



Sydney Diocesan Services

ANNUAL REPORT 2020

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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Report of the Chair and CEO

Welcome to the SDS annual report for 2020. We trust it gives you a helpful insight into our work and the part we play in contributing to the broader mission of the Anglican Church in the Diocese of Sydney.

SDS is the central service provider for the Diocese. Our mission (or purpose) is to serve the Synod, its Standing Committee, and the parishes and organisations of the Diocese by “regulating the central administration of the affairs of the Diocese”. That is, within the scope set for us, we are to establish and tend to systems and processes which enable the component parts of the Diocese to function effectively together to achieve our shared missional goals. Our role can therefore be seen as one of “Enhancing Capacity for Mission”, which is the vision under our current Strategic Plan for 2019-2021.

We are pleased to report that we remain on track to realise this vision, with the 2020 targets for each of the five strategic objectives under our plan being met. Further information about progress under our Strategic Plan is provided later in this annual report.

As indicated in our report last year, 2020 saw the emergence of, and widespread disruption caused by, the COVID-19 pandemic. The disruption has had, and continues to have, a profound impact on us both corporately and as individuals. During 2020, this necessitated significant board and management attention in the following areas:

- ensuring the health and safety of our staff
- ensuring the continuity of SDS’s services
- ensuring the financial sustainability of SDS
- looking for longer term opportunities and learnings

More than at any other time, the health and safety of our staff remained paramount during this time as we carefully monitored and managed the impact of the pandemic. Before the introduction of the NSW government’s mandated work from home order on 30 March, we had already made the decision to require our staff to work from home wherever possible. The largely seamless transition to working from home was made possible with the goodwill and cooperation of all our staff, but particularly with the support provided by our IT team led by Paul Semple.

A number of specific health and safety initiatives were undertaken for staff during this time. These ranged from providing staff with “care packages” to enabling staff to avoid public transport by driving to the office and parking at St Andrew’s House. And as staff started to return to the office, we also ensured the office was a safe place to work with enhanced check-in and cleaning protocols. Our particular thanks go to the teams led by Louise Radcliffe and Rebecca Addario in coordinating the care, and ensuring the health and safety, of our staff during this time.

An important goal for us during 2020 was to maintain the continuity of our services to parishes and organisations despite the disruption caused by COVID-19. This goal largely depended on our capacity to work effectively from home and to modify a number of our work practices and processes. Feedback from the parishes and various organisations we support indicated that we largely achieved this goal.

We also took a number of measures to manage the financial uncertainty created by the COVID-19 pandemic during 2020. These measures enabled us to deliver a modest surplus for 2020 (after reserving). We achieved this primarily by slowing down the recruitment of new staff and the spend on discretionary projects. This was despite SDS not being eligible for the government JobKeeper subsidy.

The main learning from our COVID-19 experience is that it is possible, in many circumstances and to a much larger extent than initially thought, for staff to work effectively from home. This learning has enabled us to take advantage of a number of longer-term opportunities, most notably the introduction of on-going enhanced flexible working arrangements for staff. Toward the end of 2020 we also started to consider possible cost efficiencies that could be achieved by reducing the size of our offices (and therefore the amount

of our rent) in the expectation that a significant proportion of our staff will, on any given day, continue to work from home. Additional learnings surrounding our use of video-conferencing technology have led many of the boards and committees we support to decide to continue conducting some of their meetings remotely.

During 2020 there were a number of changes to the membership of our board. We want to recognise and thank God for the service of Ms Libby Hackett and Ms Robyn Hobbs who resigned from the board in June and October 2020 respectively. In November we welcomed Mrs Michele Carpenter as a new board member, noting that Michele had already served on our Audit, Finance and Risk Committee as an independent member since September 2018.

We also want to express our heartfelt appreciation for the commitment of SDS board members and the hard work and professionalism of our staff team. We are fortunate to be served by such outstanding people. Their shared commitment to the broader mission of the Diocese has been unwavering despite the particular challenges faced during 2020.

Above all, we continue to thank God for his 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

Robert Wicks
CEO



Highlights for 2020

- Achieved the 2020 targets for the five objectives under our Strategic Plan for 2019-2021
- Maintained >95% level of satisfaction in feedback from parishes seeking our help
- High level of satisfaction among our staff with the flexible work arrangements we provide
- Developed and had endorsed by the Standing Committee a revised and more transparent model for recovering our costs from the organisations we serve
- Achieved a modest surplus of \$32,000 for 2020 (against a break even budget) notwithstanding the financial uncertainty caused by COVID-19
- Rapidly transitioned to remote working arrangements for our staff in anticipation of public health orders concerning COVID-19
- Maintained continuity of our services despite the disruption caused by COVID-19
- Developed expertise in conducting meetings and other events using video-conferencing technology
- Secured funding to extend the Parish HR Resource for 3 years
- Completed a redesign of the system used to collect and disburse parish cost recovery charges
- Hosted a “Beyond COVID-19” webinar for 29 members of diocesan boards
- Established SDS Legal Limited as an incorporated legal practice with effect from 1 January 2020

Brilliantly helpful, explaining things to me in ways that I could understand and anticipating future needs. Very grateful.

Took their usual excellent customer service to a new level.

Persisted in trying to resolve the issue even when I was prepared to give up. Excellent service.

Thanks so much for people with a real commitment to serving the admin needs of parishes.

It felt like a partnership and servant-minded activity rather than one where we had to jump through hoops.

2020

- at a glance -

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.



Service Delivery

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.



Vision Objectives and Targets

We achieved the 2020 targets for the five 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”.



Corporate Values

We undertake our work through the prism of five organisational values adopted under our strategic plan: RESPECT, INNOVATE, COLLABORATE, CELEBRATE, DELIVER.



Strategic Actions and Measurement

We are making the strategic changes required to achieve the objectives under our plan through targeted actions, including a range of initiatives taken during 2020.

We regularly measure our position in respect to those strategies we regard as leading indicators of the value we provide to our key stakeholders.



Quality People and Governance

Our governance arrangements reflect our ongoing desire to ensure the highest standards of corporate governance are adopted and maintained.



Sound Financial Management

We delivered a modest surplus for 2020 (after reserves) and maintained the real value of our capital despite the uncertainty caused by COVID-19.

Service Delivery

Organisations Served

During 2020, we served 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 reflects 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 2020.

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.

Services Provided

During 2020, we provided the following distinct lines of services –

Secretarial and Governance Services



- Corporate secretarial support
- Strategy development and implementation
- Risk management and compliance
- Board membership support

Office Services



- Reception, meeting rooms and catering
- Mail and office supplies processing

Diocesan and General Administrative Services



- Administer ordinances and diocesan policies
- Administer Clergy Assistance Program
- Manage events
- General administrative advice

Property Services



- Strategic/technical property advice
- Administer estates/bequests
- Administer grant programs
- Maintain title and security document registry
- Commercial property management
- Property (project) management
- Administer Diocesan Church Insurances Program
- Assessment of Insurance Requirements

Financial Services



- Payroll and packaging
- Cash management
- Investment management
- Loan management
- Financial and management accounting
- Financial management
- Budgeting and forecasting

Other Professional Services



- Legal and regulatory support
- IT services
- Human resources management
- Corporate communications
- Social issues research and support

Key Outcomes for Organisations

As a service provider to the central organisations of the Diocese, and through them to our parishes, SDS also wants to celebrate the key outcomes achieved by those organisations during 2020 as they pursue their mission.

Here are some of the highlights.

Synod and Standing Committee

- Although the Synod was unable to meet in person in 2020, its key functions continued through the use of technology and some innovative solutions.
- Elections to boards and councils of diocesan organisations associated with the Synod were conducted in accordance with the normal timeline relying on an online ballot for contested elections.
- At the invitation of the Standing Committee, Archbishop Glenn Davies withdraw his notice of resignation and agreed to extend his term of office by 8 months. This enabled him to continue his leadership of the Diocese through the worst of the pandemic.
- The Standing Committee was able to meet by Zoom from April to November 2020, and passed 69 ordinances during 2020.
- The Standing Committee constituted a new diocesan organisation, Living Faith, with the purpose of advancing the purposes of the Anglican Church of Australia in the Diocese of Sydney through gospel ministry to persons who experience same-sex attraction or gender incongruence.

- Parishes were provided with significant advice and support in responding to the pandemic, particularly through the COVID-19 Taskforce.

SDS Legal Ltd

- Established on 1 January 2020, SDS Legal ensures continuity of legal services to parishes, central diocesan organisations and Standing Committee under a service level agreement with SDS. It has also opened up opportunities to provide legal support to the broader organisational network of diocesan entities, non-diocesan Anglican entities and other affiliated entities.
- A fee for service arrangement has already been entered into with one organisation from the broader network for legal services in 2021.
- A key feature of SDS Legal's work in 2020 has been its advisory role on the challenges posed by the COVID-19 pandemic for parishes and organisations, including –
 - compliance with public health orders,
 - eligibility for the JobKeeper and Boosting Cash Flow stimulus packages,
 - work health and safety,
 - changes to the obligations of landlords under commercial and retail leases,
 - advice on Synod elections and convening sessions of the Synod, and
 - making temporary amendments to the administration obligations of parishes.



Stanhope Gardens

Anglican Church Property Trust and Mission Property Committee

- Concluded the 2020 renewal of the Church Insurances Program. Overall costs were reduced from the previous year despite significant price increases in the market through a combination of competitive tendering and amended risk-profiling. This was a significant result in an extremely “hard” market due to COVID-19.
- Highly successful applications for grant funding, totalling \$2 million for more than 100 parishes, as well as separate grant funding for 15 parishes for the installation of CCTV.
- Successfully managed the untimely liquidation of the head contractor for the \$15 million Manly parish redevelopment in May 2020 with the project only 75% complete. This ensured the project was effectively completed in December 2020 despite significant hurdles.
- Reviewed, processed and executed a record 547 documents during a COVID-19 impacted year that required novel means of gaining attorney signatures.
- Coordinated the delivery of a new 250 seat \$5 million church building and hall at Stanhope and arranged the sale of surplus residential blocks that delivered \$4 million towards the cost of a church building at Leppington.
- Coordinated development consent, appointed the head contractor and oversaw the commencement of work at the Leppington greenfield site (where a 250 seat \$5 million church building and hall is under construction) and for a \$4 million building project for the Surry Hills parish.
- Coordinated the sale of surplus land at Austral (acquired in 2012) for 100% more than the purchase price with proceeds used to assist construction of the buildings on the Leppington site.
- Managed the interests of the Chapter and the Property Trust in a major redevelopment of the St Andrew’s Cathedral Chapter House.
- Participated in the Parramatta parish project control group which obtained NSW Government “Gateway” approval from the Department of Planning, Industry and Environment for a 60-storey commercial tower on parish land with potentially significant ministry and financial benefits.



Chapter House performance space

Chapter House exterior

Anglican Church Growth Corporation

- Consistent with its intent to be a ministry/ evangelism enabler through innovative built form and funding models, the Anglican Church Growth Corporation (“ACGC”) undertook a number of greenfield, urban renewal, sustainable funding and equipping initiatives in 2020.
- In conjunction with the Mission Property Committee, the ACGC unlocked funding to accelerate the start of construction for Hope Leppington’s new church building.
- Designed and implemented a study to investigate measures to reduce construction costs of new churches while still providing for ministry/ evangelism needs.
- Three parish projects (Toongabbie, Five Dock and Bankstown) under agreement through ACGC’s Urban Renewal Pilot Project (“URPP”), which aims to develop ministry/evangelism infrastructure along with ground lease arrangements for predominantly social housing, aged care, childcare, youth recreation, crisis accommodation or key worker accommodation facilities. A further seven expected to sign in 2021.
- When the URPP was approved by Standing Committee, there were about 30 parishes interested in becoming part of the program. By the end of 2020, this had increased to over 80.
- ACGC used strategic planning population projections to prepare future-looking parish snapshots to complement backward-looking Census and NCLS data and help parishes to think strategically.
- Conducted a number of workshops in partnership with Evangelism and New Ministries to encourage rectors to work collaboratively across a sub-region to most effectively outreach to communities.

St Andrew’s House Corporation

- The slowdown in business and associated foot traffic as a result of the COVID-19 pandemic during 2020 provided the opportunity for a number of upgrade works in the Town Hall Arcade.
- As landlord, St Andrew’s House Corporation also worked closely with the Property Manager (Colliers International) and tenants of the arcade throughout the pandemic to:
 - Implement COVID-19 Safety Plans,
 - Manage the closure of most retail shops during the first lock down period,

- Provide regular updates to the St Andrews House Corporation Board and other diocesan stakeholders,
 - Provide rent relief to affected retail and commercial tenants, and
 - Manage cash flow such that 100% of the forecast distributions were paid in 2020.
- A major new tenant for the retail arcade was also secured (a large format pharmacy operation) notwithstanding the adverse leasing environment due to COVID-19.
 - As part of an ongoing energy efficiency program, existing lighting in the plant rooms was replaced with LED lights, and sensor activated lighting installed in the car park.



Town Hall Square



Construction underway at Leppington

Glebe Administration Board

- The Diocesan Endowment (“DE”) delivered a 6.3% investment market return in 2020 (despite a three-month March 2020 performance of -9.7% due to COVID-19).
- Achieved an overall real rate of return for the DE between 1 July 2010 and 31 December 2020 of 8.59% pa.
- Increased by \$380,000 the amount available for distribution from the DE to the Synod for spending in 2021 largely due to cost savings under SDS’s revised cost recovery model.
- Facilitated 2,300 transactions for the Diocesan Cash Investment Fund without any settlement issues.

Sydney Anglican Loans

- To assist with managing the impacts of the COVID-19 downturn Sydney Anglican Loans (“SAL”) reduced interest rates for all borrowers and approved temporary reductions in repayments for 17 parishes.
- Across 2020, SAL approved 11 loans totalling \$4.475 million (an increase in both number and overall dollar value from 2019) to help parishes buy, build and renovate church buildings and ministry residences.
- SAL also completed financial reviews of two mortgage ordinances, earned a net operating surplus of \$0.230 million and grew net assets to \$17.592 million.

Endowment of the See Corporation

- The Corporation became trustee of the EOS Capital Fund on 1 January 2020 – an important milestone in the restructuring of the Endowment of the See following the restructure of the EOS Expenditure Fund into the EOS Trust at the end of 2019.
- With the development application for the construction of Bishopscourt approved during 2020, the Corporation endorsed an Early Works Package to remediate the site, oversaw a tender for the Main Works Construction Package and awarded the contract to ANT Building. Construction has subsequently commenced.
- Conducted a gap analysis against the Governance Policy for Diocesan Organisations and promoted changes to the Corporation’s ordinance to bring it into closer alignment with the Policy.

Strategy

Strategic Plan for 2019-2021

The implementation of our Strategic Plan 2019-2021 remained an important focus for us during 2020. The plan has been developed around SDS's five key stakeholders being –

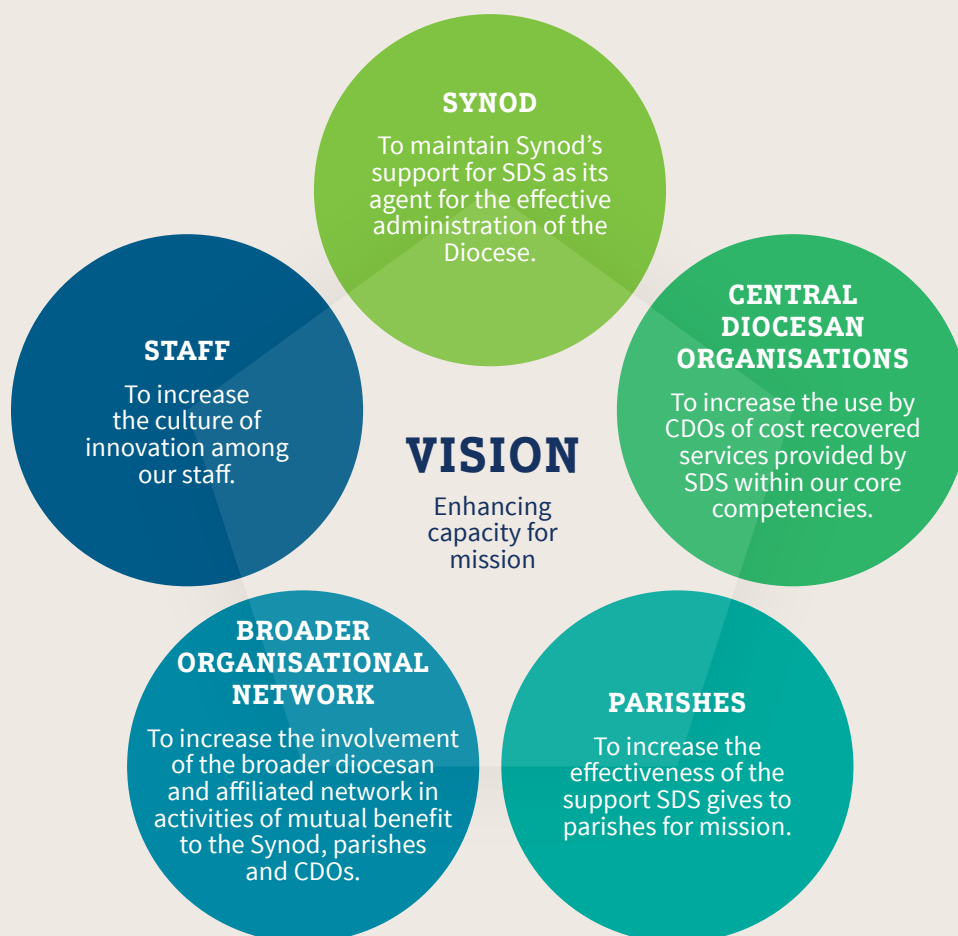
- Synod
- Central Diocesan Organisations
- Parishes
- Broader Organisational Network
- Staff

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 2020, 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 2020 targets is set out in the following table.

	Objective	KPI	2018 Baseline	2020 Target	2020 Measure	Target Met
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	3	5	7	✓ 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	170	184	✓ 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)	27(80)	43 (21)	✓
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	7	8	✓ ³
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	57	60	✓ ⁴

1. Proposals for effective administration to the end of 2020 are: Clergy Assistance Program (2018 Baseline); AICD Governance Program (2018 Baseline); PCR Process Rewrite (2018 Baseline); Parish HR Resource (2019); Sydney Anglican Zoom licensing (2020); ACGC funding (2020); Revised Cost Recovery Model (2020).

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 to 2020 largely due to services provided by SDS to new CDO's: Anglican Church Growth Corporation; Sydney Anglican National Redress Scheme Corporation; SDS Legal.

3. Initiatives for broader network involvement to the end of 2020 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); Beyond COVID-19 Webinar (2020); Secondment of Communications Manager to Anglicare (2020).

4. 60 ideas received from staff during the innovation sprint held in July 2020.

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 2020 we had identified a total of 70 actions to be taken over the 3 year period of the plan (this was a consolidation of the 97 actions we identified the year before). We have completed 50 of these actions, including all 20 actions we planned to undertake during 2020.

Described below are some of the more significant actions taken under our strategic plan during 2020, 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

Parish cost recovery system

In 2020, SDS developed a new Parish Cost Recovery (“PCR”) system that both simplifies and streamlines the administration of the PCR process. The new system was fully implemented in December and replaces a longstanding legacy system with a more robust integrated platform. It expands the efficiency and flexibility of the PCR process by automating a number of previously manual tasks and removing redundant processes.

The new PCR system also delivers enhanced audit controls, increased visibility of and access to PCR data, and vastly improved real-time reporting capabilities.

The development of a contemporary, fit-for-purpose system on existing infrastructure ensures the system will be sustainable well into the future, constituting a solid investment in the future administration of the Diocese.

Effective administration of the Diocese

8

new proposals initiated and implemented by SDS to improve the effective administration of the Diocese

(target 5)

Agent for diocesan network effectiveness

21

number of diocesan boards and councils with members who have participated in governance training courses run by SDS

(Target 16)

Agent for diocesan network effectiveness

243

number of participants in webinars/seminars

(Target 1000)

Financial viability

102%
PER CENT

a measure of SDS's financial viability based on the value of its capital at the end of 2020

(target > 100%)

Central Diocesan Organisations (CDOs) | *Optimising the quality of our services*

SDS cost recovery model

During 2020, SDS undertook a review of the way in which we recover our costs from the organisations we serve. The outcome of the review was a revised model which achieves a better alignment between the costs incurred by SDS in serving certain diocesan organisations and the cost recovery charges paid to SDS by those organisations.

Under the new model, which was endorsed by Standing Committee in October 2020, Synod will directly fund a segment of SDS's costs known as "Diocesan Overhead". These are costs we incur to maintain our effectiveness as a central resource and service provider for the diocesan network as a whole rather than just those organisations we serve directly under service agreements.

Optimal use of video-conferencing technology

Prior to the outbreak of the COVID-19 pandemic, SDS had already integrated video-conferencing technology into its standard operating model via one of the strategic actions under the SDS Strategic Plan 2019-2021. This meant that we were well placed to shift rapidly to a largely online work-from-home environment.

A total of five meeting room cameras and 65 Zoom licences were purchased to further enhance the video-conferencing capacity at St Andrew's House once the pandemic took hold in February 2020.

As a result, we were in a position to conduct, almost without interruption, the range of board and committee meetings for which we are responsible, including eight Standing Committee meetings involving about 50 participants which were successfully conducted entirely over Zoom. Formal and informal staff gatherings were also able to continue using this technology. This proved invaluable for our staff in maintaining a sense of collegiality and support.

These enhancements are being permanently embedded as part of our operational model through dedicated video-conferencing facilities in our meeting rooms. This enables us to host interactive online events such as webinars, large-scale video briefings and smaller, more targeted pre-recorded videos. The successful Beyond COVID-19 webinar held in July 2020 is an excellent example of what can be achieved using this technology.

Survey of members and executive officers

Under our Strategic Plan 2019-2021 we survey the members and executive officers of the organisations we serve to measure progress in optimising the quality of our services for them. The annual survey in 2020 indicated that, with exception of perceived value for money, we continue to meet our targets in this area. Further work will be undertaken in 2021 to understand better and respond to the reduced score for value for money in 2020.

Increased service offerings

184

(Target 170)

total number of services provided to CDOs by SDS under service level agreements

Quality of services

92.4%

PER CENT

(target > 80%)

percentage of members of CDOs who agree or strongly agree that the quality of SDS's services meets their expectations

Timeliness

89.4%

PER CENT

(target > 80%)

percentage of members of CDOs who agree or strongly agree that SDS consistently provides its services within the requisite timeframes

Relational quality

90%

PER CENT

(target > 80%)

percentage of members of CDOs who agree or strongly agree that SDS has the trust and confidence of those it serves

Range of relevant services

86.2%

PER CENT

(target > 80%)

percentage of CDO members who agree or strongly agree that the range of services provided or acquired by SDS is adequate

Parishes | *Alleviating burden, enhancing mission*

Parish HR Partner

In January 2020, we established the Parish HR Partner – a dedicated role within SDS to support and enhance the quality of human resource management in parishes across the Diocese. The role predominantly focuses on equipping parish Rectors and Wardens with the knowledge and resources they need to appropriately manage clergy and other parish staff.

The Parish HR Partner, Ms Vikki Napier, provided advice for around 400 inquiries from parishes during 2020, covering issues relating to COVID-19, performance management, conduct, recruitment and drafting of job descriptions amongst others.

Ms Napier also conducted two Cultural Awareness Surveys, facilitated a team growing exercise for one ministry team using a personality profiling tool, provided two coaching sessions at a large parish, and ran two Parish HR Roadshow events.

A comprehensive toolkit of information, resources and guidance was also made available online to relevant parish office holders to assist with important HR practices across the employment lifecycle from recruitment and onboarding all the way to the end of the working relationship.

This online toolkit, first uploaded in February 2020, was regularly updated with relevant COVID-19 information and advice, and was accessed over 2,000 times during 2020.

FAQ support for parishes during COVID-19

With the rapid onset of COVID-19 in the early months of 2020, SDS pivoted quickly to support the Diocese's COVID-19 Taskforce, in partnership with Anglican Media.

Under the chairmanship of Bishop Gary Koo, we provided the Taskforce with secretarial support through SDS's Head of Diocesan & Corporate Services, Daniel Glynn, and further executive support from the Parish HR Partner, Vikki Napier, who acted as a central point of contact for COVID-related questions from parishes. The Taskforce met weekly through the height of the pandemic and provided regular advice to the Archbishop to assist him in his regular communications to parishes as they navigated the uncharted terrain of the pandemic.

To complement the resources provided through the sydneyanglicans.net website, SDS drafted, collated and hosted a range of FAQs relating to the potential impacts on the more detailed operational elements of parish life such as licensing, meetings, financial assistance, HR and employment, and work health and safety.

These questions and their answers were continually updated throughout the year as circumstances, advice and regulations changed. This crucial resource was accessed by parish officeholders over 5,000 times during 2020.

Take up of support

43.15

(target 27)

average number of visits to our secure online portal per parish over a 12 month period

Take up of support

21

(target < 80)

number of parishes that visited our secure online portal fewer than 12 times in the year

Flexibility

< 1%

PER CENT

(target < 3%)

each quarter - the percentage of parish enquiries which nominated delay, unresponsiveness or inflexibility as a source of dissatisfaction

Relational and service quality

> 95%

PER CENT

(target > 90%)

each quarter – the percentage of parish interactions between SDS and parishes rated as “satisfied”

Broader Organisational Network | Collaborating with the broader network

Beyond COVID-19 Webinar

In July 2020, SDS hosted a webinar for diocesan chairs and executive officers to explore the impact of, and opportunities presented by, the COVID-19 pandemic. The event was initially intended to be a face-to-face seminar, however as the event approached it became clear that it could not be safely conducted face to face.

In switching the format of the event to a webinar, it also became clear that the content of the event also had to switch from 'recovery from the pandemic' to a focus on 'resilience during the pandemic'. The event was well received and the presentations were subsequently made available to all members of central diocesan organisations.

Secondment of Communications Manager

Between November 2020 and January 2021, SDS Communications Manager, Paul Searle, undertook a secondment to Anglicare Sydney to provide additional communications support following an extremely demanding period for the organisation.

The initiative, which had not been tried before between the organisations, also provided the opportunity for staff development and helped cement healthy reciprocal relationships within the diocesan family.

Future collaborative initiatives between the organisations are already in the planning and broader diocesan networks are being formed as a result.

Involvement in diocesan network

8

(target 7)

number of mutually-beneficial events, projects and services initiated by SDS involving the broader diocesan and affiliated network

Quality, trust and engagement

89%

PER CENT

(target > 80%)

percentage of participants in the Beyond COVID-19 webinar who agreed or strongly agreed they were satisfied with SDS's quality, trust and ease of engagement

Staff | Empowering staff to make a difference

Flexible work arrangements

Due to the roll out of our new electronic document management system, in 2019, staff were able to transition quickly and seamlessly to a remote working environment when the COVID-19 pandemic hit. To ensure home work environments were safe and comfortable, SDS rapidly deployed additional hardware such as laptops and monitors as well as necessary ergonomic equipment. All staff were subsequently provided with a full ergonomic assessment.

These arrangements allowed to SDS to respond nimbly to changing circumstances, such as the unexpected Northern Beaches outbreak in December 2020. Following a staged return to the office in early 2021, a new Flexible Work Arrangements policy was implemented to accommodate the desire of most staff members to continue with some level of remote working, delivering ongoing benefits in work-life balance.

Staff wellbeing

Throughout the pandemic, SDS leadership maintained close and regular contact with staff, and personalised care packs were sent to all employees twice during the lockdown period. Regular video and written updates were provided and a wellbeing hub was established on the staff Intranet.

Staff were also given unlimited access to online professional development courses during the lockdown through our AIM Access Program with the Australian Institute of Management.

Staff survey

In November 2020, SDS sent out an Employee Survey, with staff demonstrating a high participation rate and a very high level of overall satisfaction at 94.45% – a significant increase from 2019 (86.8%). The survey also reflected a 10% increase in those who agreed that SDS has an authentic Christian workplace culture, which manifests in the fruit of the Spirit.

Only around half of respondents thought SDS did well in recognising performance when staff went over and above expectations, and work continues to ensure this measure improves. To this end, our end of year Celebrate reward and recognition event was well attended and helped to begin the process of staff reconnection and collaboration after many months of remote working.

Increase culture of innovation

60

(target 57)

the number of ideas received from staff during our “innovation sprints”

Sense of contribution to mission

4.53

(target > 3.75)

average response of staff members (out of 5) to survey question about sense of contribution to mission

Flexible work arrangements

4.64

(target > 3.75)

average response of staff members (out of 5) to survey question about satisfaction with flexible work arrangements

Christian workplace culture

4.25

(target > 3.75)

average response of staff members (out of 5) to survey question about our Christian workplace culture

Team relationships

4.44

(target > 3.75)

average response of staff members (out of 5) to survey question about the quality of team relationships

Values

Under our strategic plan for 2019-2021 we have adopted a set of organisational values to assist us in achieving the vision under the plan. 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 2020 has been completed and lodged with the ACNC.

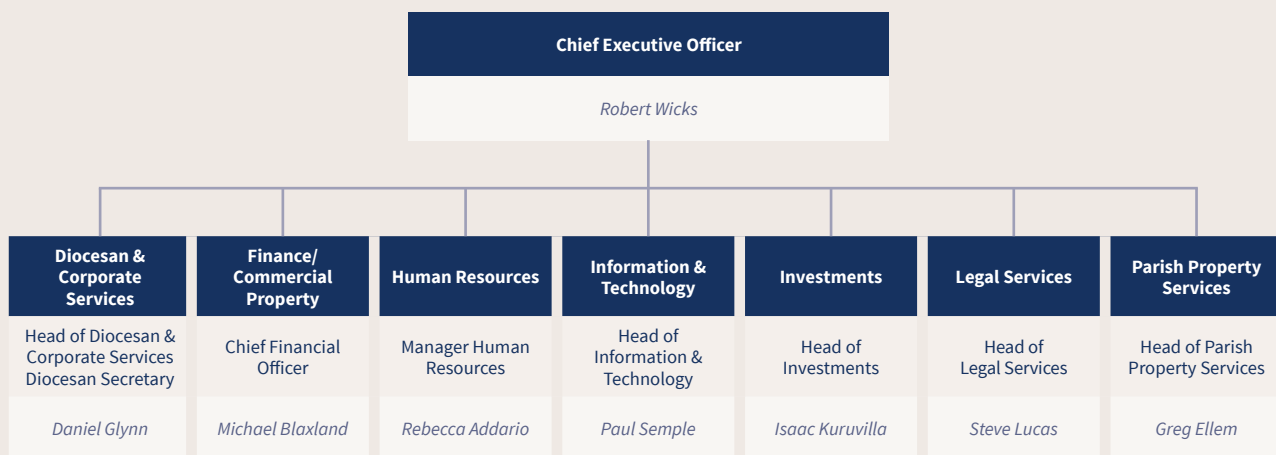
SDS is a Basic Religious Charity under the ACNC Act which means it is exempt from the financial reporting requirements under the ACNC Act.

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 2020, SDS had 32 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

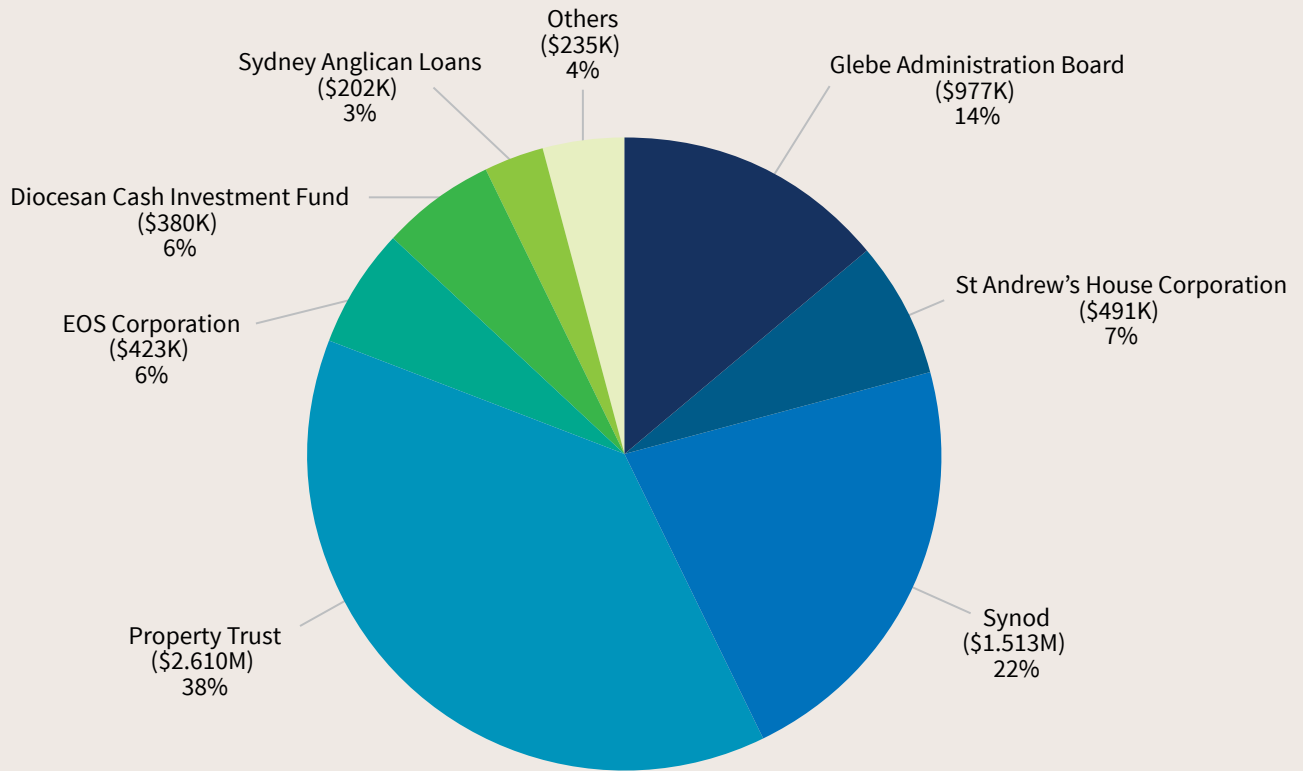
Financials

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 initially approved by the Standing Committee in December 2010 and affirmed under a revised cost recovery model in October 2020.

The total income of SDS during 2020 was \$7.4 million, compared to \$7.0 million in 2019. Of that amount \$6.9 million comprised the amounts charged to diocesan organisations served by SDS, and \$0.5 million was income from other sources (such as interest). See chart on page 27 for a breakdown of SDS cost recovery charges to diocesan organisations.

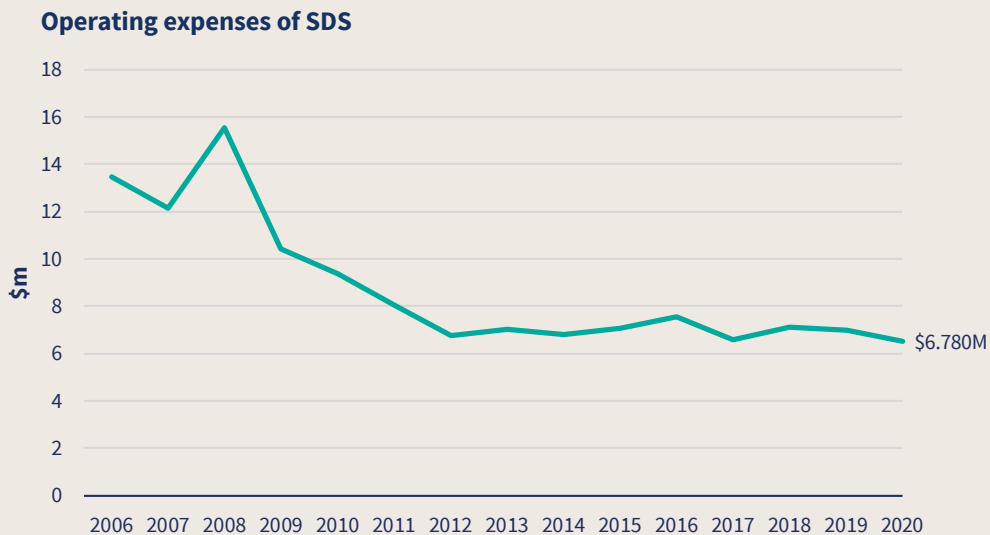
Breakdown of cost recovery charges



Operating Expenses

The graph below shows the operating expenses of SDS in 2020, and in prior years.

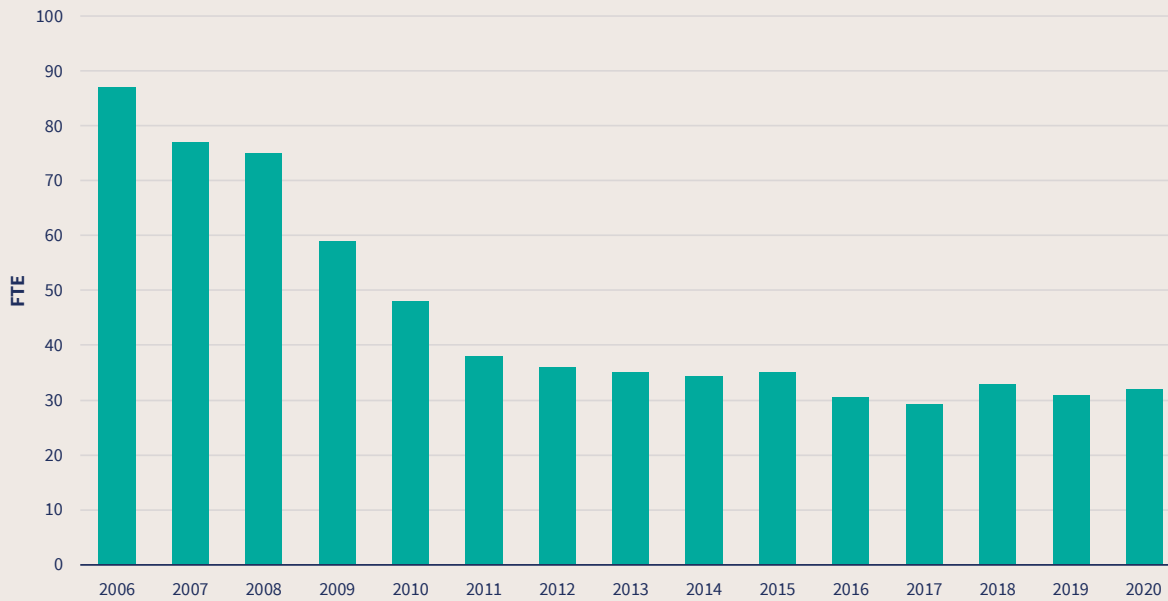
The reduction in operating expenses in 2020 compared to 2019 was 2.5%. The main contributors to the decrease in 2020 was the lower expenditure on professional fees, grants to other Synod organisations, loan impairment and other expenses. All expenses of SDS are periodically reviewed to ensure they are appropriate.



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 2020 were as follows (with comparatives for 2016-2019). Further information about income and expenses can be found in the Financial Accounts of SDS for 2020.

\$000s	2016	2017	2018	2019	2020
INCOME					
Total Income	7,610	7,167	7,279	7,011	7,372
EXPENSES					
Staff Expenses	4,906	4,405	4,562	4,714	4,833
Other Expenses	2,639	2,180	2,557	2,244	1,927
NET SURPLUS	65	582	160	53	592

The balance sheet of SDS as at 31 December 2020 can be summarised as follows (with comparatives for 2016-2019).

\$000s	2016	2017	2018	2019	2020
ASSETS					
CURRENT ASSETS					
Cash & Short Term Investments	5,687	5,684	6,025	6,723	7,506
Other	571	385	369	841	755
NON-CURRENT ASSETS					
Lease Incentive	2	-	-	-	-
Fixed Assets	861	616	634	712	485
Other				1624	793
TOTAL ASSETS	7,121	6,685	7,028	9,900	9,539
LIABILITIES					
CURRENT LIABILITIES					
Payables	755	350	433	1,094	1,228
Funds held*	1,240	743	782	1,571	1,320
Provisions	1,119	1,006	1,058	1,042	964
NON-CURRENT LIABILITIES					
Payables				1,360	544
Provisions	381	378	386	411	470
TOTAL LIABILITIES	3,495	2,477	2,659	5,478	4,526
NET ASSETS	3,626	4,208	4,369	4,422	5,013
EQUITY					
Capital	2,062	2,062	2,062	2,062	2,062
Reserves	1,255	1,613	2,016	2,286	2,839
Accumulated Surpluses	309	533	290	74	112
TOTAL EQUITY	3,626	4,208	4,369	4,422	5,013

* 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



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.



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

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.



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.



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

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.

Appointments

Mrs Michele Carpenter was appointed on 14 September 2020.



Mrs Michele Carpenter, B.Com, B.Acc CA(South Africa)

Chartered Accountant employed by KPMG from 1999 to 2006. Currently working for a boutique firm helping small businesses with tax and accounting needs. Came to faith in 2006 as a new mum. Passionate about encouraging women to study the Bible and serves as a substitute teaching leader at Bible Study Fellowship. Attends Cherrybrook Anglican Church where she was a warden and is currently a parish nominator and member of parish council. Board member since 2020.

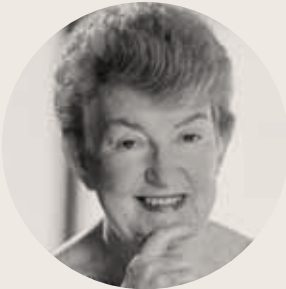
Resignations

Ms Libby Hackett resigned from office with effect 17 June 2020. Ms Robyn Hobbs OAM resigned from office with effect 22 October 2020.



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.



Ms Robyn Hobbs OAM

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.

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 2020 were –

Members	Total	Total Eligible
Mr Norm Lee	4	5
The Rev Lily Strachan	4	5
Ms Libby Hackett	0	2
Mr Greg Hammond	5	5
Ms Robyn Hobbs	2	4
Mr Ben Meikle	4	5
Mr John Pascoe	4	5
Bishop Michael Stead	5	5
Ms Jennifer Yorath	5	5
Ms Michele Carpenter	1	1

MEMBERSHIP

Committees

In 2020, SDS had an Audit and Risk Committee and a Nomination and Remuneration Committee to assist it in fulfilling its responsibilities.

The charters of each committee are reviewed periodically by SDS.

The overall purposes of the Audit and Risk Committee are to monitor, report, and make recommendations to SDS about –

- the financial reporting processes of SDS to ensure the balance, transparency and integrity of published financial information, and
- the internal compliance and control systems of SDS, and
- the risk management systems of SDS, and
- the independent audit process of SDS

Mrs Michele Carpenter was appointed as an independent member of the Board Audit Committee on 19 September 2018 and was subsequently appointed to the Board on 26 February 2020.

The overall purposes of the Nomination and Remuneration Committee are -

- to recommend to the SDS Board, for its advice to Standing Committee, the desired skills and experience of a potential candidate to fill a vacancy in the membership of SDS, and
- to develop and implement induction programs for new members of the SDS Board, and
- to recommend to the Board for approval the Remuneration Policy for SDS, including overseeing the Chief Executive Officer's ("CEO") remuneration and the CEO's recommendations for senior manager remuneration, and
- to manage the CEO appointment process and review the performance, and succession plans for this position.

SDS Audit, Finance & Risk Committee meeting attendance

Committee Member	Total	Total Eligible
Mr John Pascoe	3	3
Mr Greg Hammond	3	3
Bishop Michael Stead	3	3
The Rev Lily Strachan	3	3
Mrs Michele Carpenter	3	3

SDS Nomination & Remuneration Committee meeting attendance

Committee Member	Total	Total Eligible
Mr John Pascoe	4	4
Mr Greg Hammond	4	4
Bishop Michael Stead	4	4
Ms Robyn Hobbs	1	3
Ms Jennifer Yorath	3	4



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