that the amount charged for its services reflect the cost incurred by SDS in delivering those services. The charged amounts are therefore set with each organisation once the services and service level standards are agreed.

Members of staff of SDS are effectively the executive managers of many of the organisations served by SDS since, generally, those organisations do not themselves employ any staff. Acting in that executive capacity, the staff of SDS are accountable to the board of each organisation for the achievement of the organisation's objectives, compliance with board policies and processes and the implementation of other board decisions.

The performance by SDS against the service level standards for each organisation is formally reviewed by SDS in consultation with the organisation every year. No material issue of non-performance with our service obligations was identified during 2019.

Other organisations

We also provide services to a number of organisations from the broader diocesan network including Youthworks and to organisations affiliated with the Diocese, including Freedom for Faith and the New South Wales Council of Churches.

Service delivery to organisations from the broader diocesan network usually involves discrete areas of work, often performed over specific periods of time. While SDS still operates on a cost recovery model, such services are usually delivered under standalone agreements.

Strategy

Strategic Plan for 2019-2021

An important focus during 2019 has been the implementation of the first year of our strategic plan for 2019-2021. The plan has been developed around SDS's five key stakeholders being –

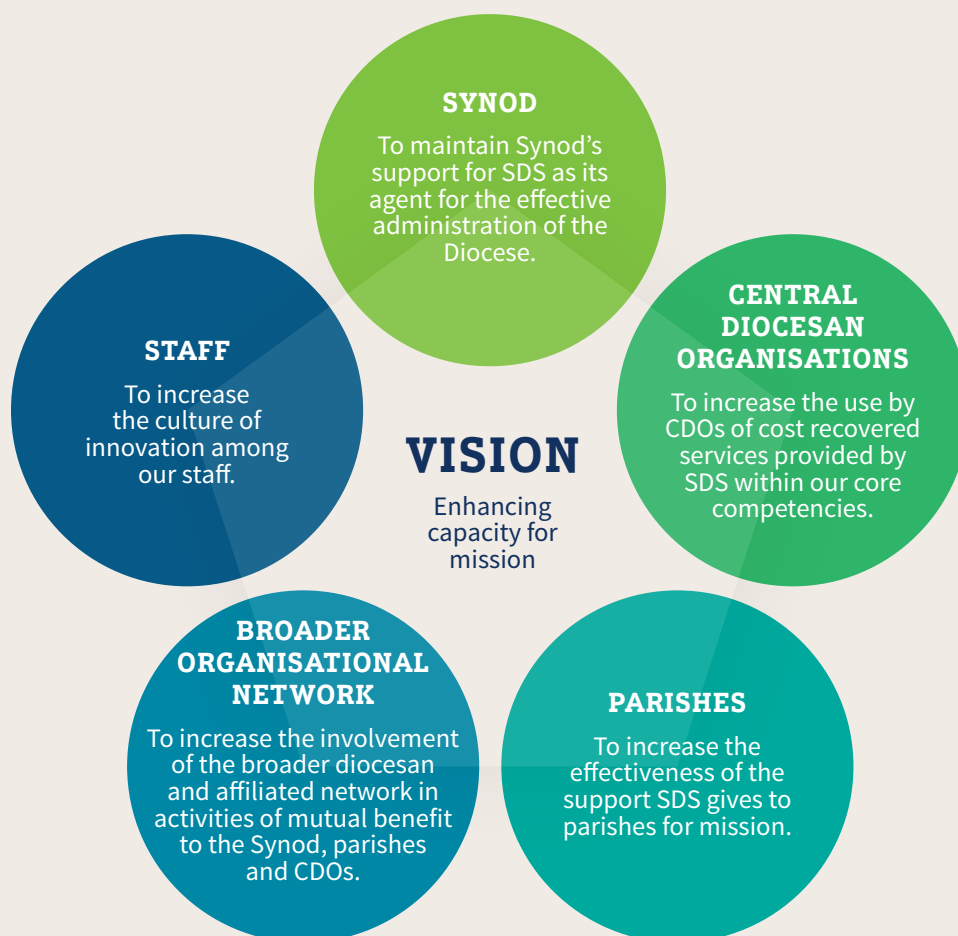
- Synod
- Central Diocesan Organisations
- Parishes
- Broader Organisational Network
- Staff

The plan comprises the following elements –



Mission

SDS's mission is to advance the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese. The mission is determined for SDS by the Synod as its "owner" and is set out in SDS's constituting ordinance.



Vision and Objectives

SDS's vision of Enhancing Capacity for Mission operates within the scope of our mission as a high level and concise statement of what we want to be at the conclusion of the strategic plan. Our vision recognises that while SDS may not be at the front line of mission, we aspire to provide professional services and administrative support to enable parishes and others who are at the front line to increase their focus on mission. That is, SDS wants to enhance their capacity for mission.

Our objectives describe what we want to achieve for each of our five key stakeholders over the course of the plan. We expect our vision to be realised upon achieving these objectives. We measure progress in achieving the objectives using suitable key performance indicators (KPIs), measured against 2018 baselines and targets for 2019, 2020 and 2021.

In 2019, we met the targets for each of our objectives. A summary of the KPIs, the 2018 baselines and our progress in achieving the objectives by reference to the 2019 targets is set out in the following table.

	Objective	KPI	2018 Baseline	2019 Target	2019 Measure	Status
SYNOD	To maintain Synod's support for SDS as its agent for the effective administration of the Diocese	Increase # proposals to improve the effective administration of the Diocese which are: (a) initiated by SDS, (b) implemented by SDS with a specific budget allocation, and which are endorsed or supported by the Synod or the Standing Committee		4	5	✓ TARGET MET ¹
CENTRAL DIOCESAN ORGANISATIONS (CDOs)	To increase the use by CDOs of cost recovered services provided by SDS within our core competencies	Increase # of services provided by SDS in aggregate to CDOs under service level agreements (based on activity categories used for the 2018 SDS Business Review)	152	162	181	✓ TARGET MET ²
PARISHES	To increase the effectiveness of the support SDS gives to parishes for mission	Increase average # visits per parish to secure online site for parishes (and decrease # parishes which visit site less than 12 times per year)	19 (110)	24(90)	40 (62)	✓ TARGET MET ³
BROADER ORGANISATION NETWORK (BON)	To increase the involvement of the broader Diocesan and affiliated network in activities of mutual benefit to the Synod, parishes and CDOs	Increase # events, projects, and services initiated by SDS involving the broader Diocesan and affiliated network which are of mutual benefit to the Synod, parishes and CDOs	3	6	7	✓ TARGET MET ⁴
STAFF	To increase the culture of innovation among our staff	Increase the # ideas received from staff (during "innovation sprints") for how SDS can provide better service	N/A	N/A	50	✓ TARGET MET ⁵

1. Proposals for effective administration to the end of 2019 are: Clergy Assistance Program (2018 Baseline); AICD Governance Program (2018 Baseline); PCR Process Rewrite (2018 Baseline); Parish HR Resource (2019); Architectural Panel Refresh (2019).

2. Aggregate number of services calculated using 30 distinct activity categories derived from the 2018 SDS Business Review. Increase in number of services in aggregate during 2019 largely due to services provided by SDS to new CDOs: Anglican Church Growth Corporation and Sydney Anglican National Redress Scheme Corporation.

3. The Parish Portal was launched on 1 July 2019 and continued to operate in parallel with the Parish Extranet for the remainder of 2019. The 2019 Measure is therefore a composite of the number of parish visits to the Parish Portal and the Parish Extranet.

4. Initiatives for broader network involvement to the end of 2019 are: Clergy Assistance Program (2018 Baseline); AICD Governance Training (2018 Baseline); Freedom for Faith services (2018 Baseline); Parish HR Resource (2019); SDS Legal (2019); New South Wales Council of Churches services (2019); Joint NSW Anglican submission to cemeteries regulator (2019).

5. 50 ideas received from staff during first innovation sprint held in July 2019.

Strategy

To achieve the objectives under our strategic plan it is necessary to determine the changes that need to be made to maximise our value to our key stakeholders. These changes, or strategies, are implemented through specific actions undertaken on a prioritised basis during the course of the plan.

As at 31 December 2019 we had identified a total of 97 actions to be taken over the 3 year period of the plan. Of the 67 actions we planned to undertake during 2019, we completed 30, including all 7 actions we prioritised as critical, and made good progress in another 17.

Described below are some of the more significant actions taken under our strategic plan during 2019, together with selected indicators we used to measure our success in making the necessary strategic changes for each of our key stakeholders.

Synod | *Helping to build a strong diocesan network*

AICD Governance Training

In June and July, we arranged for the Australian Institute of Company Directors (AICD) to deliver its 3 day *Foundations of Directorship* governance training course for 25 members of the boards and councils of 12 diocesan organisations. The final day of the course ended with a networking dinner attended by 20 of the participants. The feedback received from the participants indicates that these courses are highly valued, particularly by diocesan board members who have had little prior exposure to such training.

Anglican Church Growth Corporation

During 2019, we increased our support of the Anglican Church Growth Corporation and its CEO, Ross Jones. Our support for the Growth Corporation is strategically significant for the Synod, parishes and the broader organisation network. The particular focus of the Growth Corporation at this time is a pilot program for the development of a number of parish properties in support of mission.

Electronic Document Management System

During 2019, we implemented an electronic system for managing our documents. We undertook this to safeguard in non-paper form the information held by SDS concerning the affairs of the Diocese. The completion of this work by the end of 2019 has proven important for our capacity to continue to function remotely during the COVID-19 crisis in the first few months of 2020.

Agent for diocesan network effectiveness

12 diocesan boards and councils participating in AICD governance training run by SDS
(target 25 by the end of 2021)

Agent for diocesan network effectiveness

31 participants at seminars/webinars run by SDS
(target 1500 by the end of 2021)

Perceived value for money

84% of the members of central diocesan organisations agree SDS's services represent value for money
PER CENT
(target minimum 80%)

Financial viability

111% a measure of SDS's financial viability (based on the current value of its capital) at the end of 2019
PER CENT
(target minimum 100%)

Review of board papers

During 2019, we engaged the AICD to undertake an external review of our business papers. The AICD's review process entailed a detailed analysis of our governance documentation, with a view to determining whether it aligned with contemporary good governance practice while having regard to the context in which SDS operates.

In general, the AICD found that the current governance documentation of SDS accords with what the AICD would expect to see for a comparable organisation and provided the necessary support for our governance requirements. Nevertheless, the AICD identified a number of areas in which our documents could be enhanced, including a recommendation to reformulate our Governance Statement and Operating Protocols into a Board Charter reflecting the AICD model charter (see later in this annual report).

We expect to implement the recommendations arising from the AICD review by the end of 2020, and leverage findings and recommendations from the review for diocesan boards for which we provide corporate secretarial support.

Gap-analysis of services provided

During 2019, we undertook a gap-analysis to assess the quality and adequacy of the services we provide to diocesan organisations. The gap-analysis considered the following questions –

- Is there any gap between current and expected quality of this service?
- If delivery of any aspect of this service is time critical, are agreed timeframes for delivery under the service level agreement adequate?
- Is SDS over-functioning in the delivery of any aspect of this service?
- Are there any additional or new services that SDS could provide or procure for the organisation?

The results of this analysis indicate that, in general, there are not significant gaps between the current and expected quality of the services we provide and that we are not over-functioning in the delivery of our services.

Quality of services

93%
PER CENT
(target min. 80%)

of CDO members agree or strongly agree that the quality of SDS's services meets their expectation

Timeliness

89%
PER CENT
(target min. 80%)

of CDO members agree or strongly agree that SDS consistently provides its services within requisite timeframes

Relational quality

91%
PER CENT
(target min. 80%)

of CDO members agree or strongly agree that SDS has the trust and confidence of those it serves

Range of services

91%
PER CENT
(target min. 80%)

of CDO members agree or strongly agree that the range of services provided or procured by SDS is adequate

Perceived value for money

84%
PER CENT
(target min. 80%)

of CDO members agree or strongly agree that SDS's services represent value for money

Parishes | Alleviating burden, enhancing mission

Parish Portal

The Parish Portal is the secure online resource for parishes launched by SDS in 2019 to replace the old Parish Extranet. The Parish Portal is able to be accessed by rectors, wardens, treasurers and other parish officers to whom the rector decides to give access. Unlike the old Extranet, users of the Parish Portal can select various communication preferences for what information they want to receive from SDS and the address to which it should be sent.

The focus of the Parish Portal is to make available information which is specific to the parish concerned (eg. parish cost recovery statements, insurance/risk surveys, investment statements etc). However the Portal will also provide links to recently added or important material for parishes, including latest parish circulars and the online resources being prepared by the Parish HR Partner.

The Parish Portal opens future possibilities for SDS to further enhance its support for parishes, including for example, the development of online forums for parish officers to share information and resources directly with one another.

Parish HR Partner

During 2019 we worked closely with a number of diocesan stakeholders, including Moore College's Centre for Ministry Development, Ministry Training & Development, Anglican Church Property Trust, and the Standing Committee to develop HR support for parishes. The culmination of this work was the appointment in mid-January 2020 of Vikki Napier as the new Parish HR Partner.

Ms Napier completed an HR toolkit for parishes by the end of February 2020, before formally commencing her work with parishes in March. Despite the disruption caused by the COVID-19 crisis in the first few months of 2020, Ms Napier has made and continues to make a significant contribution to supporting the work of parishes

Service agility

7.26
HOURS

(target max. 8 hours)

being the average number of business hours per quarter for an initial response to service desk enquiries

Service agility

0.55%
PER CENT

(target max. 3%)

of parish enquiries which nominate delay, non-responsiveness, or inflexibility as a source of dissatisfaction

Quality of services

96.24%
PER CENT

(target min. 90%)

of satisfied service desk interactions between parishes and SDS

Relational quality

0.14%
PER CENT

(target max. 2%)

of parish enquiries which nominate lack of respect, patience, sensitivity or fairness as a source of dissatisfaction

Awareness of services

132

(target min. 90)

being the average number of parishes per quarter whose enquiries are dealt with through service desk

Broader Organisation Network | Collaborating with the broader network

SDS Legal

In November 2019 we established SDS Legal to regularise the delivery of legal services to parishes and central diocesan bodies, including the Synod and Standing Committee. SDS Legal also open the way for us to provide legal services in a cost effective manner to the broader network of Anglican and affiliated organisations.

Change of name and brand refresh

In February 2019, the Standing Committee formally changed our name from “Sydney Diocesan Secretariat” to “Sydney Diocesan Services” to make the nature of our organisation more understandable to the broader network of Anglican and affiliated organisations. In June 2019, we underpinned the messaging behind the change of name by adopting a new logo. The colour scheme and form of our new logo are intended to reflect the concept of growth and align with the vision under our strategic plan of “Enhancing capacity for mission”.

Demonstrated benefit

100%
PER CENT
(target min. 80%)

of participants in the AICD governance training course agreed or strongly agreed that the course was beneficial

Relationship of trust

91%
PER CENT
(target min. 80%)

of participants in the AICD governance training course agreed or strongly agreed that SDS has their trust and confidence

Quality of offering

100%
PER CENT
(target min. 80%)

of participants in the AICD governance training course were satisfied with the quality/ experience of the course

Ease of engagement

95%
PER CENT
(target min. 80%)

of participants in the AICD governance training course agreed or strongly agreed that they found it easy to engage with SDS in relation to the course

Staff | Empowering staff to make a difference

Innovation challenges

Our objective under the strategic plan is to increase the culture of innovation among our staff. In order to provide a practical focus for this objective, we commenced a series of “Innovation Challenges” for our staff in 2019. Each Innovation Challenge involves asking staff to provide their ideas about how we can better fulfil our mission. All ideas are assessed and, where possible, actioned in a timely fashion. The 2019 Innovation Challenge yielded 50 distinct ideas from staff.

Other staff initiatives

During 2019 we put in place a reward and recognition framework for our staff, with a special emphasis on staff who develop the best innovative ideas, and who best model the 5 values adopted under our strategic plan. We also launched a new staff intranet with significantly enhanced functionality and content, commenced a staff prayer time each Monday morning, and provided staff with 2 days of customer service training.

Sense of contribution to mission

4.29/5

average response of staff members about the extent to which SDS has a Christian workplace culture

(target min. 3.5/5)

Flexible work arrangements (value)

4.26/5

the extent to which SDS provides flexible work arrangements consistent with collaboration according to staff

(target min. 3.5/5)

Participation and influence

3.89/5

average response of staff members about the extent to which they have opportunities to participate in and influence the implementation of SDS's strategic plan

(target min. 3.5/5)

Flexible work arrangements (uptake)

31%
PER CENT

(target min. 30%)

of staff are on flexible work arrangements (excluding part-time and casual positions)

Continuous learning and Improvement

3.84/5

the extent to which staff feel they have opportunities for meaningful continuing learning and improvement

(target min. 3.5/5)

Christian workplace culture

3.92/5

average response of staff members about the extent to which SDS has a Christian workplace culture

(target min. 3.5/5)

Performance recognition

3.71/5

the extent to which staff feel SDS recognises and rewards innovative ideas above and beyond performance

(target min. 3.5/5)

Team relationships

4.29/5

average response of staff members about the extent to which their team relationships are collaborative and supportive

(target min. 3.5/5)

Values

We adopted a new set of organisational values to assist us in achieving the vision under our strategic plan for 2019-2021. These values are not intended to reflect all the attitudes and behaviours we expect our staff to display as representatives of a Christian professional service organisation. Rather they reflect the specific attitudes and behaviours we consider will be important to achieve the vision and objectives under the strategic plan.



RESPECT

Inspired by Christ's humility, we always treat people with the dignity and care that is due to them as image-bearers of God.

Show proper respect to everyone, love the family of believers, fear God – 1 Pet 2:17



INNOVATE

We continually look for better ways to serve with the resources God has given us.

Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms – 1 Pet 4:10



COLLABORATE

We seek and value the input of others to better meet the needs of those we serve.

God has placed the parts in the body, every one of them, just as he wanted them to be [for] there are many parts but one body – 1 Cor 12:18 & 20



CELEBRATE

We reflect on our achievements and efforts with a spirit of joy and thankfulness to God.

I thank my God every time I remember you [and] I always pray with joy because of your partnership in the gospel – Phil 1:3-5



DELIVER

We are focused on providing outcomes that meet the expectations of our stakeholders.

Always give yourselves fully to the work of Lord, because you know that your labour in the Lord is not in vain – 1 Cor 15:58



Governance

Constitution and Charter

SDS is constituted by the *Sydney Diocesan Services Ordinance 2017* (“2017 Ordinance”) and incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

Under Clause 4 of the 2017 Ordinance the purpose of SDS is to advance the purposes of the Anglican Church in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese.

This is reflected in the function of SDS set out in clause 17.

The 2017 Ordinance also provides that SDS may serve Anglican organisations outside the Diocese or organisations affiliated with the Diocese provided such service is incidental to or facilitates SDS service delivery to the Diocese.

Charity Group Status

Sydney Diocesan Services (ABN 69 266 342 710) is registered as a charity with the *Australian Charities and Not-for-profits Commission* (“ACNC”). The Annual Information Statement for 2019 has been completed and lodged with the ACNC.

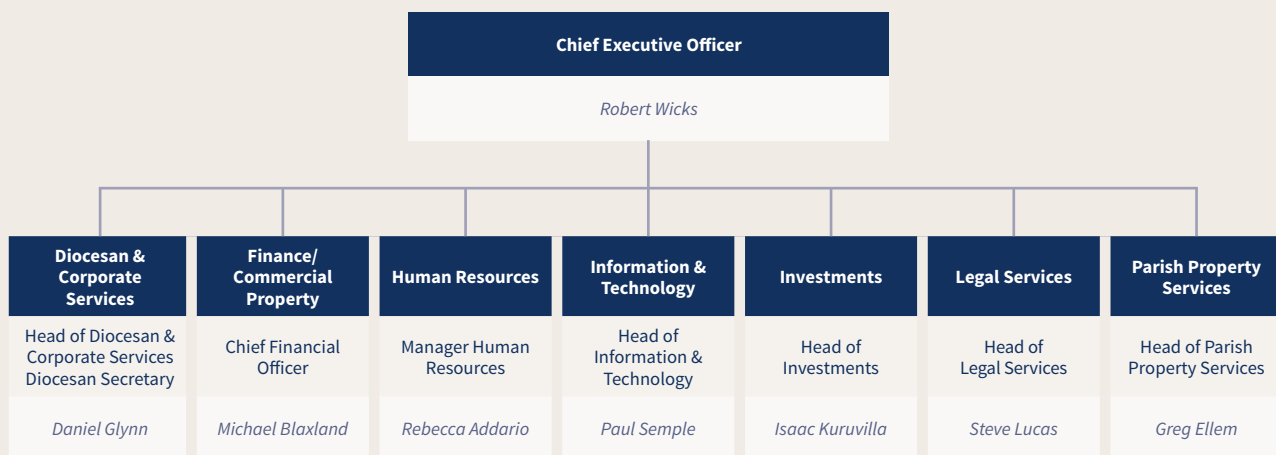
SDS is a Basic Religious Charity under the ACNC Act which means it is exempt from the financial reporting requirements under the ACNC Act.

Conformity with Synod’s Governance Policy

The Sydney Diocesan Services Ordinance 2017, together with SDS’s Board Charter and other board policies, conform to the requirements of the Synod’s Governance Policy for Diocesan Organisations.

Structure

Information about the membership of SDS is set out later in this Annual Report. As at 31 December 2019, SDS had 31 employees (on a full time equivalent basis). The following diagram outlines the organisation structure.



Risk Management

SDS has a Risk Management Policy and Framework as the means by which it manages risk. The management of risk is principally undertaken through a risk register. The risk register identifies the risks which affect the business of SDS, and assesses the severity of those risks and whether the current controls in place to mitigate those risks are sufficient to bring the level of risk to an acceptable level.

The risk register is reviewed formally every 12 months. The Chief Executive Officer, on behalf of the management, periodically certifies to the members of SDS about the adequacy of current controls used to mitigate risk.

Where an assessment is made that the risk remains unacceptably high, the risk register records the further action that needs to be taken.

The main categories under which risk is managed for the business of SDS are –

- Operational
- Regulatory
- Financial
- Safety
- Reputation
- People/Culture
- Strategic

Board Charter

Purpose

This Board Charter sets out the authority, responsibilities, membership and operation of the Board of Sydney Diocesan Services (SDS), including -

- the role of the Board and management,
- matters specifically reserved for Board decision-making, and
- the Board's operating protocols.

Background

SDS is constituted by the *Sydney Diocesan Services Ordinance 2017* (SDS Ordinance) and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

Under the SDS Ordinance, the purpose of SDS is to advance the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese.

The principal organisations served by SDS are the Synod of the Diocese of Sydney (Synod) and its Standing Committee (Standing Committee) and their subcommittees, parishes, Glebe Administration Board, Anglican Church Property Trust Diocese of Sydney, St Andrew's House Corporation, Anglican Church Growth Corporation, Endowment of the See Corporation, Mission Property Committee, and Sydney Anglican Loans.

As SDS was initially constituted as a corporate entity for the Standing Committee, part of its central administrative role involves entering into contracts and acting as a corporate member of organisations on behalf of the Standing Committee.

In developing this Charter, SDS has considered¹ –

- the governance standards applying to charities registered with the Australian Charities and Not for-profits Commission (ACNC), and
- the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASXCGC), and

- the Australian Institute of Company Directors' (AICD) Not-for-Profit Governance Principles, and
- the Christian Management Association (CMA) Standards Council's Nine Principles of Ministry Accountability, and
- the Governance Policy for Diocesan Organisations as amended by the Synod from time to time.

Roles and Responsibilities of the Board

The role of the members of SDS, acting collectively as a Board (the Board), is to ensure that SDS fulfils its purpose in a manner consistent with the fulfilment of its obligations.

The Board is responsible for –

- providing leadership and setting the strategic objectives of SDS,
- overseeing management's implementation of SDS' strategic objectives and its performance generally,
- monitoring the financial performance and operations of SDS, including approval of the annual financial statements,
- approving operating budgets and major capital expenditure,
- overseeing the integrity of SDS' accounting and corporate reporting systems, including the external audit,
- overseeing SDS' process for making timely and balanced disclosure of information to its stakeholders,
- ensuring that SDS has in place an appropriate risk management framework and setting the risk appetite within which the members expect SDS to operate,
- appointing the Chief Executive Officer in accordance with the SDS Ordinance,
- delegating appropriate powers to the Chief Executive Officer (CEO) in accordance with the SDS Ordinance to ensure the effective and efficient day-to-day management of the business and monitoring the exercise of these powers,

1. SDS is registered with the ACNC as a charity for the advancement of religion. Whilst the ACNC Governance Standards do not apply to SDS as it is a Basic Religious Charity, SDS nonetheless seeks to comply with the Standards. Similarly, whilst SDS is not a listed entity it recognises that the Corporate Governance Principles and Recommendations of the ASXCGC reflect a contemporary view of appropriate corporate governance standards which are helpful to SDS in formulating its governance rules and practices.

- overseeing the remuneration, development and succession planning for the CEO and senior management, and monitoring the appropriateness of people management systems,
- monitoring the effectiveness of SDS' governance practices,
- establishing and determining the powers and functions of the committees of the Board,
- overseeing the effectiveness of SDS' work health and safety systems for employees, contractors, customers and the community,
- setting, reviewing, and monitoring SDS' values and culture, and
- acting to protect and enhance the reputation of SDS.

Responsibilities of members

In undertaking their responsibilities, each member must –

- exercise the care and diligence that a reasonable individual would exercise as a member,
- act in good faith in the best interests of SDS and to further its purpose,
- act with objectivity, collegiality and respect, in accordance with SDS' values,
- prepare well for meetings,
- not misuse their position as a member,
- not misuse information obtained in the performance of their duties as a member,
- promptly disclose at a meeting of members, any actual conflict of interest they have as a member and any circumstances which might reasonably be perceived as a conflict of interest,
- not participate in discussions, or vote on any matter in which an actual or perceived conflict of interest arises without the approval of the other members,
- ensure the financial affairs of SDS are managed in a responsible manner, and
- not allow SDS to operate while insolvent.

Relationship to the Archbishop

Under the SDS Ordinance, the Archbishop is the President of SDS.

The President may attend any meeting of SDS and may address SDS on any pastoral or policy issue

concerning the Anglican Church of Australia as it applies to SDS including the appointment of the CEO.

If the President requests, the Corporate Secretary will send him a copy of the agenda for the meeting of SDS referred to in the request.

The President is not a member of SDS, and so is not entitled to vote on any question of proposal being considered by SDS.

Relationship to the Standing Committee

SDS is accountable to the Standing Committee and, through the Standing Committee, to the Synod; being the governing body of the Diocese of Sydney for whom SDS was initially constituted to support and to whom SDS has particular responsibility.

In accordance with its obligations under the SDS Ordinance, SDS will –

- report to the Standing Committee from time to time about its affairs and is to cause minutes of its meetings to be tabled at a meeting of the Standing Committee at least once every quarter,
- provide the Standing Committee with such information regarding the affairs of SDS as the Standing Committee may require from time to time, and
- answer any question on any matter relating to the affairs of SDS asked by any member of the Standing Committee and which has been referred to SDS by the Secretary of the Standing Committee.

Board Size and Composition

Membership of SDS

Under the SDS Ordinance, the Board of SDS consists of nine members elected by the Standing Committee and one member appointed by the Archbishop.

The name of each member, together with information about their qualifications and experience, is set out in the annual report of SDS.

At least two members are to be ordained clergy licensed in the Diocese of Sydney or persons with at least a three year degree from Moore Theological College or another college that is endorsed by the Archbishop.

GOVERNANCE

Appointment of Members

It is intended that the Board comprise members with a broad range of skills, diversity, expertise and experience from a range of backgrounds.

SDS advises the Standing Committee about the preferred skills and experience of candidates to fill vacancies in the office of member.

The Standing Committee may appoint a person as a member notwithstanding the person has not been recommended by SDS to the Standing Committee as a potential candidate.

Independence of members

No member of SDS is an employee of SDS.

Each member of SDS is to be free from any business or other relationship that could interfere with the exercise of their unfettered and independent judgment as a member.

Each member is expected to disclose any business or other relationship which they may have with SDS.

Statement of Personal Faith

A person is not eligible to be elected as a member unless the person has first given the Secretary of SDS a signed copy of the Statement of Personal Faith in the form required from time to time by the Synod's Governance Policy for Diocesan Organisations.

Term of office

A member of SDS holds office for a term of up to three years.

Eligible members may offer themselves for re-election by the Standing Committee. SDS makes recommendations concerning the re-election of any members by the Standing Committee. A person is not eligible to be re-elected or re-appointed as a member if such re-election or re-appointment would result in that person being a member of SDS for a continuous period of 14 years or more.

Role of the Chair

The role of the Chair is to provide leadership to the Board, including for the efficient organisation and conduct of the Board's business.

The Chair will be elected by the Board members by consensus. If a vote is required, the vote will be by secret ballot.

The Chair is eligible for re-appointment every three years and may hold office for a total period of nine years.

The Chair is responsible for:

- providing leadership for the Board and chairing all Board meetings,
- ensuring the effectiveness of Board meetings,
- facilitating the relationship and communication between the Board and management through the CEO,
- together with the CEO, establishing an annual Board calendar which ensures that the Board undertakes all its key responsibilities throughout the year,
- establishing the agenda for Board meetings in consultation with the CEO,
- overseeing regular and effective evaluations of the Board's performance,
- overseeing the induction and continuing education programs for the Board, and
- exercising such specific and express powers as delegated by the Board from time to time.

Role of the Corporate Secretary

The Corporate Secretary is responsible for advising the Board on governance matters and ensuring there is a system of corporate governance and compliance in place for SDS.

The Corporate Secretary provides advice to members on matters including, but not limited to, risk management, corporate ethics, governance, and compliance.

Except in relation to administrative matters, the Corporate Secretary will ensure the Chair is informed of any advice given to individual Board members.

The Corporate Secretary works in conjunction with the Chair to manage the smooth functioning of the Board by managing Board processes and ensuring Board meetings are properly convened and held and appropriate records are maintained. In particular, the Corporate Secretary is responsible for maintaining appropriate records, registers and minute books.

Board and Management Interface

The CEO is responsible to the Board for –

- the implementation of the strategy, policies and decisions of the Board,
- operating within the risk appetite approved by the Board, and
- providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

Communication between the Board and management will usually be through the CEO. However the Chair may seek clarification regarding information provided to the Board, or about SDS generally, directly from the appropriate senior manager. If so, the Chair will usually advise the CEO. Other Board members should raise queries with the Chair in the first instance.

The Board will act as a whole in commissioning work from management, and instructing the CEO. Urgent matters arising between meetings will be addressed by consultation between the Chair and CEO.

Senior management will be given access to the agenda and minutes of SDS (after approval of those documents by the Chair). Certain items may be withheld from management at the discretion of the Chair.

Board Committees & Delegation of Authority

The Board may from time to time establish Committees to assist it in carrying out its responsibilities. Current standing Committees established by the Board are:

- Audit, Finance and Risk, and
- Nomination and Remuneration.

The Board will approve a written charter for each of its standing committees, which will set out its role and responsibilities, composition, structure, and membership requirements. The performance of these Committees will be reviewed as part of the annual performance review undertaken by members.

The Board may establish ad hoc committees from time to time to consider matters of strategic importance, or to exercise the delegated authority of the Board.

Delegation of authority

The Board has delegated to the CEO, and through the CEO to other staff of SDS, responsibility for the day to day management of the business of SDS. The scope of that delegated authority, and the limits on that authority, is documented and reviewed periodically by the Board.

A Power of Attorney for SDS will be approved to facilitate the signing of legal documentation between meetings of SDS.

Powers reserved for the Board

Matters which are specifically reserved for the Board are –

- appointment and removal of the Chair of the Board,
- appointment and removal of the Chief Executive Officer,
- establishment of Board Committees, their membership, Charters and delegated authorities,
- review of corporate governance principles, policies and related public documents,
- approval of all Delegation of Authority policies and procedures, and Powers of Attorney,
- any changes to the authority delegated to the Chief Executive Officer by the Board,
- approval of SDS' annual budget,
- approval of expenditure in excess of the monetary authority levels delegated to management,
- the remuneration of the Chief Executive Officer, and
- any other specific matters nominated by the Board from time to time.

Conduct of Board Meetings

The Board of SDS meets as required but will usually meet five times each year, on Wednesday evenings commencing at 5 pm. Members are expected to attend for the full meeting. Attendance can be via electronic means by prior arrangement with the Corporate Secretary.

The CEO and Corporate Secretary attend all meetings. The Chair, on the recommendation of the CEO, determines which other staff members or external consultants will be present at a meeting.

GOVERNANCE

Members may ask questions of any staff member present at a meeting, acknowledging that it may be preferable to communicate such an enquiry to the CEO prior to the meeting.

At each meeting, there is the opportunity for members of SDS to discuss matters in-camera, in the absence of the CEO and other staff members.

The agenda for each meeting will be drafted by the CEO and agreed with the Chair prior to despatch to members.

The agenda and papers for each meeting will be provided to members at least four business days before the meeting. Papers will be provided electronically unless a member has requested a hard copy from the Corporate Secretary.

Members can raise issues for inclusion on the agenda by raising the issue at a meeting, or by contacting the Chair two weeks before a scheduled meeting. No supplementary matters can be raised at a meeting unless urgency is agreed by a majority of members present.

Decisions of the members will generally be by consensus. The Chair may, at their discretion, or on the request of any two members, put a matter to a vote.

The Chair will have authority to determine a vote, close discussion on a matter, or adjourn a meeting in the interests of the smooth running of the meeting.

Minutes of a meeting will be available to members three business days after approval by the Chair, and confirmed at the next meeting.

Induction and development

Induction of members

On appointment, a member will be offered an induction program to familiarise them with matters relating to the governance and strategy of SDS and any current issues before the Board. SDS has a Member Induction Procedure which describes the induction program.

Learning & Development

SDS supports the appropriate development of its members, and expects that they will undertake ongoing learning and development which is relevant to their role as a member. SDS has a Member Learning & Development Policy which describes how SDS will provide support to members in undertaking learning and development.

Conflicts of Interest

Conflicts of interest

SDS's Conflict of Interest Policy provides guidelines for recognising and managing conflicts of interest of members. It specifically requires that –

- all members are required to disclose any actual, potential or perceived conflict of interest upon appointment and are required to keep those disclosures to SDS up to date, and
- any member with an interest in a matter may not participate in discussion or vote on that matter, unless SDS resolves otherwise.

Access to information and advice

The members of SDS collectively, and each member individually, may seek independent professional advice, at SDS's expense, to help them carry out their responsibilities. The Chair's prior approval is required, but will not be unreasonably withheld.

SDS and each member enter into a Deed of Indemnity, Access and Confidentiality.

Performance Assessment

The Board, through the Nomination and Remuneration Committee, will review the performance of members retiring by rotation and seeking re-election, the results of which will be reported to the Standing Committee via the Chair.

A performance review will be conducted periodically to identify gaps in the governance framework and opportunities for development. This will involve:

- a self-assessment performance review annually, and
- an external review (such as by an independent governance consultant) every three years, commencing from 2020.

Board Charter Administration

The Board will review the Charter at least annually to ensure its relevance and effectiveness.

The Charter is available to members on the Secure Portal.

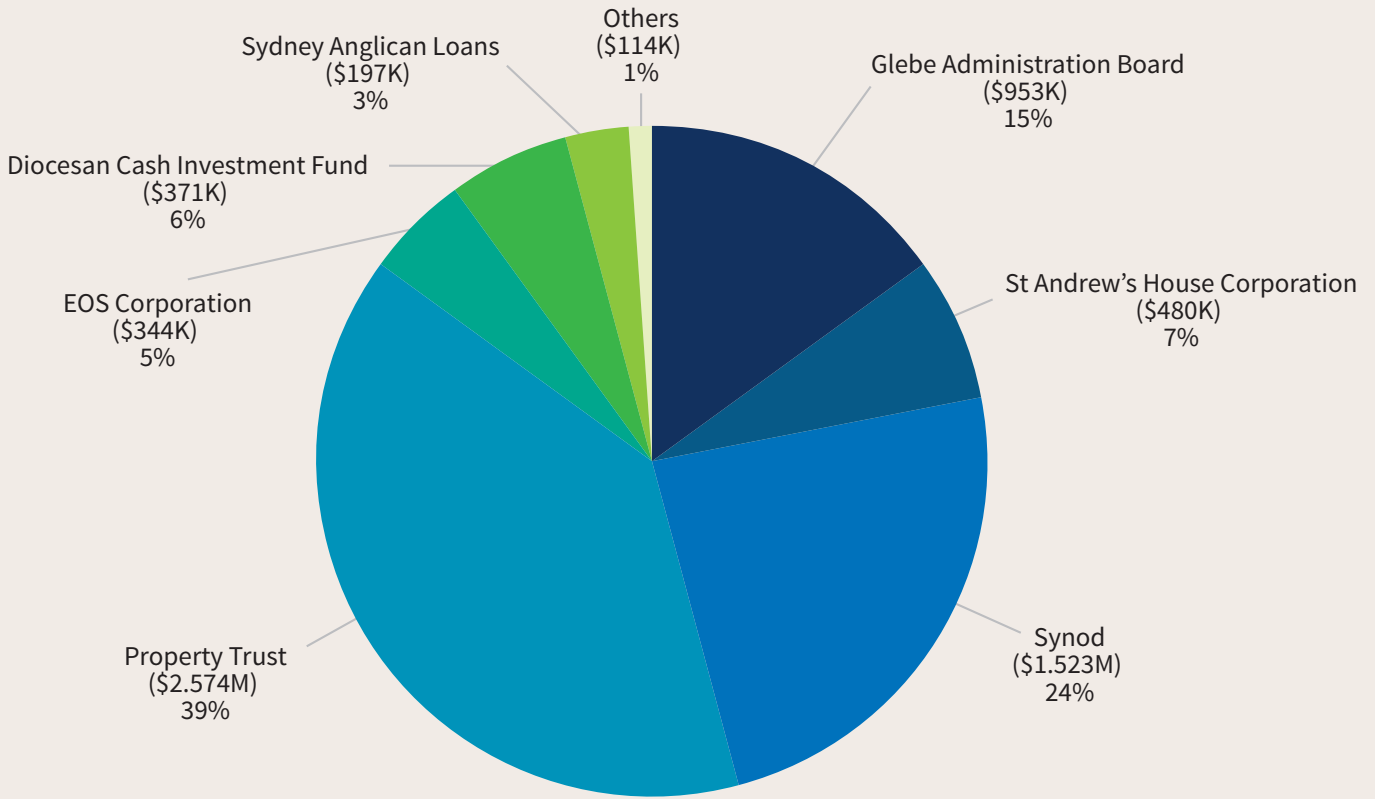
Financials

Funding of SDS

SDS is primarily funded by the amounts it charges the organisations it serves. The amounts charged are determined on a cost recovery basis. This is the amount required for SDS to recover the cost of providing the services to that organisation. This principle of SDS recovering its costs was approved by the Standing Committee in December 2010.

The total income of SDS during 2019 was \$7.0 million, compared to \$7.3 million in 2018. Of that amount \$6.6 million comprised the amounts charged to diocesan organisations served by SDS, and \$0.3 million was income from other sources (such as interest). See chart on page 33 for a breakdown.

FINANCIALS

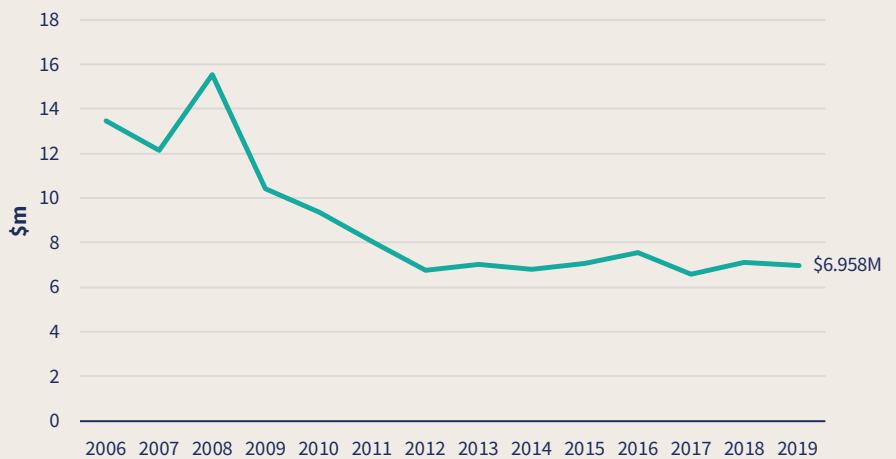


Operating Expenses

The graph to the right shows the operating expenses of SDS in 2019, and in prior years.

The reduction in operating expenses in 2019 compared to 2018 was 2.2%. This follows a increase in operating expenses in 2018 of 8.19%. The main contributors to the decrease in 2019 was the changed accounting policy for leases which offset amortisation of sub-lease rental against depreciation of new lease assets. All expenses of SDS are periodically reviewed to ensure they are appropriate.

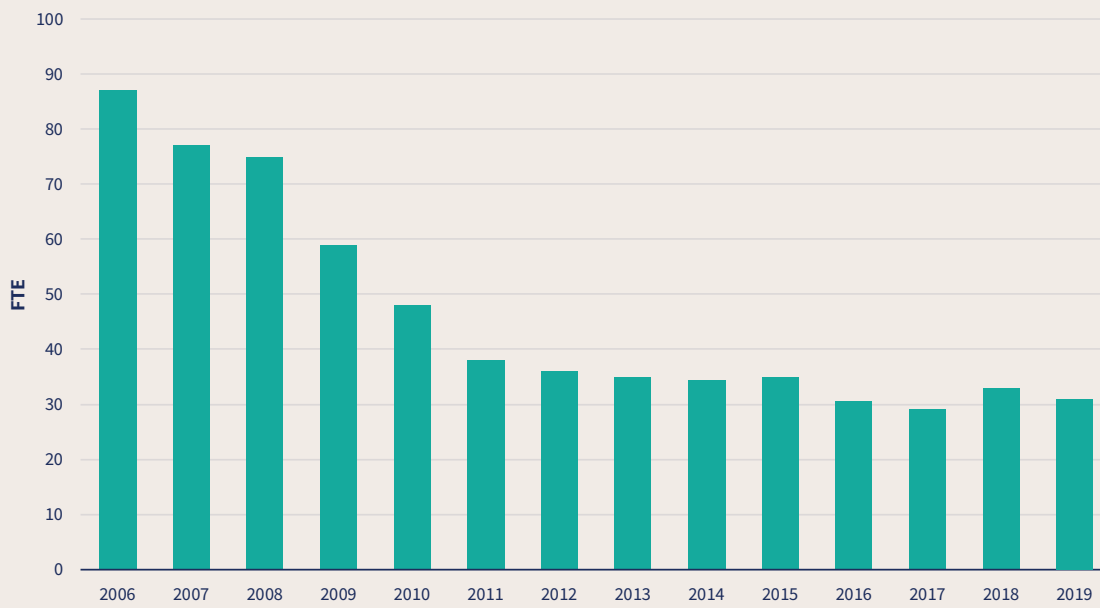
Operating expenses of SDS



Staff Numbers

The change in staff numbers in recent years on a full time equivalent (FTE) basis is shown in the following graph.

Change in numbers of full time staff



5 Year Financial Summary

The income and expenses of SDS for 2019 were as follows (with comparatives for 2015-2018). Further information about income and expenses can be found in the Financial Accounts of SDS for 2019.

\$000s	2015	2016	2017	2018	2019
INCOME					
Total Income	7,541	7,610	7,167	7,279	7,011
EXPENSES					
Staff Expenses	4,564	4,906	4,405	4,562	4,714
Other Expenses	2,489	2,639	2,180	2,557	2,244
NET SURPLUS	488	65	582	160	53

The balance sheet of SDS as at 31 December 2019 can be summarised as follows (with comparatives for 2015-2018).

\$000s	2015	2016	2017	2018	2019
ASSETS					
CURRENT ASSETS					
Cash & Short Term Investments	5,338	5,687	5,684	6,025	6,723
Other	280	571	385	369	841
NON-CURRENT ASSETS					
Lease Incentive	16	2	-	-	-
Fixed Assets	987	861	616	634	1,624
Other					712
TOAL ASSETS	6,621	7,121	6,685	7,028	9,900
LIABILITIES					
CURRENT LIABILITIES					
Payables	454	755	350	433	1,094
Funds held*	960	1,240	743	782	1,571
Provision	1,094	1,119	1,006	1,058	1,042
NON-CURRENT LIABILITIES					
Payables					1,360
Provisions	552	381	378	386	411
TOTAL LIABILITIES	3,060	3,495	2,477	2,659	5,478
NET ASSETS	3,561	3,626	4,208	4,369	4,422
EQUITY					
Capital	2,062	2,062	2,062	2,062	2,062
Reserves	1,066	1,255	1,613	2,016	2,286
Accumulated Surpluses	433	309	533	290	74
TOTAL EQUITY	3,561	3,626	4,208	4,369	4,422

* Funds held in trust for client entities.



Membership

Membership of Sydney Diocesan Services

The Standing Committee of the Diocese of Sydney appoints members, for terms of three years. The Standing Committee has the power to remove any member before the expiration of their term. The Archbishop of Sydney also appoints one member, also for a term of three years. The non-executive members receive no remuneration. The Chief Executive Officer attends meetings of SDS.

The following members were in office during the whole financial year and up to the date of this report.

MEMBERSHIP



Ms Libby Hackett, BA (Oxon) – PPE, MA (Oxon)

Principal Consultant, Nous Group. Over 20 years' experience working for government, parliament, universities and in private sector consultancy, including 10 years' experience at CEO and Director level. Previous roles include CEO of University Alliance UK, Director of Policy And Research Russell Group of Universities UK, Special Advisor Parliamentary Select Committee for Education and Skills UK, Senior Researcher and Deputy Director Higher Education Policy Institute UK, and Senior Policy Advisor of Higher Education Funding Council for England UK. Attends All Saints, Austinmer. Board member since 2018.



Mr Greg Hammond OAM, BA, LLB, ThA

Consultant in banking and finance; former partner of King & Wood Mallesons; chairman of Anglican Community Services (t/as Anglicare Sydney) and Olive Tree Media; director of the Australian College of Theology, G&C Mutual Bank and Opportunity International Australia; member of the Glebe Administration Board; and previous service on Diocesan and other not-for-profit boards and committees. Member of Macquarie Anglican Churches. Board member since 2014.



Ms Robyn Hobbs OAM, MMgt, JP

Immediate former NSW Small Business Commissioner, leading a team that provides advocacy, mediation and dispute resolution services to small businesses in NSW. Previously worked in a diverse range of industry sectors including the arts, business, community services, government, media, social welfare, and transport. She has held executive roles at the Sydney Opera House, State Chamber of Commerce and the City of Sydney. In 1983 Robyn founded Carols in the Domain, which is Australia's largest community Christmas concert. In 2009 she received the OAM for services to the community for founding Carols in the Domain, and raising funds for The Salvation Army. Attends St Mark's Darling Point and has served on the Anglicare Board. Board member since 2017.



Mr Norm Lee, BA, LLB, MIntS, GDLP

Deputy General Counsel, NSW Treasury. Over 19 years' experience in legal, compliance, risk and operations roles for investment and financial services businesses. Has served as non-executive director on not for profit boards. He attends Jannali Anglican Church. Board member since 2019.



Mr Ben Meikle, B Eng (Computer Systems), MBA

Ben is an Associate Director at Macquarie Group Limited. His 25+ years' experience in the IT industry has enabled him to develop a broad range of skills across people and project management, architecture, risk and compliance reporting with a number of financial institutions. He is currently working as the enterprise data architect for Macquarie Group. Ben and his family have been members of Cherrybrook Anglican Church for over 12 years and Ben is currently serving as a service leader and member of parish council. Ben and his wife attend a bible study group together and his three children are all active in youth ministry and the evening service. Board member since 2018.



Mr John Pascoe, FCA, BEc

Partner, Pascoe Whittle Chartered Accountants; Member of Standing Committee, Finance Committee, St Andrew's Cathedral Chapter and Diocesan Resources Committee; Independent member of the Glebe Administration Board's Audit & Risk Committee. He attends St Andrew's Cathedral. Board member since 2009.



Bishop Michael Stead, BCom (Acc), BD (Hons), DipMin, PhD

Bishop of South Sydney; Member of Standing Committee Diocese of Sydney; Diocesan Representative on General Synod; Member of General Synod Standing Committee; Secretary of the General Synod Doctrine Commission. Prior to ordination, worked for PricewaterhouseCoopers from 1990-1996. Board member since 2015.



Ms Jennifer Yorath, BA (Syd), MBus (HRM) Dist, FAICD

Jennifer has over 25 years' experience in human resources management and is currently a senior global human resources practitioner for a large Australian biotech, in addition to leading their global change and transformation capability development. She has had experience in a range of industry sectors and has held both specialist and strategic commercial human resource roles. Her board experience includes 10 years on the Board of a major Sydney Anglican school, where she was a member of the Nominations Committee and chaired the Human Resources Committee. Jennifer and her husband David are members of St Alban's Anglican Church Lindfield. Board member since 2018.

Resignations

Mr Peter Evans resigned from office with effect from 21 September 2019.



Mr Peter Evans, FCA, MAICD, FTIA

Deputy Chair Ramsay Health Care Limited, Founding director of Paul Ramsay Foundation and Ramsay Centre for Western Civilisation. Executive director Paul Ramsay Holdings Pty Ltd (Group). Experience in managing diverse businesses with a specialisation in health care. He attends St Simon and St Jude Anglican Church, Bowral.

Appointments

The Rev Lily Strachan was appointed as a member of the board by the Standing Committee on 15 April 2019.



The Rev Lily Strachan BEc (Soc sc), LLB (Hons), B Div

Senior staff worker with the Australian Fellowship of Evangelical Students at Macquarie University. Assistant Anglican chaplain to Macquarie University. Associate Pastor at Trinity Chapel Macquarie. Senior Residential Advisor and assistant chaplain to Robert Menzies College. Prior to ordination, worked as a corporate lawyer at Blake Dawson (2005-2008, now Ashurst) and Prolegis (2011). Board member since 2019.

Continuation in office of Members

Ms Libby Hackett, Mr Ben Meikle, and Ms Jen Yorath were reappointed as members by the Standing Committee on 18 November 2019, for a further term of 3 years.

Chief Executive Officer**Mr Robert Wicks, BSc LLB (Hons), GAICD**

Mr Wicks was appointed as Chief Executive Officer on 4 October 2017, after serving in an acting capacity as CEO since 19 November 2016. Prior to this he held the positions of Diocesan Secretary and Head of Diocesan and Corporate Services of the SDS. Previously he worked as a solicitor at the Commonwealth Bank of Australia. He is not a Board member. He attends West Pymble Anglican Church.

Secretary**Ms Briony Bounds, BA (Adv), DipMgmt, GIA (Affiliated)**

Ms Bounds was appointed as Secretary to the Board in 2018. She has over 10 years' experience working with boards and committees in the Not-For-Profit and Government sectors. She is not a Board member. She attends Anglican Churches Springwood.

Members' attendance at meetings of the Board during 2019 were –

Members	Meetings Eligible to Attend	Meetings Attended
Mr Peter Evans	4	3
Ms Libby Hackett	5	2
Mr Greg Hammond OAM	5	4
Ms Robyn Hobbs OAM	5	4
Mr Norm Lee	5	4
Mr Ben Meikle	5	5
Mr John Pascoe (Chair)	5	5
Bishop Michael Stead	5	3
The Rev Lily Strachan	4	4
Ms Jennifer Yorath	5	5

MEMBERSHIP

Committees

In 2019, SDS had an Audit Committee and a Nominations Committee to assist it in fulfilling its responsibilities.

The charters of each committee are reviewed periodically by SDS.

The main role of the Audit Committee is to monitor, report, and make recommendations to SDS about the financial reporting processes of SDS, the internal control systems and the independent audit process. The charter of the Audit Committee is reviewed periodically by SDS. Mrs Michele Carpenter was appointed as an independent member of the Board Audit Committee on 19 September 2018.

The main role of the Nominations Committee is to make recommendations to SDS, for its advice to the Standing Committee, about the preferred skills and experience of a potential candidate to fill a vacancy in the membership of SDS.

Audit Committee Members' attendance at meetings of the Committee during 2019 were –

Committee Member	Meetings Eligible to Attend	Meetings Attended
Mr John Pascoe	2	2
Mr Greg Hammond OAM	2	2
Bishop Michael Stead (Chair)	2	2
Mrs Michele Carpenter (independent member)	2	2

Nomination Committee Members' attendance at meetings of the Committee during 2019 were –

Committee Member	Meetings Eligible to Attend	Meetings Attended
Mr John Pascoe (Chair)	2	2
Mr Greg Hammond OAM	2	2
Bishop Michael Stead	2	2



Access and Contact Details

The principal office of SDS is Level 2, St Andrew's House, Sydney Square.

Hours of access are between 8:30am and 5:30pm

Mail: PO Box Q190, QVB Post Office, NSW 1230

Phone: (02) 9265 1555

Web: sds.asn.au