

2017 Session of Synod

Book 1

(Pages 1 to 196)

Annual Report of the
Standing Committee and
Other Reports and Papers

Standing Committee of the Synod
Anglican Church Diocese of Sydney



MISSION 2020

DIOCESE OF SYDNEY

Our Vision **To see Christ honoured as Lord and Saviour in every community**

Our Mission **We commit ourselves afresh, in prayerful dependence on the Holy Spirit, to glorify God and love our neighbour by proclaiming the Lord Jesus Christ, calling people to repent and living lives worthy of him.**

Our Values

Our values flow from our identity in Christ. We are created in God's image and redeemed by Christ's blood for the glory of our Heavenly Father.

We therefore value and cherish:

- God's Word, the Bible, as our ultimate authority and guide
- The reading and explanation of the Bible as the basic method of our ministry
- The centrality of the cross of Christ and his resurrection in our proclamation and in our lives
- Lives of holiness and humility that adorn the gospel
- Prayerful dependence on the Holy Spirit for power to speak and hearts to change
- An urgent love for people who, apart from faith in Christ Jesus, face certain condemnation under the righteous judgment of God
- Selfless flexibility and creativity to reach the many different peoples in our communities with the gospel
- Partnerships between and among individuals, churches, Anglican schools, diocesan organisations and faithful members of the Anglican Communion
- Repentant hearts and renewal by God's grace

Our Priorities

Priority 1 Reach all the lost in our Diocese with the life-giving gospel of Christ

Key factors include

- 1.1 Engaging with our local community and creating opportunities for evangelism at the local and diocesan level
- 1.2 Mobilising more people to share Christ's love in word and deed
- 1.3 Strengthening our invitation, welcoming and integration

Our first goal is to increase our members reporting their willingness to talk intentionally about their faith from 18% (NCLS 2011 statistic) to 22% across the Diocese by 2020.

Our second goal is to increase our members reporting that they have invited someone to church in the last 12 months from 40% (NCLS 2011 statistic) to 45% across the Diocese by 2020.

Our third goal is to increase newcomers in church from 9% (NCLS 2011 statistic) to 12% across the Diocese by 2020.*

** Newcomers are members aged 15 or more who were not regularly attending any church five years ago, as defined by the National Church Life Survey (NCLS).*

Priority 2 Deepen spiritual maturity among our members

Key factors include

- 2.1 Ensuring congregational gatherings are significant places for spiritual growth
- 2.2 Enriching Christian fellowship through small groups
- 2.3 Strengthening personal and family devotions through prayer and Bible reading

Our first goal is to increase our members reporting 'much growth' in faith from 47% (NCLS 2011 statistic) to 60% across the Diocese by 2020.

Our second goal is to increase our members reporting time spent in prayer, Bible reading, meditation, every day/most days from 43% (NCLS 2011) to 50%.

Priority 3 Equip our members to exercise their gifts

Key factors include

- 3.1 Strengthening leadership skills of clergy, especially rectors
- 3.2 Identifying and unleashing the gifts of church members
- 3.3 Encouraging risk-taking and new initiatives in outreach and discipleship

Our goal is to increase our members reporting their use of gifts 'to a great extent' from 21% (NCLS 2011 statistic) to 27% across the Diocese by 2020.

Priority 4 Respond to the changing face of our society

Key factors include

- 4.1 Loving our neighbours in local and cultural communities
- 4.2 Reaching children and youth
- 4.3 Connecting with people over 60 years of age
- 4.4 Planting new churches in rapid growth areas

Our first goal is to increase our members born in non-English speaking countries from 15% (NCLS 2011 statistic) to 20% across the Diocese by 2020.

Our second goal is to increase the retention of our members' children in church from 65% (NCLS 2011 statistic) to 70% across the Diocese by 2020.

Our third goal is to plant 15 new churches in greenfield areas by 2020.

Our fourth goal is to plant at least two new churches per Mission Area by 2020.



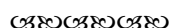
2017 Report of the Standing Committee and other Reports and Papers

Contents

	<i>Page</i>
2017 Report of the Standing Committee	1
Synod Funds Amalgamated Annual Financial Report for 2016	16
Parish Funds Amalgamated Annual Financial Report for 2016	26
Regional Councils' Annual Reports for 2016	33
Special Reports	
Amendments to <i>Faithfulness in Service</i> approved by the General Synod Standing Committee	36
A Theology of Gender and Gender Identity	46
Business rules for moving amendments to motions (39/16)	56
Catholicity and Communion / Theology of Communion and Catholicity (25/14).....	60
Clergy Assistance Program – 12 month review	73
Kangaroo Valley, Proposal to change the status of the provisional parish to a parish	77
Licensing of incumbents interim report (10/16)	79
Lifelong Ministry Development Guidelines	102
Ordinances passed by the Standing Committee	117
Parish cost recovery charges for 2018.....	118
Safe Ministry Board and Professional Standards Unit Annual Report	128
Statement of Funding Principles and Priorities 2019-2021	137
Stipends, Allowances and Benefits for 2018 (2/05)	143
Reports in relation to the Mission Property Committee and the proposed Property Receipts Levy	
Mission Property Committee – progress report.....	146
Review of the Mission Property Committee / Membership structure of Mission Property Committee (21/16) / Resourcing the management and development of parish property (33/16).....	149
Mission Property Committee proposal to provide guidance to parishes undertaking development projects.....	156
Proposal for a Property Receipts Levy (22/15)	171
Application of funds from the proposed Property Receipts Levy	193

2017 Report of the Standing Committee

Contents	Item
Introduction	1
Actions with the Archbishop	2
Financial and Property Administration	3
General Administration	4
Relations with Government	5
The International, National and Provincial Church	6
Sydney Synod Matters	7



1. Introduction

1.1 Charter

The Standing Committee is constituted under the *Standing Committee Ordinance 1897*. Its duties arise under a number of ordinances and include the following –

- (a) making arrangements for the meetings of the Synod and preparing the Synod's business, and
- (b) acting as a council of advice to the Archbishop (the "Archbishop-in-Council"), and
- (c) considering and reporting upon matters referred to it by the Synod and carrying out the Synod's resolutions, and
- (d) deliberating and conferring upon all matters affecting the interests of the Church, and
- (e) making ordinances under delegated powers, and
- (f) preparing and administering parochial cost recoveries and Synod appropriations and allocations, and
- (g) appointing persons to fill casual vacancies among persons elected by the Synod to boards etc, and
- (h) monitoring the finances of diocesan organisations.

1.2 Access

Meetings are usually held in the Heath Centre, Level 5, St Andrew's Cathedral School, St Andrew's House. Mail should be addressed to "The Diocesan Secretary, Standing Committee of Synod, PO Box Q190, QVB Post Office NSW 1230" (telephone (02) 9265 1555; email rjw@sydney.anglican.asn.au). Office hours are 9 am to 5 pm.

A report on each meeting is published a few days after the meeting on the website of Sydney Diocesan Secretariat ("SDS") at www.sds.asn.au.

1.3 Meetings and members

Since October 2016 we have met 9 times. The names of the members will be listed in the 2017 Diocesan Year Book and on the website of SDS at www.sds.asn.au.

During the year, the following changes took place in the membership of the Standing Committee –

- A vacancy arose in the position of a lay person elected by the whole of Synod upon the resignation of Dr Neil Cameron. We elected Dr Robert Mackay to fill the vacancy.
- Mr Mark Payne ceased to be a member *ex-officio* as the Chief Executive Officer of the SDS upon his resignation as CEO.

1.4 Management and structure

Each meeting of the Standing Committee is like a small Synod meeting. Our permanent subcommittees are –

Affiliated Churches Committee	Religious Freedom Reference Group
Diocesan Resources Committee	Royal Commission Steering Committee
Finance Committee	Service Review Committee
General Synod Relations Committee	Social Issues Committee
Ministry in Socially Disadvantaged Areas Committee	Stipends and Allowances Committee
Minute Reading Committee	Strategic Research Group
Ordinance Reviewers and Panels	Work Outside the Diocese Committee
Professional Standards Oversight Committee	

2 Report of Standing Committee & Other Reports & Papers

The terms of reference and the membership of our permanent subcommittees are posted at www.sds.asn.au.

Other committees are appointed from time to time for special tasks. We thank God for the faithfulness and expertise of the people who serve on our committees.

1.5 Dr Neil Cameron

We noted the resignation of Dr Neil Cameron as a member of the Standing Committee after a tenure of nearly 47 years. We recorded our profound thanks to Dr Cameron for his long and unselfish service to the Diocese chiefly through its governance structures, including the Legal Committee of the Standing Committee, the Inner-City Committee, the Moore College Council and the Anglican Church Property Trust. Dr Cameron also served as a Diocesan Advocate and represented the Diocese on General Synod's Standing Committee and Canon Law Commission.

1.6 Resignation of Mr Mark Payne as CEO of the Sydney Diocesan Secretariat

We noted the resignation of Mr Mark Payne as CEO of the SDS and that as a consequence of his resignation, he ceased to be a member of Standing Committee. We thanked Mr Payne for his 25 years of service to the Standing Committee and Synod of this Diocese. We noted that Mr Robert Wicks had been appointed as Acting CEO.

1.7 The Rev Dr Raj Gupta

We congratulated the Rev Dr Raj Gupta on being awarded a Doctor of Ministry from Trinity Evangelical Divinity School, with his thesis entitled "Why do Sydney Anglican Churches struggle to grow beyond 200?".

1.8 Election of Bishop Geoff Smith as Archbishop of Adelaide

We congratulated Bishop Geoff Smith on his appointment as the next Archbishop of Adelaide and extended our prayers and best wishes to Geoff as he commenced in this role.

1.9 Death of Justice Richard Gee

We noted with sadness the death of Justice Richard Gee on 2 January 2017 at the age of 73. Justice Gee was active in the Diocese, being a lay reader, serving as a lay representative on Synod for various parishes from 1969 until 2004, and on Standing Committee from 1973 to 1976. Following his retirement from the bench in 1999, he became a member of the Council of Anglicare and in 2002 an Executive Member of the NSW Council of Churches.

1.10 Appointment of next Chief Executive Officer of Youthworks

We congratulated the Rev Craig Roberts on his appointment as the next Chief Executive Officer of Youthworks (Council of Anglican Youth and Education Diocese of Sydney). We recognised the importance of ministry to children and young people and assured Craig of our ongoing prayers as he undertakes this new role.

1.11 Appointment of Mr Garth Blake SC as the Chair of the Safe Church Commission

We congratulated Mr Garth Blake SC on his appointment as Chair of the Anglican Communion's Safe Church Commission.

1.12 Appointment of Mr Stephen Kinsella as the next Executive Director of the Anglican Education Commission

We congratulated Mr Stephen Kinsella on his appointment as the second Executive Director of the Anglican Education Commission and extended our prayers and best wishes to Stephen as he commences in this ministry.

2. Actions with the Archbishop

2.1 Strategic Research Group

The Strategic Research Group ("SRG") comprises the following members –

Archbishop Glenn Davies (Chair)	Mr Graham Murray
The Rev Dr Raj Gupta	The Rev Craig Schafer
The Rev Andrew Katay	The Rev Hayden Smith
Bishop Peter Lin	The Rev Andrew Robson
Mr Peter Mayrick	Ms Nicola Warwick- Mayo

In addition, the SRG is well served by Dr John Bellamy, who attends each meeting as a consultant to the Group and has provided a significant depth of research and analysis.

The SRG is an advisory group for the Archbishop and the Standing Committee in their formulation of missional goals for consideration and adoption by the Synod. The Group is tasked to –

- (a) identify, research, evaluate and develop for Standing Committee's consideration high level vision, strategy and structure which optimise the capacity of the diocesan network to achieve missional goals adopted by the Synod, and
- (b) oversee the objective measurement of and reporting to the Standing Committee on progress toward achieving those missional goals.

The SRG typically meets quarterly for full day meetings. Since the last Synod, the SRG has met 4 times and has partnered with Mission Area Leaders ("MALs") for a joint conference on 3 May 2017. The conference with MALs has been held annually since 2015 and usually includes members of the SRG updating the MALs regarding the work of the Group, and the MALs sharing insights from ministry in their Mission Areas while suggesting matters that the SRG may research or consider in order to further support ministry in the Diocese. The most recent conference also included a presentation of the initial results from the National Church Life Survey ("NCLS") conducted in 2016.

In early 2016 the SRG began consideration of how rectors may be better equipped for the leadership aspects of their ministries. A sub-committee of the SRG partnered with representatives of Ministry Training and Development and Evangelism and New Churches to develop a Ministry Development Plan ("MDP") for voluntary use by Rectors on an ongoing basis. The SRG also provided a proposal and recommendations to the Licensing of Incumbents Review Committee as that committee coordinated the development of proposals relating to, or arising from, the licensing of clergy (resolution 9/15).

The SRG has reviewed and analysed church attendance data on an ongoing basis using both self-reported data (from parishes) and attendance figures determined through the NCLS. The attendance data is useful both at a parish and diocesan level for analysis of trends and identification of opportunities.

In early 2017, the Standing Committee asked the SRG to evaluate the possibility that increases in the absolute numbers of church attenders have been offset by decreasing frequency of attendance among these people. The research of the Group found that, among other things, trends over the past 20 years in self-reported frequency of attendance (measured through the NCLS) do not appear to support the hypothesis, as the data had remained relatively stable over that period. However anecdotal observations of decreasing frequency of attendance among regular attenders may be consistent with a lower frequency of attendance measured among 30 and 40 year old attenders compared with other age groups.

In addition to these key projects, the SRG has –

- (a) reviewed progress against *Mission 2020* goals (and will present a progress report to Synod),
- (b) provided recommendations regarding proposed changes to Standing Committee policies on sale proceeds,
- (c) determined a recommendation for Synod with regard to the allocation of additional funds from the proposed Property Receipts Levy, and
- (d) provided recommendations to the Diocesan Resources Committee regarding funding principles and priorities for the next triennium, in light of the priorities in *Mission 2020*.

The SRG is planning a retreat in early 2018 to focus specifically on matters of high level vision, strategy and structure within the diocese.

3. Financial and Property Administration

3.1 Accounts, Audits and Annual Reports Ordinance 1995

Organisations of the Synod which manage church trust property must report annually to the Synod. These reports include information in relation to members, structure, activities and a summary of the financial results, together with audited financial statements, a liquidity report, a risk management report and a charities group status report. As this year is the first ordinary session of a Synod, the reports also include a statement which assesses an organisation's compliance with the Synod's governance policy and explains any areas of non-conformity.

The reports must be lodged by 30 June each year. A later lodgement date has been approved for two organisations, Anglican Community Services and Anglican Aid whose financial year ends on 30 June.

Some of these organisations are also required to provide us with certain internal management financial information during the year.

The annual reports and audited financial statements for about 40 organisations will be tabled in the Synod. Any major problems found by the Finance Committee from a review of these financial statements and the additional internal management financial information will be reported.

4 Report of Standing Committee & Other Reports & Papers

3.2 Annual Financial Statements for the Synod Funds and Parish Funds

The annual financial statements for the Amalgamated Synod Funds and Amalgamated Parish Funds have been prepared and reported on according to an agreed review of procedures instead of an audit.

These reports are printed separately.

3.3 Ordination training fund

In 2017 this Fund received a Synod allocation of \$40,000 (2016 \$40,000) which it used to provide a book allowance of \$1,000 to first year candidates studying through Moore Theological College or Youthworks College for ordination in Sydney, and to meet a number of specific costs associated with preparing candidates for ordination. In exceptional cases the Fund may also provide bursaries or financial assistance to some of the students.

3.4 Ordinances

The following table shows the number of ordinances passed and assented to in 2011 to 2016 and in 2017 up to 31 July 2017 –

	2011	2012	2013	2014	2015	2016	2017
Standing Committee	40	53	60	42	46	53	24
Synod	10	3	6	7	6	4	0
	50	56	66	49	52	57	24

A separate report lists the ordinances passed by us since the 2016 session of the Synod. There are 11 ordinances of particular interest.

The *Synod Appropriations and Allocations Ordinance 2016* gave effect to the Synod's general intention with respect to the appropriation and allocation of Synod funds for 2017. The ordinance also allocated the additional income from parish trusts in accordance with the recommendations of the Diocesan Resources Committee.

The *Anglican Youth and Education Diocese of Sydney Ordinance 1919 Amendment Ordinance 2017* removed the Chief Executive Officer of Youthworks as a member of its Council.

The *Investment of Church Trust Property Ordinance 1990 Amendment Ordinance 2017* updated the list of permitted investments for persons who and organisations which hold church trust property.

The *Evangelism and New Churches Incorporation Ordinance 2017* provided for the members of the Department of Evangelism and New Churches to be incorporated as a body corporate and changed its name to "Evangelism and New Churches".

The *Synod Appropriations and Allocations Ordinance 2015 Amendment Ordinance 2017* reallocated \$110,000 from "Membership/affiliation – General Synod" to instead fund the development of online Safe Ministry training by the Professional Standards Unit.

The *Regions Ordinance 1995 Amendment Ordinance 2017* inserted a provision setting out the purpose of regional councils and reduced the frequency of required meetings of regional councils.

The *St Andrew's House Trust (Variation of Trusts) Ordinance 2017* varied the trusts of the 50% interest held by the Diocesan Endowment in the St Andrew's House Trust to enable the interest to be held directly for the general purposes of the Anglican Church in the Diocese of Sydney.

The *Sydney Diocesan Secretariat Ordinance 1973 Amendment Ordinance 2017* updated the constitution of the SDS to ensure that it better complies with modern standards and practices for corporate governance, current legislative requirements and the Synod's Governance Policy for Diocesan Organisations.

The *Sydney Church of England Finance and Loans Board Ordinance 1957 Amendment Ordinance 2017* updated the constitution of the Board to ensure that it better complies with modern standards and practices for corporate governance, current legislative requirements and the Synod's Governance Policy for Diocesan Organisations.

The *Cathedral Ordinance 1969 Amendment Ordinance 2017* amended the *Cathedral Ordinance 1969* to update the governance arrangements for the Cathedral Chapter and the Cathedral School Council.

The *Synod Appropriations and Allocations Ordinance 2017* provided for the distribution of Synod funds during 2018.

3.5 Parochial cost recoveries – arrears

The following table compares the arrears of cost recovery charges as at 30 June 2017 and 2016 –

	2017	2016
Guildford with Villawood	6,505	-
Longueville	4,720	-
Norfolk Island	1,498	-
Picton	2,946	-
Richmond	2,985	-
St George	-	2,237
St Marys	-	2,071
	<u>\$18,654</u>	<u>\$4,308</u>

We also approved the remission of arrears of \$6,214 of Parochial Cost Recovery charges for 2016 owing by the parish of St Marys in accordance with clause 8(3) of the *Cost Recoveries Framework Ordinance 2008*. We did this because the amount related to the 2014 offertory received by the Ropes Crossing congregation which became an Evangelism and New Churches Fellowship from 1 July 2015.

3.6 Annual financial statements from parishes

Under the *Parish Administration Ordinance 2008*, parochial units are required to lodge their audited financial statements within 7 days after their annual general meeting of parishioners.

As at 30 April 2017, 84 parochial units (31%) had not lodged a set of prescribed financial statements (compared with 82 at the same time in 2016). By 30 June 2017 this had improved so that only 15 parochial units had not lodged their financial statements, although some others had only lodged incomplete or unsigned financial statements.

The Finance Committee has processes in place to remind parochial units of their obligations under the Ordinance, to assist with any enquiries and to review the statements lodged. The Finance Committee also works with the Regional Bishops to investigate and report to us on the status of the audited financial statements for parochial units that are late in lodging the required information.

3.7 Local revenues test for parish status

The parishes of Bankstown, Bellevue Hill, Canterbury with Hurlstone Park, Glenquarie, Greystanes-Merrylands West, Mt Druitt, Mulgoa, Watsons Bay and Waverley had local revenue below the requisite amount in 2016. In the case of Bankstown, this was the third consecutive year of revenue below the threshold and accordingly this parish will revert to provisional status on 31 December 2017 unless the Georges River Regional Council exercises its discretion under clause 8(1A) of the *Parishes Ordinance 1979*. The other parishes have been advised of the importance of ensuring their 2017 and future revenues meet the relevant threshold figures in order to retain their parish status.

3.8 Stipends, allowances and benefits for 2018

A report on stipends, allowances and benefits for 2018 is printed separately.

3.9 Stipend Continuance Insurance renewal

We authorised SDS to calculate and charge the Stipend Continuance Insurance (“SCI”) component of the Parochial Cost Recovery (“PCR”) charge for 2017 by –

- taking into account the expected cost of the SCI premium calculated on the basis of the AMP tender for 1 year with a continuation of the current basic benefit design,
- utilising \$100,000 of the balance in the SCI Fund 952 to reduce the impact of the increased premium,
- assuming an expected population of 550 clergy at 1 January 2017 (in parishes, participating organisations and the Episcopal team), and
- recovering a \$90 per person fee to cover SDS’s costs of administering the program.

3.10 Work Outside the Diocese

In the 6 months to 30 June 2017, the Work Outside the Diocese Committee had applied \$117,826 from a total Synod allocation in 2017 of \$221,000. It is expected that further amounts will be applied during the 6 months to 31 December 2017 from the 2017 allocation, and the opening reserves of \$43,052.

3.11 Recommended distribution from the Diocesan Endowment for 2018

We noted the advice of the Glebe Administration Board that, for the purposes of clause 5(1) of the *Diocesan Endowment Ordinance* 1984, \$4.69 million could prudently be distributed from the Diocesan Endowment for spending by the Synod in 2018 (2017: \$4.4 million).

3.12 Parish cost recovery charges for 2018

A report about the cost recovery charges for 2018 is printed separately.

3.13 Statement of Funding Principles and Priorities for 2019-2021

Under clause 3(3) of the *Synod Estimates Ordinance 1998* we are required to prepare for the 1st ordinary session of the 51st Synod a Statement of Funding Principles and Priorities to guide estimates for 2019 to 2021 of –

- the amount required for meeting the cost of sittings of the Synod, the maintenance of diocesan offices and the expenses of such other diocesan activities and commitments as, in our opinion, should be supported, and
- the amount which, in our opinion, should be granted to organisations under the control of Synod or to other organisations, and
- the amount of income available from endowments or other trusts for meeting the amounts referred to above in the relevant financial year.

Under clause 3(3A) the Statement of Funding Principles and Priorities is to be accompanied by a motion moved by request of the Standing Committee by which the Synod may approve the Statement.

A Statement of Funding Principles and Priorities together with a motion by which Synod may approve the statement are printed separately.

3.14 Clergy Assistance Program

A report on a 12 month review of the Clergy Assistance Program is printed separately.

3.15 Clergy Contact Persons

We approved a 12 month trial of a Clergy Contact Person program. The aim of the program is to provide parish clergy and the spouses of parish clergy who are experiencing particular difficulties associated with parish ministry with face to face confidential assistance in developing and implementing a plan to address those difficulties.

The Archbishop nominated 9 persons to be appointed as Clergy Contact Persons. A training day was held for the Contact Persons in April 2017 with a follow-up session in May 2017. This coincided with a letter sent by the Archbishop to all rectors and co-ordinators of clergy spouse support groups advising of this new initiative.

3.16 Costs associated with attendance of General Synod

We authorised the allocation of \$30,000 from Synod Fund Contingencies to Synod Fund 130 as additional funding support for our General Synod representatives. This additional support was, in part, necessary due to an increase in the total number of General Synod Representatives from 66 to 70.

3.17 Freedom For Faith

We authorised the annual payment of \$20,000 for the affiliation fee for Freedom For Faith from 2017 onward and requested that the Diocesan Resources Committee consider including an affiliation fee of \$20,000 in the Synod budgets for 2018 and following.

3.18 Safe Ministry Training

Due to a rebate provided in respect to the General Synod statutory assessment in 2017, we agreed that the estimated cost of \$110,000 to develop online Safe Ministry training material for use from 2018 be funded from a reallocation of \$110,000 from the amount of \$484,000 presently allocated to “Membership/affiliation – General Synod” for the General Synod statutory assessment for 2017.

See item 6.3.

3.19 Review of the Management Fee of the Anglican Church Property Trust

We approved a non-standard ACPT management fee of 2.5% pa of the rental income to be received by ACPT on behalf of the parish of Darlinghurst in relation to a lease over part of the parish property that is subject to a long term ground lease to HammondCare.

3.20 Review of the finances of the Sydney Diocesan Secretariat

We requested the following be undertaken before the revenue of the SDS from Synod sources is set for the 2019-2020 Triennium –

- (a) a review of SDS' customers be performed, to ensure that expectations are met and services are delivered with satisfactory levels of price,
- (b) a review of current SDS processes, to identify those where SDS has insufficient scale to perform effectively and may be better outsourced to others within the "Anglican family",
- (c) a review of staffing levels and distribution in line with the response in (a) and (b) above,
- (d) a review of SDS policies to ensure where the term "comparable" or similar is used, as in "comparable role" or "comparable organisation", that the definition of "comparable" includes "other Anglican", "other Protestant" or "other Faith-based" as appropriate, and
- (e) SDS commit to a set positive percentage of surplus over each Triennium.

4. General Administration

4.1 Elections

The appointment of persons to serve on committees etc. continued to be a major part of our business. Some appointments are to fill casual vacancies among Synod appointees, while others are made by the Standing Committee in its own right.

From November 2016 to July 2017, 71 such positions were filled (44 for the same period in 2015 – 2016).

4.2 Membership of the Synod

Under Part 7 of the *Synod Membership Ordinance 1995*, the Archbishop is entitled to nominate a number of ministers to be members of the 51st Synod. The maximum number of ministers who may be nominated cannot exceed 10% of the total number of "parochial ministers" (as defined in the Ordinance) determined on 1 January 2017. The Registrar has advised that this number is 25.

The Archbishop advised that he intends nominating 25 ministers as members of the 51st Synod under Part 7.

For every nominated minister proposed to be nominated by the Archbishop, we can elect a lay person to be a member of the 51st Synod under Part 8 of the Ordinance. We have elected 25 lay persons to be members under Part 8.

In addition, under Part 6 of the *Synod Membership Ordinance 1995*, we may declare up to 5 diocesan boards, departments or organisations to be "nominated organisations" for the purposes of the 51st Synod. The effect of such declaration is that the Chief Executive Officer of the nominated organisation is a member of the 51st Synod. We have declared the following organisations to be "nominated organisations" –

- Anglican Community Services (Anglicare)
- Anglican Media
- Anglican Schools Corporation
- Anglican Youth and Education Diocese of Sydney (Youthworks)
- Evangelism and New Churches

4.3 Reports from Regional Councils

Under clause 9 of the *Regions Ordinance 1995* each regional council must give us an annual report for inclusion in our report to the Synod. This year the annual reports are printed as a compilation. Any reports for reclassification of provisional parishes under the *Parishes Ordinance 1979* are printed separately.

4.4 Review of the services of Sydney Diocesan Secretariat to the Synod and Standing Committee

We undertook a review of the services provided by the SDS during 2016. We confirmed that the services had been provided in a satisfactory manner and commended SDS for the high standard of services provided to the Standing Committee and Synod.

4.5 Diocesan Research Officer

We noted the high standard of service provided by the Diocesan Research Officer in 2016, and recognised that the Diocesan Research Officer role is a necessary part of the Diocese. We recommended to the Diocesan Resources Committee that funding be provided in the next funding triennium for the ongoing services of a Diocesan Research Officer.

4.6 Attendance in Sydney Anglican churches between 2002 and 2015

We received a discussion paper relating to attendances in Sydney Anglican Churches from 2002-2015 and requested the Strategic Research Group (“SRG”) to evaluate the possibility that increases in the absolute numbers of church attenders have been offset by decreasing frequency of attendance among these people.

The SRG report indicated, among other things, that trends over the past 20 years in self-reported frequency of attendance (measured through the NCLS) do not appear to support the hypothesis, as the data has remained relatively stable over this period. However anecdotal observations of decreasing frequency of attendance among regular attenders may be consistent with a lower frequency of attendance measured among 30 and 40 year old attenders compared with other age groups.

4.7 Regulation for assessing the strategic value of retaining parish property for the purposes of the Diocesan Mission

We amended our regulations for “Assessing the strategic value of retaining parish property for the purposes of the Diocesan Mission”. The amendments enable a parish, which is seeking an ordinance to authorise the sale of parish property or a lease of parish property for more than 20 years, to obtain from the Mission Property Committee its recommendation as to whether the retention of the property has strategic value for the purposes of the Diocesan Mission. Previously such recommendations could only be given upon the referral of the proposal to the Mission Property Committee by the Regional Bishop.

4.8 Proposed amendment to the Constitution of SCEGGS Darlinghurst Ltd

We approved amendments to the Constitution of SCEGGS Darlinghurst Ltd. The amendments were intended to bring the constitution into line with modern constitutions and the requirements of *the Australian Charities and Not for Profit Commission Act 2012*. They did not affect any provisions of the constitution of relevance to the relationship between the Company and the Diocese.

4.9 Amendment to the Terms of Reference for the Social Issues Committee

We amended the Social Issues Committee’s Terms of Reference to, among other things, provide the appropriate authority for the SIC to publish articles or blogs on current social issues (in accordance with its 2nd object). Prior to the amendment, the SIC would require the approval of Standing Committee or the Archbishop for each article produced.

4.10 Amendment to the Terms of Reference for the Strategic Research Group

We agreed to amend the Terms of Reference of the Strategic Research Group (“SRG”) to require an annual report to Synod with a six month interim report to Standing Committee. Previously, the SRG was required to report “no less than quarterly to the Standing Committee”.

4.11 Amendments to the Governance Policy for Diocesan Organisations

We agreed to modify the Governance Policy for Diocesan Organisations with regard to the role of the Archbishop in relation to diocesan organisations.

Previously the guidelines provided that the Archbishop should not usually be a board member of a diocesan organisation but should be entitled to receive board papers on request, attend board meetings, and to address the board on any pastoral or policy issue concerning the Anglican Church of Australia as it applies to the organisation including the appointment of its chief executive officer.

The modification rendered neutral the question of whether the Archbishop should be a board member of a diocesan organisation. Instead it provided that –

- (a) if the Archbishop is a member of a diocesan organisation, he should be entitled to chair board meetings of the organisation, and
- (b) if the Archbishop is not a member, he should retain the entitlements already in the policy in relation to the receipt of board papers (on request), attendance at board meetings, and addressing the board on any pastoral or policy matter concerning the Anglican Church of Australia.

4.12 Amendments to Diocesan Policy Statement on Education

We amended the Diocesan Policy Statement on Education to provide that the form of Statement of personal faith to be signed before a person is elected or appointed to the board of a diocesan organisation is set out in Appendix 3 of the Synod’s Governance Policy for Diocesan Organisations, rather than the form included in the Education policy itself. This amendment was made to avoid confusion as to the correct form of the Statement to sign.

4.13 Publication in Spanish of *Masters of the English Reformation* by Sir Marcus Loane

We agreed to allocate \$2,000 from the Publishing Reserve Fund to fund the publication of *Masters of the English Reformation* in Spanish.

4.14 Affiliated Churches

We declared Hunter Bible Church, Newcastle and Coast Evangelical Church, Forster to be affiliated with the Diocese under the *Affiliated Churches Ordinance 2005*.

4.15 Guidelines for Remuneration of Parish Ministry Staff in 2018

We approved guidelines for the remuneration of parish ministry staff in 2018.

5. Relations with Government

5.1 Social Issues Committee

The Social Issues Committee ("SIC") comprises the following members –

Dr Karin Sowada (Chair)	The Rev Dr Michael Jensen
Dr Megan Best	Mr Darren Mitchell
The Rev Dr Andrew Ford	Dean Kanishka Raffel
Dr Chase Kuhn	

The SIC provides advice to the Archbishop on issues which are referred to by him. It also provides advice on issues referred to it by the Standing Committee or at the request of the Synod. When resources allow the SIC also identifies and initiates the study and discussion of social issues and matters of public policy among Anglicans in the Diocese and interacts with Government and other external organisations through submissions to parliamentary and public inquiries. The SIC is often the first point of contact for community groups and other organisations wishing to engage with the Diocese on matters of public policy.

Since the last Synod, the SIC has met 6 times and has devoted the bulk of its time to the production of reports relating to gender identity. This work was initially provided to the Heads and Chairs of Anglican Schools through the preparation of an Archbishop's Gender Briefing Paper. A more substantial report is expected to be available for inclusion in the Synod 2017 papers. The SIC also commissioned a mixed method gender identity research project based on an online "Lived Experiences" survey.

This work has been undertaken in conjunction with the Gender Identity subcommittee established by the SIC in 2016, which now comprises –

Dr Claire Smith (Chair)	The Rev David Ould
Dr Megan Best	The Rev Nicholas Moll
Dr Patricia Weerakoon	

Mrs Emma Penzo also served as a member of the Subcommittee during the year.

Gender-related issues are expected to increase in profile. Further work may need to be undertaken by parties outside the SIC including the development of school policy and pastoral care guidelines. The SIC will continue to monitor and respond to legislative and executive developments in this space.

In response to resolutions of the 2016 Synod the SIC has progressed work on reports on "Consumerism" and "Diversity and Inclusion". The Committee now expects this work to be submitted to the 2018 Synod.

With the support of Standing Committee the SIC has also partnered with Dr Louise Gosbell in researching "The Experiences of People with Disability in the Sydney Diocese of the Anglican Church". The primary aim of the project is to measure the impact of Synod resolution 34/09 *People Affected by Disability*. The project is yet to receive Human Research Ethics Committee approval.

Through meetings and formal correspondence the Committee has been engaged in advocacy relating to –

- (a) online gambling using credit card facilities,
- (b) public holiday and weekend penalty rates, and
- (c) the plight of refugees, detainees and those in off-shore detention.

Submissions have been provided to –

- (a) the Joint Standing Committee on Foreign Affairs, Defence and Trade Inquiry into the Status of the Human Right to Freedom of Religion or Belief, and
- (b) the NSW Parliamentary Working Group on Assisted Dying.

The SIC also prepared a letter on behalf of the Archbishop to Members of the NSW Legislative Council regarding the Abortion Law Reform (Miscellaneous Acts Amendment) Bill 2016.

The Committee expressed gratitude for the services of Mrs Emma Penzo, who finished as part-time Diocesan Researcher in March 2017. Mrs Leonie Russell was appointed to the role, starting in May 2017.

For reports, submissions and briefings on current and archived matters, please refer to its web site <http://www.socialissues.org.au>.

5.2 Royal Commission into Institutional Responses to Child Sexual Abuse

We approved an allocation from the Synod Fund and requested the Property Trust to provide an equal amount, to meet the increased needs of the Royal Commission Steering Committee.

We received a report from the Registrar following the conclusion of the Royal Commission into Institutional Responses to Child Sexual Abuse public hearing referred to as Case Study 52. The hearing ran from Friday 17 March to Wednesday 22 March 2017 and its purpose was “to inquire into the current policies and procedures of Anglican Church authorities in Australia in relation to child-protection and child-safety standards, including responding to allegations of child sexual abuse.

The Archbishop, Registrar and staff of the PSU attended the whole of each hearing day and several witnesses were associated with the Diocese of Sydney. The Royal Commission Steering Committee (“RCSC”) had appointed Ms Michelle England with Ms Alexandra Rose, instructed by Mr Steve Lucas, to act for the Diocese of Sydney, Archbishop Glenn Davies, the Rev Archie Poulos, the Rev Dr Andrew Ford, Ms Jacqueline Dawson and Mr Lachlan Bryant.

We thanked Ms Michelle England and also Ms Alexandra Rose together with Mr Steve Lucas and the PSU staff for all their assistance with Case Study 52 of the Royal Commission.

5.3 Submission to the Joint Parliamentary Inquiry into the Status of the Human Right to Freedom of Religion or Belief

Our Religious Freedom Reference Group and Social Issues Committee made a joint submission on behalf of the Diocese of Sydney to a Parliamentary inquiry being conducted by the Joint Standing Committee on Foreign Affairs, Defence and Trade into the protection and promotion of the human right to freedom of religion or belief worldwide, including in Australia.

6. The International, National and Provincial Church

6.1 17th session of the General Synod of the Anglican Church of Australia

We noted that the 17th session of the General Synod will be held at the Novotel Twin Water Resort, Maroochydore, Queensland on 3 – 8 September 2017.

The General Synod Relations Committee has been considering the Bills for canons to be promoted to the General Synod, with particular focus on bills relating to safe ministry to children prepared in response to concerns raised by the Royal Commission into Institutional Responses to Child Sexual Abuse.

6.2 General Synod Special Assessment

In response to a letter from the General Secretary of the General Synod, we confirmed that the position of the Diocese of Sydney in respect to payment of the General Synod Special Assessment has not changed, and accordingly declined to make any payment in respect of the Special Assessment.

6.3 General Synod Statutory Assessment rebate

We noted that due primarily to a one-off rebate from the General Synod’s Statutory Fund, a total of \$178,531 that had been allocated for “Membership/affiliation – General Synod” was no longer required for that purpose.

6.4 Amendments to Faithfulness in Service

We noted a letter from the General Secretary concerning amendments to *Faithfulness in Service* approved by the General Synod Standing Committee in November 2016. The amendments concerned the definition of bullying as well as other changes concerning definitions of “grooming”, “sexual abuse of a child”, “sexual assault” and “sexual harassment”.

We appointed a committee to consider the proposed amendments to the definition of “bullying” and requested the Director of Professional Standards to consider the other amendments set out in the letter. Following receipt of these recommendations, we asked that a motion be moved at the forthcoming session of Synod.

A report about this matter is printed separately.

6.5 GAFCON Primates Communique April 2017

We welcomed the communique of the GAFCON Primates of 29 April 2017 and the intention of the Primates to consecrate a missionary bishop, who would be tasked with providing episcopal leadership for faithful Anglicans who find themselves outside the structures of any Anglican province, especially in Europe, but desire episcopal leadership. We strongly encouraged the Archbishop to participate in the consecration of

such a missionary bishop as a sign of solidarity with the GAFCON Primates and those seeking such episcopal leadership.

6.6 Appellate Tribunal determination concerning membership of the General Synod House of Bishops

The Diocese of Newcastle referred the following 3 questions to the Appellate Tribunal for consideration –

- (a) Whether a person appointed bishop administrator of a diocese for the purposes of section 8 of the Constitution of the Anglican Church of Australia (“the Constitution”) or otherwise is, under section 16 of the Constitution or otherwise, a member of the House of Bishops.
- (b) Whether if a person so appointed as bishop administrator of a diocese is a member of the House of Bishops the diocese for which he or she is appointed is entitled to appoint another person to be a member of General Synod.
- (c) Whether the answers to the preceding questions are different depending upon whether or not the person so appointed as bishop administrator is a duly consecrated bishop of the Anglican Church of Australia and, if so, in what respect.

We submitted that the Appellate Tribunal should answer these questions as follows –

- (a) No.
- (b) Not applicable.
- (c) No.

The Appellate Tribunal agreed with our submission.

7. Sydney Synod Matters

7.1 25/14 Theology of Communion and Catholicity

By resolution 25/14, the Synod requested the Sydney Diocesan Doctrine Commission to prepare a report on the theology of communion and catholicity with special reference to contemporary Anglicanism in Australia.

The report of the Doctrine Commission is printed separately.

7.2 13/15 Study into Effective Church Planting

By resolution 13/15, among other things, Synod –

- (a) noted the *Study into Effective Church Planting in the Anglican Diocese of Sydney*,
- (b) encouraged rectors and parish councils to consider how they could initiate church planting in their parishes, and
- (c) requested that Evangelism and New Churches (“ENC”) provide recommendations regarding the practice of church planting.

ENC developed the Church Planting Guidelines in cooperation with several other groups based on the *Study into Effective Church Planting in the Anglican Diocese of Sydney*.

We authorised an allocation of \$3,000 from Synod Fund Contingencies in order to fund a concept design for the Church Planting Guidelines.

7.3 22/15 Proposal for a Property Receipts Levy

By resolution 22/15, among other things, the Synod agreed that a Property Receipts Levy may be preferable to a Large Property Receipts Policy. The Synod therefore requested the Standing Committee to collect the necessary financial data from parishes, and undertake the necessary modelling and further consultation to bring to the Synod no later than its session in 2020 a proposal for a Property Receipts Levy to be considered as an alternative to a Large Property Receipts Policy.

A report about this matter is printed separately together with a further report which sets out a proposal from the Strategic Research Group for applying any additional proceeds raised from a Property Receipts Levy.

7.4 34/15 Diocesan Doctrine Commission report on Human Sexuality

By resolution 34/15, among other things, Synod requested the Standing Committee to continue its work of developing pastoral guidelines for pastors as they minister to Christians experiencing same-sex attraction, their family and friends, and their churches; and that a committee be formed of sufficient size, breadth of experience, and expertise to accomplish this, to report to Synod in 2017.

The committee we constituted to address this request has made significant progress but has not yet completed its work. We expect a report for Synod in 2018.

7.5 35/15 Review of Regional Councils

By resolution 35/15, Synod requested the Standing Committee to conduct a review of the purpose and effectiveness of Regional Councils.

We surveyed the regional councils and following consideration of the responses, amended the *Regions Ordinance 1995* to reduce the frequency of required meetings of regional councils and insert a provision setting out the purpose of regional councils as follows –

‘The purpose of a regional council is to advance the purposes of the Anglican Church in the Diocese of Sydney by –

- (i) conceiving, planning, implementing and resourcing regional ministry strategies,
- (ii) supporting the regional bishop in the leadership of the region,
- (iii) undertaking the governance tasks delegated to them by Synod and Standing Committee, and
- (iv) receiving and considering grant applications and distributing grant funding as available from time-to-time.’

We also recognised that the effectiveness of a regional council to convene, plan, implement and resource regional ministry strategies is constrained when there are limited funds available.

7.6 4/16 Funding church planting in urban areas

By resolution 4/16, among other things, Synod requested the Large Property Receipts Policy Committee, when presenting the proposed Property Receipts Levy, to include in its modelling an option that provides significant additional funding for ministry initiatives.

7.7 This matter is dealt with in the report of the Large Property Receipts Policy Committee referred to at item 7.3.6/16 Protestant Reformation

By resolution 6/16, among other things, the Synod requested the Standing Committee, the Chapter of St Andrew’s Cathedral, Moore Theological College, Youthworks College, Mary Andrews College, and Anglican Deaconess Ministries to consider ways in which they might contribute to a diocesan wide celebration of our Reformation heritage during 2017.

We endorsed the Reformation celebration events planned by Moore Theological College and the Cathedral in 2017, and alerted rectors to these and other events to celebrate the Reformation planned by the organisations referred to in the resolution. We also authorised the application of \$7,000 from Synod Fund contingencies to publish a calendar of events regarding Reformation celebration.

7.8 9/16 Equipping rectors for their task of leadership

By resolution 9/16, among other things, Synod asked the Strategic Research Group (“SRG”) to establish a committee (in consultation with MT&D, CMD and other appropriate instruments) to explore and report back to the Synod in 2017 on what action is required and how it may be implemented to better equip rectors for their task of leadership.

The SRG had already been considering this matter, and had established a working group in partnership with representatives from Evangelism and New Churches and Ministry Training and Development. The working group developed a Ministry Development Plan (“MDP”) for voluntary use by Rectors on an ongoing basis. The MDP has been piloted through new rectors (in the Developing Rectors Program) and through voluntary testing in Mission Area Groups.

The SRG is supportive of the Developing Rectors program launched by Moore College’s Centre for Ministry Development (“CMD”). This course has been developed by CMD with the assistance of the Bishops.

The SRG also provided a proposal and recommendations to the Licensing of Incumbents Review Committee as that committee coordinated the development of proposals relating to or arising from the licensing of clergy.

7.9 10/16 Licensing of incumbents interim report

By resolution 10/16, among other things, Synod encourages the Committee reviewing the licensing of incumbents, to continue to meet and provide a final report with recommendations and proposed ordinances for consideration by the Synod in 2017.

A further interim report from the Committee is printed separately together with a report from Ministry Training and Development concerning *Lifelong Ministry Development Guidelines*.

7.10 14/16 Funding for Urban Renewal

By resolution 14/16, among other things, Synod requested that Standing Committee consider the recommendations of the “Funding for Urban Renewal” report against other funding needs and opportunities in the preparation of the “Statement of Funding Principles” report for the 2017 Synod for potential inclusion in the triennium funding ordinances for 2019-2021. The Synod also requested that Standing Committee assess factors other than building grants that may induce growth in established areas, and establish a priority list for the disbursement of funds for the purpose of growing evangelistic ministry in urban areas.

We conveyed the terms of this resolution to the Diocesan Resources Committee (“DRC”) to ensure that the recommendations of the “Funding for Urban Renewal” report were considered against other funding needs and opportunities in the preparation of the Statement of Funding Principles.

At our request the Strategic Research Group provided us with a report which assessed factors for growth. This report was also shared with the DRC so that it could be taken into account in preparing the Statement of Funding Principles.

7.11 16/16 Diversity and Inclusion Policies

By resolution 16/16, among other things, Synod requested the Diocesan Doctrine Commission or the Social Issues Committee (“SIC”) to provide a report on the biblical understanding of “diversity and inclusion” so as to assist our organisations in the formulation of such policies, and to report back to the next session of Synod.

The SIC agreed to take an initial lead in producing this report. The SIC has not yet completed its work.

7.12 21/16 Membership structure of Mission Property Committee

By resolution 21/16, among other things, the Synod requested Standing Committee to review the membership structure of the Mission Property Committee in consultation with its chairman and deputy chairman.

We appointed a committee to undertake the work requested in the resolution. A report about this matter is printed separately.

See item 7.16.

7.13 24/16 Domestic Violence

By resolution 24/16, among other things, the Synod –

- (a) gave thanks for the work of the Domestic Violence Response Task Force (the “Task Force”) and called on them to continue their work - in particular that of developing policy and pastoral guidelines to recommend to Standing Committee and make recommendations about education - as expeditiously as possible,
- (b) called on Standing Committee to consider providing funding for the Task Force sufficient to expedite its work and particularly the work of interviewing and caring for victims,
- (c) asked the Task Force, and the Discipline Ordinance 2006 Review Committee, to consider changes to the necessary ordinances which would allow victims of domestic abuse, who have brought the abuse to the attention of church-workers who have their pastoral oversight and who feel that they have received negligent, callous or otherwise improper advice or treatment by those with pastoral oversight, to have complaints referred to the Professional Standards Unit, and
- (d) requested the Task Force to report again, no later than this Synod.

We received a report from the Task Force which noted that –

- (a) the issue of ensuring that clergy respond to instances of domestic violence appropriately is principally a matter of ordination selection and post-ordination training,
- (b) nonetheless various standards and guidelines in *Faithfulness in Service* are relevant to the handling of instances of domestic violence by those with pastoral responsibility, for example paragraphs 3.9 and 3.10 and paragraphs 4.6 to 4.17,
- (c) there is currently a proposal to add specific reference to domestic violence in *Faithfulness in Service* by reference to the existing categories of abuse, and
- (d) under the Diocesan Grievance Policy and Procedure (the “Grievance Policy”) a breach of a “standard” in *Faithfulness in Service* can form the basis of a complaint under the Grievance Policy.

The Task Force also recommended, that if there is need for a mechanism to receive complaints about inappropriate handling of domestic violence allegations, then this might best be achieved through the Grievance Policy rather than through the more formal mechanism of the Discipline Ordinance 2006. Accordingly, we referred the report to the Discipline Ordinance Review Committee and the Professional

Standards Unit for their consideration.

We expect to receive policy and pastoral guidelines from the Task Force shortly.

**7.14 26/16 Debate concerning same-sex marriage
Archbishop's Task Force on Same-Sex Marriage Plebiscite**

By resolution 26/16, among other things, the Synod –

- (a) commended for consideration the booklet prepared by the Archbishop's Plebiscite Task Force *What Has God Joined Together?* as a resource to assist Sydney Anglicans and others prepare for and engage in public debate on this issue,
- (b) called on Rectors in the Diocese to incorporate teaching on marriage, human sexuality and religious freedom in the teaching program of their parish,
- (c) encouraged all Christians to participate fully in the democratic processes open to us in this country to seek to persuade our nation of the goodness and wisdom of ensuring the legal definition of marriage in the Marriage Act 1961 remains aligned with its inherent meaning, and
- (d) urged all Christians to engage lovingly and respectfully in the debate about marriage, and condemns any vilification, bigotry or other expressions of hatred or fear directed against anyone, not exclusively but especially members and supporters of the gay, lesbian, bisexual, trans or intersex (LGBTI) community.

We authorised expenditure from the Publishing Reserve of up to \$50,000 for the printing and distribution (including digital distribution via a website) of the booklet *What Has God Joined Together?*.

We also –

- (a) noted that Freedom For Faith, working in cooperation with the Coalition for Marriage, is preparing written and video materials highlighting the significant threat that same-sex marriage poses to freedom of religion and conscience, and
- (b) agreed to such materials being distributed to parishes and diocesan organisations at the discretion and with the approval of the Archbishop.

7.15 30/16 Culture of consumerism

By resolution 30/16 the Synod requested the Social Issues Committee ("SIC") to report on the culture of consumerism and its impact on our society and churches with recommendations on how we can respond better to the challenges it presents.

The SIC has not yet completed its work.

7.16 33/16 Resourcing the management and development of parish property

By resolution 33/16, among other things, Synod requested that the Standing Committee establish an appropriate task-force or committee (made up of people with relevant expertise) to serve as a resource to parishes in managing and developing parish property for gospel benefit.

We noted that pursuant to clause 9(1)(e) of the *Mission Property Ordinance 2002* the Mission Property Committee ("MPC") is already responsible for providing advice and support to parochial units which seek to acquire land, sell or otherwise realise land, construct or renovate ministry buildings, develop land, or rationalise or better utilise their land (and has been doing so for a number of years).

We requested the committee responsible for undertaking the review of the membership structure of the MPC under Synod resolution 21/16 to take into account the responsibilities of MPC under clause 9(1)(e) in conducting its review. We also requested the committee to determine the resources that would be necessary to allow the MPC to –

- (a) develop some generic guidelines to assist parishes in determining the priorities for facilities development, and
- (b) be more proactive with regards to the development of the facilities of existing parishes.

A report about this matter is printed separately together with a further report from the Mission Property Committee setting out a proposal to provide guidance to parishes undertaking development projects.

7.17 34/16 Opening, closure, merger or takeover of Schools Corporation schools

By resolution 34/16, among other things, Synod requested that –

- (a) the Standing Committee review the Anglican Schools Corporation Ordinance, especially regarding the interaction between the Corporation Board, individual school councils and broader stakeholders regarding the opening, closure, merger or takeover of Corporation schools, and

- (b) the Schools Corporation Board review its internal processes and procedures regarding consultation and the sharing of information concerning the opening, closure, merger or takeover of Corporation Schools (or other similarly major decisions) with broader stakeholders, including school councils and local parishes.

The Anglican Schools Corporation has not yet finalised its response to our request.

7.18 39/16 Business rules for moving amendments to motions

By resolution 39/16, among other things, the Synod, requested Standing Committee to re-examine the *Conduct of the Business of Synod Ordinance 2000*, with respect to –

- (a) whether the President should be given permission to waive the application of rule 4.6 on similar grounds to the relief offered in rule 4.9.8,
- (b) whether the ordinance should require Synod’s practice of allowing movers of amendments to speak prior to those wishing to speak for or against the principal motion, or otherwise,
- (c) whether the ordinance should provide a rule regarding “set piece” debates, in particular for looking at the right of reply by both sides,
- (d) whether to provide for a considerably shorter time limit for the mover of an amendment, while providing for the mover of the amendment to speak one more time in the debate, and
- (e) any other matters that might improve the effectiveness of Synod’s business rules as they apply to the debate of a motion,

and to bring to the session of Synod in 2017 a report and any such amending ordinance as is required to give effect to its findings.

A report about this matter is printed separately.

7.19 40/16 Safe learning environment for all students Transgender policy for schools

By resolution 40/16, among other things, Synod acknowledged the work of the Gender Identity Subcommittee of the Social Issues Committee, including the development of possible resources, and looked forward to receiving the Committee’s report at the 2017 Synod.

We expect that the report of the Gender Identity Subcommittee, together with a high level policy framework in relation to gender identity issues, will be available for the 2017 Synod.

7.20 Synod and Standing Committee membership

We requested that a bill for the *Synod and Standing Committee Membership Amendment Ordinance 2017* be promoted to the Synod to make a number of changes to the membership of the Synod and the Standing Committee.

A bill and an accompanying explanatory report are printed separately.

7.21 Resolutions made by the Synod in 2016 and not mentioned in this report

Circulars were sent to parishes and organisations about the matters arising from the 2016 Synod session. Copies of Synod resolutions were sent to appropriate persons and organisations.

7.22 Ordinances for this session

The bills for ordinances for this session of the Synod are printed separately, together with accompanying reports or explanatory statements.

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

30 August 2017

Synod Funds – Amalgamated

Annual financial report – 31 December 2016

Incorporating –

Fund 127	Work Outside the Diocese Fund
Fund 128	Mission Areas Fund
Fund 129	Synod Appropriation and Allocation Fund
Fund 130	Sydney Representative at General Synod Fund
Fund 131	Sydney Diocesan Synod Fund
Fund 132	Social Issues Committee Fund
Fund 133	Diocesan Research Fund
Fund 153	The Archbishop's Professional Standards Unit
Fund 189	Ordination Training Fund

Discussion and Analysis report for the year ended 31 December 2016

The Synod Funds' (the Fund) Discussion and Analysis report provides an overview of the Fund's financial activities for the calendar year ended 31 December 2016. The Discussion and Analysis should be read in conjunction with the unaudited annual report for the same period, and the notes thereto, beginning on page 18.

The Fund is an amalgamation of the individual funds listed below. At 31 December 2016 the Synod Funds comprised of 9 funds (2015: 9 funds):

Fund 127	Work Outside the Diocese Fund
Fund 128	Mission Areas Fund
Fund 129	Synod Appropriation and Allocation Fund
Fund 130	Sydney Representatives at General Synod Fund
Fund 131	Sydney Diocesan Synod Fund
Fund 132	Social Issues Committee Fund
Fund 133	Diocesan Research Fund
Fund 153	The Archbishop's Professional Standards Unit
Fund 189	Ordination Training Fund

The main sources of funds during 2016 were distributions from the Diocesan Endowment (DE) and various parish ordinances. A distribution from the Diocesan Endowment of \$4,300,000 (2015: \$4,000,000) was made available to the Fund for spending in 2016. The amount distributed to the Fund by various parish ordinances totalled \$1,024,602 (2015: \$1,110,282). The Professional Standards Unit received \$350,000 (2015: \$820,944) as proceeds of claims from the ACPT Church Insurance Fund 0799. The Fund also received contributions under the Parochial Cost Recoveries (PCR) Ordinance to support the Professional Standards Unit, the Safe Ministry program and the costs associated with membership of the Anglican Church in Australia, the Province of New South Wales and the NSW Council of Churches. Interest is earned on surplus cash held on deposit with the Glebe Administration Board.

The Fund's total revenues increased by \$41,533 or 0.6% to \$6,735,584 (2015: \$6,694,051). A number of the income components were markedly higher, such as DE distributions up \$300,000 (7.5%) ACPT distributions up \$143,820 (16.3%) and PCR contributions up \$331,823 or 51%. The PCR contributions were increased as PSU required higher operational funding. Counteracting this growth was the introduction of a new procedure directing receipt of St James Hall distributions to the ACPT first for distribution to the Synod in the following year. As 2016 was the initial year for the new process there was a lower distribution income of \$229,500. Claim proceeds received from the ACPT Insurance Fund for the Care and Assistance program were lower by \$470,944 or 57.3%.

The application of funds is divided between:

- grants appropriated by the Standing Committee in the Synod Appropriations and Allocations Ordinance 2015,

- grants as appropriated under the delegations of the various committees of the comprising funds, and
- administrative and Care and Assistance Scheme expenses of the Professional Standards Unit.

The Fund's total outgoings fell \$292,421 or 4.3% to \$6,539,585 (2015: \$6,832,006). This decrease reflects a reduced quantum of payments for professional standards matters through both the Care and Assistance Scheme and Synod Fund 131 than paid in 2015.

The Net Assets of the Fund increased by 14.5% to \$1,546,336 (2015: \$1,350,697) principally due to the lower levels of outgoings related to professional standards matters. The assets of the Fund are composed mainly of cash and receivables. Liabilities of the Fund represent accrued expenses and provisions for staff leave entitlements.

Fund 131 will receive \$300,000 during 2017 from the Synod Appropriation Fund 129. As such Fund 131 will achieve the target equity of \$1,000,000, depending whether any settlements are paid.

There are no matters that have arisen since 31 December 2016 which are likely to have a significant effect on the Fund.

This report has been adopted at a duly constituted and convened meeting of the members of the Finance Committee of the Standing Committee of Synod on 18 May 2017.

continued...	Fund 127 Work Outside the Diocese Fund	Fund 128 Mission Areas Fund	Fund 129 Synod Approp. & Allocation Fund	Fund 130 Sydney Reps at General Synod	Fund 131 Sydney Diocesan Synod Fund	Fund 132 Social Issues Committee Fund	Fund 133 Diocesan Research Fund	Fund 153 Archbishop's PSU	Fund 189 Ordination Training Fund	Elimination	Total	Actual 12 Months ending 31 December 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Grants	233,000	9,620	4,593,081	-	-	-	-	489,000	23,200	(596,000)	4,751,901	5,206,278
Bad Debts (Recovery)	-	-	-	-	-	-	-	-	-	-	-	-
Fund reserves	-	-	-	-	-	-	-	(360)	-	-	(360)	5,000
Total Expenses	245,753	12,620	5,581,708	15,000	4,133	199	31,460	1,211,154	33,558	(596,000)	6,539,585	6,832,006
Net Surplus/(Deficit)	(26,765)	(10,846)	(205,164)	35,445	386,131	58	(31,304)	40,467	7,977	-	195,999	(137,955)

Standing Committee of Synod - Synod Funds
Balance Sheet as at 31 December 2016

	Fund 127 Work Outside the Diocese Fund	Fund 128 Mission Areas Fund	Fund 129 Synod Approp. & Allocation Fund	Fund 130 Sydney Reps at General Synod	Fund 131 Sydney Diocesan Synod Fund	Fund 132 Social Issues Committee Fund	Fund 133 Diocesan Research Fund	Fund 153 Archbishop's PSU	Fund 189 Ordination Training Fund	Elimination	Total	Actual 31 December 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets												
Cash	43,024	173,154	220,104	76,258	932,781	33,572	8,696	119,735	51,679	-	1,659,003	1,451,727
Receivables	-	-	734	-	81	-	-	-	-	-	815	1,714
Fixed Assets	-	-	-	-	-	-	-	4,200	-	-	4,200	6,854
Other	28	-	1,645	-	-	-	-	668	-	-	2,341	8,165
Total assets	43,052	173,154	222,483	76,258	932,862	33,572	8,696	124,603	51,679	-	1,666,359	1,468,460
Liabilities												
Payables	-	-	14,451	-	-	159	-	48,572	2,709	-	65,891	70,781
Provisions	-	-	-	-	-	-	-	54,132	-	-	54,132	46,982
Total liabilities	-	-	14,451	-	-	159	-	102,704	2,709	-	120,023	117,763
Net assets	43,052	173,154	208,032	6,258	932,862	33,413	8,696	21,899	48,970	-	1,546,336	1,350,697
Equity												
Capital	-	-	-	-	985,000	34,186	-	-	-	-	1,019,186	1,019,186
Reserve	-	-	-	-	-	-	-	4,640	-	-	4,640	5,000
Accumulated Funds	69,817	184,000	413,196	40,813	(438,269)	(831)	40,000	(23,208)	40,993	-	326,511	464,466
Current year	(26,765)	(10,846)	(205,164)	35,445	386,131	58	(31,304)	40,467	7,977	-	195,999	(137,955)
Total Equity	43,052	173,154	208,032	76,258	932,862	33,413	8,696	21,899	48,970	-	1,546,336	1,350,697

Notes to the financial report for the year ended 31 December 2016**1. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This is a special purpose financial statement that has been prepared for the sole purpose of providing amalgamated financial information to Synod and for distribution to the members of Synod and must not be used for any other purpose. The Finance Committee of Standing Committee has determined that the accounting policies adopted are appropriate to meet the needs of Synod.

The income statement and balance sheet are submitted as amalgamated statements for administrative purposes. The process of amalgamation consists of adding all the balances of the individual funds on a line by line basis. There is no consideration of beneficial interests, which is involved or implied in the preparation of the amalgamated financial report. Material transactions have been eliminated between the funds.

The net assets at the date of exit of funds exiting the amalgamated accounts are debited to the relevant category of equity. The items of the statement of income for a fund that has exited the amalgamated accounts during the period are only included in the amalgamated accounts until the date of exit. When a fund is joining the amalgamated accounts a credit to equity is generally recognised to record the net assets that have been included in the amalgamated accounts.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue and other income is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue and other income is recognised for the major business activities as follows:

Grants and donations

Grants and donations are recognised to the extent they have been deposited in the bank, or credited to the Fund's current account with the Sydney Diocesan Secretariat, which is the point at which the entity gains control of the grant or donation.

Disposal of plant and equipment

Income from the disposal of plant and equipment is measured at fair value of the consideration received or receivable less the carrying value of the fixed asset or group of assets sold. Gain or loss arising from the sale is recognised at net amount in the income statement.

Distributions

Distributions are recognised on an accruals basis when the right to receive payment is established.

Interest

Interest revenue is recognised on a time proportion basis using the effective interest method.

(c) Grants and donations expense

Grants and donations are generally recognised upon payment.

(d) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

The collectability of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

(h) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives as follows –

- Computer hardware and printers	3 years
- Furniture and fittings	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(i) Payables

These amounts represent liabilities for goods and services provided prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(k) Reserves

Appropriate reserves are created to enable PSU to meet projected Domestic Violence Task Force expenditure.

(l) Employee benefits

Wages, salaries, annual leave and personal leave

Liabilities for wages and salaries including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised either in payables or current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

No liability has been recognised for personal leave, as there is no provision made for personal leave and it is not considered that any personal leave taken will incur in additional costs.

Long service leave

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised as a provision and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(m) Goods and Service Tax (GST)

The funds are members of the Sydney Diocesan Secretariat GST group.

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(n) Income tax

The funds are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

2. Distributions – Anglican Church Property Trust – Synod Appropriation and Allocation Fund (Fund 400)

	2016	2015
	\$	\$
Narellan (Elderslie) Land Sale Ordinance 1980	21,561	23,953
Ryde (Kirkby Gdns. & Archbold) Ordinance 2000	463,124	425,663
Sydney St Phillip (Resumption) Ordinance 19/1983	4,153	4,594
Church Hill Trust (No1 York Street)	243,854	225,784
Manly Leasing and Variation of Trusts Ordinance 2006	241,866	143,166
South Sydney Variation of Trusts Ordinance 50/97	6,050	8,976
Wollongong Parish Leasing and Licensing Property Fund	28,869	29,156
Retained net income from ACPT Fund 0400 for year ended 31/12/2014	15,125	19,490
	1,024,602	880,782

3. Current liabilities – Provisions

	2016	2015
Current	\$	\$
Employee benefits - annual leave	35,894	33,153

4. Non-current liabilities – Provisions

	2016	2015
Non-current	\$	\$
Employee benefits - long service leave	18,238	13,829
Provisions	\$	\$
Provisions - Current	35,894	33,153
Provisions - Non-current	18,238	13,829
Balance 31 December	54,132	46,982

5. Equity – Capital

Use of the capital of the Sydney Diocesan Synod Fund (Fund 131) is restricted to meeting material external liabilities which affect the diocese as a whole and which are not properly met by other Diocesan organisations or funds.

There are no restrictions on the use of the capital of Fund 132.

6. Events occurring after the end of the reporting period

The members are not aware of any events occurring after the reporting period that impact on the financial report as at 31 December 2016.

The financial statements were authorised for issue on 18 May 2017 by the Finance Committee of Standing Committee.

MEMBERS DECLARATION

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 18 to 23:

- (a) comply with the accounting policies summarised in note 1;
- (b) give a fairly presented view of the Fund's financial position as at 31 December 2016 and of its performance for the year ended on that date.

In the members' opinion there are reasonable grounds to believe the individual funds will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

Assurance Procedures

The Finance Committee engaged PricewaterhouseCoopers to undertake a range of "Agreed upon procedures" to provide assurance to the Finance Committee on the matters attested to in this declaration. The Agreed upon procedures covered the range of funds in the Synod group and included procedures covering the validity of the balances by reference to the general ledger, tests of income received, and tests of key expenses including Synod grants. The Finance Committee reviewed the results of the work undertaken by PricewaterhouseCoopers in forming its opinion on the Annual financial report.

JAMES FLAVIN
Member

RODNEY COSIER
Member

18 May 2017

Synod Funds Amalgamated

Report of factual findings to the members of the Finance Committee of the Standing Committee

Agreed upon procedures for the following funds –

- Fund 127 Work Outside the Diocese Fund
- Fund 128 Mission Areas Fund
- Fund 129 Synod Appropriation and Allocation Fund
- Fund 130 Sydney Representative at General Synod Fund
- Fund 131 Sydney Diocesan Synod Fund
- Fund 132 Social Issues Committee Fund
- Fund 133 Diocesan Research Fund
- Fund 153 The Archbishop's Professional Standards Unit
- Fund 189 Ordination Training Fund

We have performed the procedures agreed with you to report factual findings for the purpose of assisting you in assessing, in combination with other information obtained by you, the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2 below [*not reproduced here*]. The procedures performed are detailed in the terms of the engagement dated 10 October 2016 and described below Appendix 1 and Appendix 2 with respect to the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2.

The responsibilities of the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for the procedures agreed

The members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney ("the Finance Committee") are responsible for the adequacy or otherwise of the procedures agreed to be performed by us. You are responsible for determining whether the factual findings

provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which you wish to draw on the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2.

Assurance Practitioner’s Responsibility

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services *ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings*. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements, including independence.

Because the agreed-upon procedures do not constitute either a reasonable or limited assurance engagement in accordance with AUASB standards, we do not express any conclusion and provide no assurance on validity, accuracy and authorisation of the selected transactions of the entities listed in Appendix 1 and Appendix 2. Had we performed additional procedures or had we performed an audit or a review of the entities listed in Appendix 1 and Appendix 2 in accordance with AUASB standards, other matters might have come to our attention that would have been reported to you.

Factual findings

The procedures were performed solely to assist you in evaluating the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2. Please refer to Appendix 1 and Appendix 2 [*not reproduced here*] for the procedures performed and the factual findings obtained.

Restriction on Distribution and Use of Report

This report is intended solely for the use of the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for the purpose set out above. As the intended user of our report, it is for you and other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix. As required by ASRS 4400, distribution of this report is restricted to those parties that have agreed the procedures to be performed with us and other intended users identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results). Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for any consequences of reliance on this report for any purpose.

PricewaterhouseCoopers

FRANCOIS BRUDER
Principal

Sydney
8 May 2017

Parish Funds – Amalgamated

Annual financial report – 31 December 2016

Incorporating –

Fund 951	Parish Costs Recovery Fund
Fund 952	Stipend Continuance Fund
Fund 953	Long Service Leave Clearing Fund
Fund 954	Sydney Diocesan Sickness & Accident Fund
Fund 955	Clergy Removals Fund

Discussion and Analysis report for the year ended 31 December 2016

The Parish Funds' Discussion and Analysis provides an overview of the Parish Funds' financial activities for the calendar year ended 31 December 2016. The Discussion and Analysis should be read in conjunction with the unaudited annual report for the same period beginning on page 27.

The Parish Funds is a group of funds amalgamated in 2006 to administer clergy entitlements under the oversight of the Finance Committee of the Standing Committee of Synod.

This is a special purpose financial statement that has been prepared for the sole purpose of providing amalgamated financial information to Synod and for distribution to the members of Synod and must not be used for any other purpose.

At 31 December 2016 the Parish Funds amalgamation is comprised of 5 funds (2015: 5):

Fund 951	Parish Costs Recovery Fund
Fund 952	Stipend Continuance Fund
Fund 953	Long Service Leave Clearing Fund
Fund 954	Sydney Diocesan Sickness & Accident Fund
Fund 955	Clergy Removals Fund

The source of funds during 2016 were mainly from Parochial Cost Recoveries Charges on Parochial units as determined in the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2015* passed by the Synod of the Diocese of Sydney on 13 October 2015, and signed by the Archbishop of Sydney on 19 October 2015. A distribution is received from ACPT Fund Moorebank Estate for the purposes of the Clergy Removal Fund. Interest is earned on cash held on deposit with the Glebe Administration Board through at-call Glebe Income Accounts. Significant monies are also received from the Long Service Leave Fund and Stipend Continuance Insurer in respect to individual claims.

The Parish Funds total revenues increased by \$1,594,525 or 10.3% to \$17,091,315 (2015 \$15,496,790). This reflects increased parochial network costs, such as the annual parish property and liability insurance program and the Professional Standards Unit, recovered from parishes. Recoveries for ministry costs were also higher, particularly Stipend Continuance Insurance. These charges were increased in 2016 to smooth the transition to much higher premiums from January 2017.

There were also increases in the level of receipts for clergy related activity: Claims on insurers via the Stipend Continuance Fund were up \$273,931 or 28.6%. At 31 December 2016 there were 11 clergy receiving stipend continuance claims (2015: 10). LSL claims rose \$427,469 or 45.6%. Clergy with large LSL balances were encouraged to use their entitlements during 2016.

The application of funds is divided predominately between fixed "ministry costs" and variable "parochial network costs". Ministry costs are a fixed cost per minister, comprising contributions to superannuation funds, the Long Service Leave Fund, the Sydney Diocesan Sickness and Accident Fund and cost of effecting stipend continuance insurance.

Under the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2015* parochial network costs during 2016 were principally comprised of –

- the property and liability insurance program,
- the parish risk management program,
- the parish related work of the Professional Standards Unit,

- the safe ministry program,
- the Church Land Acquisition levy, and
- a contribution towards the costs of the Diocesan archives.

Funds were also applied to expenses such as Sydney Diocesan Secretariat administration fees. The Parish Fund total outgoings increased by \$1,458,363 or 9.44%, to \$16,901,274 (2015: \$15,442,911).

The Net Assets of the Parish Funds increased by 10.3% (2016: \$2,028,727, 2015 \$1,838,686) with the stronger earning result. The stronger earnings reflect the anticipation of higher Stipend Continuance Insurance premiums. The assets of the Parish Funds are composed of cash and receivables. Liabilities of the Parish Funds represent accrued expenses and other payables.

The Equity of each Parish Fund represents accumulated surpluses from operations which are retained to provide working capital for the operations of each Fund. The principal component of working capital is in Fund 951. It is required to provide liquidity for the timing differences between payment of ministry costs (principally superannuation) and receipts of Parish Costs Recoveries (PCR) monies.

The Stipend Continuance insurance premium is paid in advance based on estimates of the number of clergy eligible for cover and stipend rates. After the conclusion of the year the underwriter (AMP) calculates the premium due and an adjustment premium is invoiced. An amount of \$60,000 is accrued as a payable in anticipation of the premium adjustments for 2015 and 2016.

There are no other matters that have arisen since 31 December 2016 which are likely to have a significant effect on the Funds.

This report has been adopted at a duly constituted and convened meeting of the members of the Finance Committee of the Standing Committee of Synod on 18 May 2017.

Standing Committee of Synod – Parish Funds

Amalgamated income and expenditure statement for the period ending 31 December 2016

	FUND 951 PARISH COSTS RECOVERY	FUND 952 STIPEND CONTIN- UANCE FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	Dec-15 TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
INCOME								
Parochial Network Costs recoveries								
PCR Variable Charge Recovery	3,705,999	-	-	-	-	-	3,705,999	3,500,000
PCR Professional Standards Unit Recovery	842,357	-	-	-	-	-	842,357	546,637
PCR Risk Management Recovery	221,353	-	-	-	-	-	221,353	217,251
PCR Safe Ministry Recovery	139,224	-	-	-	-	-	139,224	103,121
PCR Administration Fee	194,314	-	-	-	-	-	194,314	190,019
PCR Archives Recovery	68,109	-	-	-	-	-	68,109	68,079
PCR SAPAS Recovery	-	-	-	-	-	-	-	11,009
PCR Relief or Remission Recovery	10,012	-	-	-	-	-	10,012	20,023
PCR Clergy Assistance Program	63,981	65,178	-	-	-	(63,981)	65,178	-
Parochial Network Costs recoveries Sub-total	5,245,349	65,178	-	-	-	(63,981)	5,246,546	4,656,139
Clergy Support Cost recoveries								
PCR Superannuation Recovery	5,291,818	-	-	-	-	-	5,291,818	5,073,146
PCR LSL Recovery	739,206	-	739,206	-	-	(739,206)	739,206	688,011
PCR LSL - Admin Fees	39,427	-	39,427	-	-	(39,427)	39,427	39,407
LSL - Organisations	-	-	140,511	-	-	-	140,511	146,209
LSL - Organisations - Admin Fees	-	-	7,544	-	-	-	7,544	46,856
PCR Stipend Continuance Recovery	725,901	725,901	-	-	-	(725,901)	725,901	586,030
PCR Stipend Continuance Admin Fees	38,487	38,487	-	-	-	(38,487)	38,487	76,727
Stipend Continuance Organisations	-	74,264	-	-	-	-	74,264	68,603
Stipend Continuance Orgs - Admin Fees	-	4,001	-	-	-	-	4,001	4,217
PCR S&A Recovery	61,602	-	-	61,602	-	(61,602)	61,602	49,235
Clergy Support Cost recoveries Sub-totals	6,896,441	842,653	926,688	61,602	-	(1,604,623)	7,122,761	6,778,441
PCR Church Land Acquisition Levy	2,024,630	-	-	-	-	-	2,024,630	1,995,582
AMP Stipend Continuance receipts	-	1,232,462	-	-	-	-	1,232,462	958,531
LSL - Buy-backs	-	-	60,347	-	-	-	60,347	125,509
LSL - Claims - Anglican LSL Fund	-	-	1,364,805	-	-	-	1,364,805	937,336
Interest on cash	11,088	822	1,980	3,128	640	-	17,658	17,527
Moorebank Estate - Distribution	-	-	-	-	20,850	-	20,850	21,026
Sundry Income	1,256	-	-	-	-	-	1,256	6,699
TOTAL INCOME	14,178,764	2,141,115	2,353,820	64,730	21,490	(1,668,604)	17,091,315	15,496,790

28 Report of Standing Committee & Other Reports & Papers

	FUND 951 PARISH COSTS RECOVERY	FUND 952 STIPEND CONTIN- UANCE FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	Dec-15 TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
EXPENSES								
Parochial Network Costs								
PCR Insurance	3,700,000	-	-	-	-	-	3,700,000	3,500,000
Professional Standards Unit	842,357	-	-	-	-	-	842,357	546,637
Parish Risk Management Program	221,353	-	-	-	-	-	221,353	217,251
Safe Ministry Training Program	139,224	-	-	-	-	-	139,224	103,121
Accounting & Secretarial Fees	195,996	48,000	48,000	12,000	5,304	-	309,300	299,653
PCR Archives Charges	68,109	-	-	-	-	-	68,109	68,079
PCR SAPAS Charges	-	-	-	-	-	-	-	11,663
PCR Clergy Assistance Program	63,981	22,973	-	-	-	(63,981)	22,973	-
Parochial Network Costs Sub-total	5,231,020	70,973	48,000	12,000	5,304	(63,981)	5,303,316	4,746,404
Clergy Support Cost contributions								
PCR Superannuation	5,291,818	-	-	-	-	-	5,291,818	5,073,146
PCR LSL	778,633	-	-	-	-	(778,633)	-	-
LSL - Payments to the Anglican LSL Fund	-	-	939,903	-	-	-	939,903	936,532
PCR Stipend Continuance	764,388	-	-	-	-	(764,388)	-	-
Stipend Continuance Insurance Expense	-	680,264	-	-	-	-	680,264	670,056
PCR S&A	61,602	-	-	-	-	(61,602)	-	-
Clergy Support Cost contributions Sub-total	6,896,441	680,264	939,903	-	-	(1,604,623)	6,911,985	6,679,734
Church Land Acquisition Levy	2,024,630	-	-	-	-	-	2,024,630	1,995,582
Claims Paid	-	1,233,187	1,364,805	26,420	15,343	-	2,639,755	1,989,754
Audit Fees	12,144	-	-	-	-	-	12,144	11,808
Bad Debts Expense	6,214	-	-	-	-	-	6,214	-
Consulting Costs	-	2,630	-	-	-	-	2,630	5,100
Operating Costs	398	202	-	-	-	-	600	515
Sundry Expenses	-	-	-	-	-	-	-	14,014
TOTAL EXPENSES	14,170,847	1,987,256	2,352,708	38,420	20,647	(1,668,604)	16,901,274	15,442,911
NET SURPLUS/(DEFICIT)	7,917	153,859	1,112	26,310	843	-	190,041	53,879

Amalgamated Balance Sheet as at 31 December 2016

	FUND 951 PARISH COSTS RECOVERY	FUND 952 STIPEND CONTIN- UANCE FUND	FUND 953 LONG SERVICE LEAVE	FUND 954 SICKNESS & ACCIDENT	FUND 955 CLERGY REMOVALS FUND	ELIMIN- ATIONS	TOTAL	Dec-15 TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Cash	1,171,055	295,154	415,483	362,597	73,785	-	2,318,074	2,124,484
PCR Receivables - Parishes	-	-	-	-	-	-	-	19,541
Organisations Receivable	-	521	-	-	-	-	521	-
Other receivables	3	-	-	-	5,175	-	5,178	12,734
TOTAL Assets	1,171,058	295,675	415,483	362,597	78,960	-	2,323,773	2,156,759
Liabilities								
LSL Fund Payable	-	-	217,699	-	-	-	217,699	214,164
Other Payables	12,267	65,061	19	-	-	-	77,347	103,909
TOTAL Liabilities	12,267	65,061	217,718	-	-	-	295,046	318,073
Net Assets	1,158,791	230,614	197,765	362,597	78,960	-	2,028,727	1,838,686
Equity								
Accumulated Surplus - Prior Year	1,150,874	76,755	196,653	336,287	78,117	-	1,838,686	1,784,807
Net Surplus/(Deficit) - Current Year	7,917	153,859	1,112	26,310	843	-	190,041	53,879
TOTAL Equity	1,158,791	230,614	197,765	362,597	78,960	-	2,028,727	1,838,686

Notes to the financial report for the year ended 31 December 2016

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This is a special purpose financial statement that has been prepared for the sole purpose of providing amalgamated financial information to Synod and for distribution to the members of Synod and must not be used for any other purpose. The Standing Committee has determined that the accounting policies adopted are appropriate to meet the needs of Synod.

The statement of income and balance sheet are submitted as amalgamated statements for administrative purposes. The process of amalgamation consists of adding all the balances of the individual funds on a line by line basis. There is no consideration of beneficial interests, which is involved or implied in the preparation of the amalgamated financial report. Material transactions have been eliminated between the funds.

The net assets at the date of exit of funds exiting the amalgamated accounts are debited to the relevant category of equity. The items of the statement of income for a fund that has exited the amalgamated accounts during the period are only included in the amalgamated accounts until the date of exit. When a fund is joining the amalgamated accounts a credit to equity is generally recognised to record the net assets that have been included in the amalgamated accounts.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Revenue recognition

Revenue and other income is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of taxes paid. Revenue and other income is recognised for the major business activities as follows:

Grants and donations

Grants and donations are recognised to the extent they have been deposited in the bank, which is the point at which the entity gains control of the grant or donation.

Distributions

Distributions are recognised on an accruals basis when the right to receive payment is established.

Interest

Interest revenue is recognised on a time proportion basis using the effective interest method.

Recoveries

Personnel cost recoveries from parochial and non-parochial units have been accounted for as income received in respect of certain clergy entitlements to cover superannuation contributions, insurances and other premiums paid on behalf of parochial and non-parochial units.

Diocesan program costs recovered from parochial units have been accounted for as income received in respect of insurances and other centrally managed programs.

Recognition is on an accruals basis.

(c) Grants and donations expense

Grants and donations are generally recognised upon payment.

(d) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

The collectability of receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

(h) Payables

These amounts represent liabilities for goods and services provided prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(j) Goods and Service Tax (GST)

The funds are members of the Sydney Diocesan Secretariat GST group.

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(k) Income tax

The funds are exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

2. Events occurring after the end of the reporting period

The members are not aware of any events occurring after the reporting period that impact on the financial report as at 31 December 2016.

The financial statements were authorised for issue on 18 May 2017 by the Finance Committee of Standing Committee of Synod.

MEMBERS DECLARATION

The members of the Finance Committee of Standing Committee of Synod declare that the financial statements and notes set out on pages 27 to 30 –

- (a) comply with the accounting policies summarised in note 1;
- (b) give a fairly presented view of the Fund's financial position as at 31 December 2016 and of its performance for the year ended on that date.

In the members' opinion there are reasonable grounds to believe the individual funds will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the members.

Assurance Procedures

The Finance Committee engaged PricewaterhouseCoopers to undertake a range of "Agreed upon procedures" to provide assurance to the Finance Committee on the matters attested to in this declaration. The Agreed upon procedures covered the range of funds in the Parish Funds group and included procedures covering the validity of the balances by reference to the general ledger, tests of key expenses, tests of the accuracy of Parish Cost Recoveries charges and a test of the accuracy of superannuation payments for ministers under the Parish Cost Recoveries system. The Finance Committee reviewed the results of the work undertaken by PricewaterhouseCoopers in forming its opinion on the Annual financial report.

JAMES FLAVIN
Member

RODNEY COSIER
Member

18 May 2017

Parish Funds Amalgamated

Report of factual findings to the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney

Agreed upon procedures for the following funds –

Fund 951	Parish Costs Recovery Fund
Fund 952	Stipend Continuance Fund
Fund 953	Long Service Leave Clearing Fund
Fund 954	Sydney Diocesan Sickness & Accident Fund
Fund 955	Clergy Removals Fund

We have performed the procedures agreed with you to report factual findings for the purpose of assisting you in assessing, in combination with other information obtained by you, the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2 below [*not reproduced here*]. The procedures performed are detailed in the terms of the engagement dated 10 October 2016 and described below Appendix 1 and Appendix 2 with respect to the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2.

The responsibilities of the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for the procedures agreed

The members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney ("the Finance Committee") are responsible for the adequacy or otherwise of the procedures agreed to be performed by us. You are responsible for determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any

conclusions which you wish to draw on the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2.

Assurance Practitioner's Responsibility

Our responsibility is to report factual findings obtained from conducting the procedures agreed. We conducted the engagement in accordance with Standard on Related Services *ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings*. We have complied with ethical requirements equivalent to those applicable to Other Assurance Engagements, including independence.

Because the agreed-upon procedures do not constitute either a reasonable or limited assurance engagement in accordance with AUASB standards, we do not express any conclusion and provide no assurance on validity, accuracy and authorisation of the selected transactions of the entities listed in Appendix 1 and Appendix 2. Had we performed additional procedures or had we performed an audit or a review of the entities listed in Appendix 1 and Appendix 2 in accordance with AUASB standards, other matters might have come to our attention that would have been reported to you.

Factual findings

The procedures were performed solely to assist you in evaluating the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix 2. Please refer to Appendix 1 and Appendix 2 [*not reproduced here*] for the procedures performed and the factual findings obtained.

Restriction on Distribution and Use of Report

This report is intended solely for the use of the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for the purpose set out above. As the intended user of our report, it is for you and other intended users to assess both the procedures and our factual findings to determine whether they provide, in combination with any other information you have obtained, a reasonable basis for any conclusions which you wish to draw on the validity, accuracy and authorisation of the selected transactions for the entities listed in Appendix 1 and Appendix. As required by ASRS 4400, distribution of this report is restricted to those parties that have agreed the procedures to be performed with us and other intended users identified in the terms of the engagement (since others, unaware of the reasons for the procedures, may misinterpret the results). Accordingly, we expressly disclaim and do not accept any responsibility or liability to any party other than the members of the Finance Committee of the Standing Committee of the Synod of the Anglican Church Diocese of Sydney for any consequences of reliance on this report for any purpose.

PricewaterhouseCoopers

FRANCOIS BRUDER
Principal

Sydney
8 May 2017

Regional Councils' Annual Reports for 2016

(A compilation of the annual reports from the Regional Councils.)

Key Points

- Under clause 9(2) of the *Regions Ordinance 1995* each Regional Council must present an annual report of its proceedings and the exercise of its general functions for inclusion in the Standing Committee's report to Synod for that year
- These reports are in addition to the annual reports prepared by the Regional Councils and tabled at the Synod under the *Accounts, Audits and Annual Reports Ordinance 1995*

Background

1. Under clause 9(2) of the *Regions Ordinance 1995*, each Regional Council must present to the Standing Committee an annual report of its proceedings and the exercise of its general functions under clause 6 in sufficient time each year to enable the Standing Committee to include the report in the report for that year of the Standing Committee to Synod.

2. The general functions of the Regional Councils under clause 6 are –

- (a) to carry out or assist in carrying out any resolutions passed by the Synod or the Standing Committee and referred to it for implementation;
- (b) to develop ministry strategies in the Region;
- (c) to assess applications for grants in the Region made or referred to it;
- (d) to make grants or loans from money (consistent with any trusts on which that money may be held) available to it for distribution or for lending;
- (e) to accept gifts and grants;
- (f) to raise and expend money for any purpose connected with ministry in the Region;
- (g) to employ persons for any purpose connected with ministry within the Region, and to dismiss any person so employed;
- (h) to manage and control any endowment held for the Region as a whole;
- (i) to discuss matters affecting the Region and to disseminate information in the Region;
- (j) to make recommendations to the Archbishop about alterations to regional boundaries; and
- (k) to exercise such other functions as the Synod or the Standing Committee may from time to time prescribe.

3. The following are the reports from the Regional Councils for 2016 for the purposes of clause 9(2). These reports are in addition to the annual reports prepared by the Regional Councils and tabled at the Synod under the *Accounts, Audits and Annual Reports Ordinance 1995*.

Georges River Regional Council

4. The Regional Council had four meetings in 2016 plus a half day conference and all were held in parishes within the Region. At the meetings, the Rector of the parish was invited to give a Bible study and then report on the activities within the parish. This gave the Council a good indication of the challenges facing the parish and highlighted that different strategies had to be implemented to face some of the challenges of a changing society.

5. Our meetings over the year were largely occupied with an overview of the region, understanding its opportunities and challenges, and how the Council could assist and advise the Bishop in his strategies for the region.

6. Though not flushed with funds, the Council also gave much thought to the best use of the funds for gospel ministry, now and into the future.

7. The Region continued to support the vital and unique ministry of the Rev Margaret Powell amongst women. We are thankful to God for the financial and prayer support given to Margaret Powell from Anglican Deaconess Ministries, parishes in the diocese and individual donors that support this work.

8. During the year the Rev Steve Frederick resigned following his appointment as an Assistant Minister at St Andrew's Cathedral and thereby moving out of the region. The Council is grateful for his wise and thoughtful contribution during his time with us.

Northern Regional Council

9. Since 31 December 2015 the following people resigned from the Council – the Rev Terry Bowers, the Rev Ernest Chau, the Rev Peter Tong and the Rev Malcolm York.

10. The Council met formerly three times during the year. A scheduled meeting in November 2016 was cancelled with urgent business dealt with by a circular resolution.

11. Each of the Council's meetings were held in different church of the region – on each occasion we sought to meet in a church that had recently undergone major building works so that the Council could inspect what can be achieved through major upgrades of church facilities.

12. Our meetings enabled discussion of a range of matters relating to ministry strategies in the region, including consideration of ways the Council might assist parish ministry in line with the Diocesan Mission. Following work commenced in 2015, the Council issued a questionnaire to parishes to aid its consideration of how it can assist parishes and develop regional strategies. The Council is continuing to consider the implications of the survey report.

13. In May 2016, the Council hosted the Northern Region Conference at St Stephen's Normanhurst. Over 150 people attended, mostly clergy from the region. The conference covered a number of topics including domestic violence, use of psychometric testing to assist staff recruitment and resilience in ministry. Presenters included Nicola Lock, Rob Smith, Kirsty Bucknell, Matt Bond and Chris Edwards.

14. In August 2016, the Council facilitated a lecture by Don Carson at Abbotsleigh School that was attended by approximately 350 people. Our thanks to Abbotsleigh for the use of their facilities. The Council hopes to hold a similar event this year with Hugh Palmer as the visiting speaker.

15. In response to a request from the Standing Committee, the Council provided a detailed report on the role of regional councils. Amongst other things we noted the current Regions Ordinance does not provide a defined role for the Regional Council, rather it, and a number of other ordinances, provide a range of functions and tasks.

16. In accordance with its authority under relevant ordinances the Council approved the amalgamation of Gladesville and Putney Parishes and agreed to a proposal to amend the Parish boundary between St Marks' Anglican Church Ermington and Dundas Telopea Anglican Church.

South Sydney Regional Council

17. The South Sydney Regional Council is a charitable organisation which exists for the purposes of advancing religion among children, elderly people, ethnic groups and men, women and youth from the general community of Australia. It pursues these aims through making grants to churches, assisting with administrative and structural changes throughout its designated area in New South Wales. The Region comprises the CBD of Sydney and is bordered the Tasman Sea, Parramatta River, Cooks River and Rookwood Cemetery.

18. It is worth noting that 26% of people in the region were born in a Non-English Speaking Country, with the highest proportion coming from China. Also, 31% speak a language other than English at home. Chinese is the fastest growing language group in the region, with over 33,000 speaking Mandarin and 24,000 speaking Cantonese. It is estimated that over 37,000 people in the region do not speak English well or at all in the region.

19. In 2016, the SSRC continued to provide financial support for ministries at Norfolk Island Living Waters (Indigenous Ministry), and the Green Square church plant from South Sydney (One1Seven).

Western Sydney Regional Council

20. The main committees are the Executive Committee, the Ordinance Review Panel and the Architectural Panel.

21. The Council met on 4 occasions during 2016 at St Peter's, Seven Hills. The main areas of consideration included Mission 2020, the reclassification of Westmead as a full parish, support of ordinands, partnership between parishes, Chinese church planting, greenfields church sites, Mark Bilton consultancy, relocation of the Dundas parish sites, mission and ministry updates, ordinance reviews, building projects, parish vacancies and consultancies.

Wollongong Regional Council

22. Bishop Peter Hayward and the Regional Council worked closely to further support ministry across the Region. This included –

- financial support for the ministries at Oran Park, Gregory Hills, Leppington and Wilton
- financial support with subsidised rectories at Sussex Inlet and Leppington

- financial support with subsidised demountable at Helensburgh and Denham Court
 - planning with MPC for the new ministries at Leppington
 - meeting with and support of Mission Area leaders
 - support for Rectors
 - specific regional training for Rectors and Wardens
 - 3 day Regional Ministry conference with Rev Phillip Jensen
 - Support of the Gong Men's Day and SWITCH Women's Conference
 - ongoing support for ESL English classes –
 - ESL classes were delivered in 13 Parishes across the Region
 - Support through provision of office space for the Regional ESL Coordinator, Mrs Sue Radkovic
 - ongoing support for Indigenous Ministries –
 - Pastor Michael Duckett linked with St Peter's Campbelltown in partnership with the SAIPMC
 - Mr Phil Miles linked with All Saints Nowra in partnership with the SAIPMC.
23. During 2016 funding from the Region's assets was allocated to the specific ministry in the South West growth sector.

Ministry	Purpose	Allocation	Total
Oran Park	Housing Support	\$16,500	
Leppington	Church Plant	\$70,000	
Gregory Hills	Church Plant	\$60,000	
Wilton Junction	Ministry Support	\$40,000	\$186,500

24. The three day Wollongong Regional Ministry Conference continues to be a "high point" in the life of the Region. This enables clergy and lay parish staff to meet together for mutual fellowship and teaching. Various guest speakers and Diocesan organisations join in the conference.

25. The Council received reports from Bishop Hayward and the Assistant to the Bishop at each meeting. For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

31 August 2017

Amendments to *Faithfulness in Service* approved by the General Synod Standing Committee

(A report from the Standing Committee.)

Key Points

- In 2016, the General Synod Standing Committee (the “GSSC”) approved certain amendments to *Faithfulness in Service: A national code of personal behaviour and the practice of pastoral ministry by clergy and church workers*.
- One of these amendments concerned a new definition of “bullying”. Our Standing Committee (the “SC”) considered the definition to be problematic in a number of respects and raised concerns with the GSSC.
- The GSSC subsequently approved an amended definition of “bullying” addressing these concerns, other than in one minor respect.
- Other amendments concern the definitions of “grooming”, “sexual abuse of a child”, “sexual assault” and “sexual harassment”. These are helpful improvements of the meaning of these terms in *Faithfulness in Service* and take into account feedback provided by our Safe Ministry Board.
- These amendments to *Faithfulness in Service* do not have force and effect in the Diocese of Sydney unless they are adopted by the Synod.

Purpose

1. The purpose of this report is to make recommendations to the Synod in respect to amendments to *Faithfulness in Service* that have been approved by the General Synod Standing Committee.

Recommendation

2. The Synod receive this report,
3. The Synod consider the following motion to be moved at the forthcoming session of the Synod “by request of the Standing Committee” –

‘Synod, noting the report “Amendments to Faithfulness in Service approved by the General Synod Standing Committee” adopts the amendments to *Faithfulness in Service* set out in Attachments 2 and 4 to the report.’

Background

4. On 13-14 May 2016, the General Synod Standing Committee (the “GSSC”) approved amendments to the definition of “bullying” in the national form of *Faithfulness in Service*.
5. In September 2016, the Standing Committee of the Diocese of Sydney (the “Standing Committee”) received a report from Bishop Chris Edwards, as Chair of the Subcommittee that had been appointed by Standing Committee to consider the amendments. The Subcommittee identified a number of concerns with the new definition and recommended that the amendments not be referred to the Synod. The GSSC was notified of these concerns and encouraged to give further consideration to the definition.
6. On 18-19 November 2016, the GSSC determined to revise its amendments to the definition of “bullying” in the model form of *Faithfulness in Service*. The GSSC also approved further amendments to *Faithfulness in Service* at that meeting. These principally involve inserting new definitions for “grooming”, “sexual abuse of a child”, “sexual assault” and “sexual harassment”.

Definition of “bullying” in *Faithfulness in Service*

7. The full text of the current definition of “bullying” in force in the Diocese of Sydney and the definition approved by the GSSC on 18-19 November is set out in Attachments 1 and 2 respectively.
8. The Standing Committee’s primary concerns with the amendments to the definition of “bullying” in *Faithfulness in Service* approved by the GSSC on 13-14 May 2016 and the GSSC’s response to those concerns in the revised definition are shown in the table below.

Standing Committee's Concern	GSSC's Response
Omission of the word "inappropriately" as a qualification to "ignoring or excluding" someone.	The word "inappropriately" has been reinserted in the fifth bullet point under "Bullying can include".
Excluded conduct appeared under the description "reasonable management action" and did not sufficiently account for <i>Faithfulness in Service</i> having application in non-workplace contexts, in particular it would mean the exclusions could not be applied to allegations of peer-to-peer bullying and other pastoral contexts.	The term "reasonable management action" has been removed and replaced with "Bullying does not include lawful conduct of clergy or church workers carried out in a reasonable manner, such as".
The use of subjective terms such as "fair" in the descriptions of excluded conduct undermines the reliability of the exclusions.	The term "fair" has been removed from the first and fourth bullet points of excluded conduct.
Inserting a new exclusion for "giving information about inappropriate behaviour in an objective and confidential way" will arguably make it harder for a person to assert that their behaviour was reasonable if the disclosure is not kept confidential. There are times in pastoral ministry when information about inappropriate behaviour needs to be made public, or at least disclosed to other office holders in a parish.	The requirement for confidentiality has been removed.
The qualification that "disagreement or criticism" be "honest" (1st and 4th bullet points describing behaviour that does not constitute bullying) has some merit, but the word "truthful" is preferable to make clear that this does not require that the basis for criticism or disagreement must be disclosed.	The amended definition of "bullying" retains the word "honest".

9. The GSSC has adopted each of the amendments recommended by Standing Committee, except that the word "honest" has been retained in the first and fourth bullet points of excluded conduct instead of the word "truthful". As indicated in the table, the Standing Committee was concerned that the word "honest" may require openness about the basis for the disagreement or criticism to be disclosed. Such disclosure may not be appropriate or helpful in some circumstances. However the word "honest" can be read as having a similar meaning to "truthful" in the context and does not necessary require disclosure of the basis for criticism or disagreement. The intention would appear to be that there must be a genuine reason for the disagreement or criticism and that it not be undertaken for an improper purpose.

Other definitions

10. The Safe Ministry Board of the Diocese (the "SMB") has considered the proposed new definitions of "grooming", "sexual abuse of a child", "sexual assault" and "sexual harassment" and supports them. The SMB provided some drafting comments to the Professional Standards Commission of the General Synod which were incorporated into the amendments that were considered by the GSSC.

11. The proposed new definition of "grooming" places emphasis on the intentional influencing of a person for a sexual purpose, whereas the current definition focuses on the manipulation of a relationship. The proposed definition also includes adults as potential recipients of grooming behaviour in addition to children. Further commentary is also proposed to be included in section 5 of *Faithfulness in Service* to provide further detail about the nature of grooming.

12. The proposed new definition of “sexual abuse of a child” does not change the headline definition, but the list of matters that it may include is expanded to include sexual advances made using any form of communication and the giving of goods, money, attention or affection as inducements for sexual activities.

13. The proposed new definition of “sexual assault” is identical to the current definition, except that it also includes attempting to commit a sexual assault.

14. The proposed new definition of “sexual harassment” reflects the definition in the *Sex Discrimination Act 1984 (Cth)*. The current definition in *Faithfulness in Services* is based on whether it is reasonable in the circumstances for a person to feel offended, belittled or threatened by unwelcome conduct of a sexual nature. The new test is whether a reasonable person would have anticipated that the other person would be offended, humiliated or intimidated by their sexual advance or conduct of a sexual nature.

For and on behalf of the Standing Committee

BISHOP CHRIS EDWARDS

4 August 2017

The definition of “bullying” in *Faithfulness in Service* currently in force in the Diocese of Sydney

“bullying” means repeated and unreasonable behaviour directed to a person or persons which a reasonable person, having regard to all the circumstances, would be expected to victimise, humiliate, undermine or threaten the person or persons, and which creates a risk to their health and safety. Where it involves the use of information and communication technologies, it is often called cyberbullying. It can include:

- making derogatory, demeaning or belittling comments or jokes about someone’s appearance, lifestyle, background, or capability;
- communicating in an abusive manner;
- spreading rumours or innuendo about someone or undermining in other ways their performance or reputation;
- dismissing or minimising someone’s legitimate concerns or needs;
- inappropriately ignoring or excluding someone from information or activities;
- touching someone threateningly or inappropriately
- invading someone’s personal space or interfering with their personal property;
- teasing, or making someone the brunt of pranks or practical jokes;
- displaying or distributing written or visual material that degrades or offends.

Behaviour which is not bullying includes:

- respectfully disagreeing with or criticising someone’s beliefs or opinions or actions;
- setting reasonable performance goals, standards or deadlines;
- giving reasonable instructions, feedback or assessments of someone’s conduct;
- taking legitimate disciplinary action.

The amended definition of “bullying” in *Faithfulness in Service* approved by the GSSC on 18-19 November 2016

“bullying means behaviour directed to a person or persons which:

- is repeated;
- is unreasonable (being behaviour that a reasonable person, having considered the circumstances, would see as unreasonable, including behaviour that is victimising, humiliating, intimidating or threatening); and
- creates a risk to their health and safety.

Bullying can include:

- making derogatory, demeaning or belittling comments or jokes about someone’s appearance, lifestyle, background or capability;
- communicating in an abusive manner;
- spreading rumours or innuendo about someone or undermining in other ways their performance or reputation;
- dismissing or minimising someone’s legitimate concerns or needs;
- inappropriately ignoring, or excluding someone from information or activities;
- touching someone threateningly or inappropriately;
- invading someone’s personal space or interfering with their personal property;
- teasing someone, or playing pranks or practical jokes on someone;
- displaying or distributing written or visual material that degrades or offends.

Bullying does not include lawful conduct of clergy or church workers carried out in a reasonable manner, such as:

- disagreeing with or criticising someone’s belief or opinions or actions in an honest and respectful way;
- giving information about inappropriate behaviour in an objective way to the person or persons concerned and to any other person with a proper reason for having that information;
- setting reasonable performance goals, standards or deadlines;
- giving information about unsatisfactory performance in an honest and constructive way;
- taking legitimate disciplinary action.

Cyberbullying is a form of bullying which involves the use of information and communication technologies.

The definitions of “grooming”, “sexual abuse of a child”, “sexual assault” and “sexual harassment” in *Faithfulness in Service* currently in force in the Diocese of Sydney

grooming is the manipulative cultivation of a relationship in order to initiate or cloak sexual abuse of an adult or a child. In the case of child sexual abuse, an offender may groom not only the child, but also those who exercise authority over the child, including the child’s parents or guardians, and clergy and church workers.

sexual abuse of a child means the use of a child by another person for his or her own sexual stimulation or gratification or for that of others. It includes:

- exposing oneself indecently to a child;
- having vaginal or anal intercourse with a child;
- penetrating a child’s vagina or anus with an object or any bodily part;
- sexually touching or fondling a child;
- kissing, touching, holding or fondling a child in a sexual manner;
- staring at or secretly watching a child for the purpose of sexual stimulation or gratification;
- making any gesture or action of a sexual nature in a child’s presence;
- making sexual references or innuendo in a child’s presence using any form of communication;
- discussing or inquiring about personal matters of a sexual nature with a child;
- exposing a child to any form of sexually explicit or suggestive material;
- forcing a child to sexually touch or fondle another person;
- forcing a child to perform oral sex;
- forcing a child either to masturbate self or others, or to watch others masturbate; and
- forcing a child to engage in or watch any other sexual activity.

Sexual abuse of a child does not include:

- sex education with the prior consent of a parent or guardian;
- age appropriate consensual sexual behaviour between peers (i.e. the same or a similar age); or
- inquiries by clergy and church workers with pastoral responsibility for a child or investigation responsibility into complaints that may involve sexual abuse.

Sexual assault means any intentional or reckless act, use of force or threat to use force involving some form of sexual activity against an adult without their consent. It includes:

- having vaginal or anal intercourse with a person without their consent;
- penetrating another person’s vagina or anus with an object or any bodily part without that person’s consent;
- sexually touching and fondling a person without their consent;
- kissing another person without their consent;
- holding another person in a sexual manner without their consent;
- forcing a person to sexually touch or fondle another person; and
- forcing a person to perform oral sex.

Sexual harassment means unwelcome conduct of a sexual nature, whether intended or not, in relation to an adult where the person reasonably feels in all circumstances offended, belittled or threatened. Such behaviour may consist of a single incident or several incidents over a period of time. It includes:

- asking a person for sex;
- giving a person to understand that you would like sexual favours from them;
- making any gesture, action or comment of a sexual nature to a person directly or
- making a comment of a sexual nature about them in their presence;
- making jokes containing sexual references or innuendo using any form of communication;
- exposing a person to any form of sexually explicit or suggestive material;
- making unwelcome physical contact such as touching, pinching, or patting;
- making unwelcome or unnecessary inquiries about or attempts to discuss personal matters of a sexual nature;
- deliberately intruding on an individual's personal space;

The amended definitions of “grooming”, “sexual abuse of a child”, “sexual assault” and “sexual harassment” in *Faithfulness in Service* approved by the GSSC on 18-19 November 2016, and other amendments consequential or incidental thereto.

1. The following amendment be made in section 1 “About this Code”:
 - (a) delete the number “3” and substitute the number “5” in the last sentence of the section with the heading “Format and presentation”

2. The following amendment be made in section 2 “Key Terms”:
 - (a) delete the definition of “grooming” and substitute the following definition:

“**grooming** refers to actions deliberately undertaken with the aim of engaging and influencing an adult or a child for the purpose of sexual activity.

In the case of sexual abuse of a child, an offender may groom not only the child, but also those close to the child, including the child’s parents or guardians, other family members, clergy and church workers. Grooming can include providing gifts or favours to the child or their family.

In the case of sexual abuse of an adult, an offender may groom not only the adult, but also those close to them, including their children, clergy and church workers.”
 - (b) delete the definition of “sexual abuse of a child” and substitute the following definition:

“**sexual abuse of a child** means the use of a child by another person for his or her own sexual stimulation or gratification or for that of others. It includes:

 - making sexual advances to a child using any form of communication;
 - exposing oneself indecently to a child;
 - having or attempting to have vaginal or anal intercourse with a child;
 - penetrating or attempting to penetrate a child’s vagina or anus with an object or any bodily part;
 - kissing, touching, holding or fondling or attempting to kiss, touch, hold or fondle a child in a sexual manner;
 - staring at or secretly watching a child for the purpose of sexual stimulation or gratification;
 - making any gesture or action of a sexual nature in a child’s presence;
 - making sexual references or innuendo in a child’s presence using any form of communication;
 - discussing or inquiring about personal matters of a sexual nature with a child;
 - possessing, creating or exposing children to child exploitation material of a sexual nature;
 - exposing a child to any form of sexually explicit or suggestive material including clothing with sexually explicit images or messages;
 - giving goods, money, attention or affection in exchange for sexual activities with a child
 - giving goods, money, attention or affection in exchange for images of a child for the purpose of sexual gratification of themselves or others; and
 - encouraging, or forcing or attempting to encourage or force a child:
 - to sexually touch or fondle another person;
 - to perform oral sex;
 - either to masturbate self or others, or to watch others masturbate; and
 - to engage in or watch any other sexual activity.

Sexual abuse of a child does not include:

- sex education with the prior consent of a parent or guardian; or
- age appropriate consensual sexual behaviour between peers (i.e. the same or a similar age).”

(c) delete the definition of “sexual assault” and substitute the following definition:

“**sexual assault** means any intentional or reckless act, use of force or threat to use force involving some form of sexual activity against an adult without their consent. It includes:

- having or attempting to have vaginal or anal intercourse with a person without their consent;
- penetrating or attempting to penetrate another person's vagina or anus with an object or any bodily part without that person's consent;
- sexually touching and fondling or attempting to sexually touch or fondle a person without their consent;
- kissing or attempting to kiss another person without their consent;
- holding or attempting to hold another person in a sexual manner without their consent;
- forcing or attempting to force a person to sexually touch or fondle another person; and
- forcing or attempting to force a person to perform oral sex.”

(d) delete the definition of “sexual harassment” and substitute the following definition:

“**sexual harassment** means:

- an unwelcome sexual advance, or an unwelcome request for sexual favours, to the other person, or
- other unwelcome conduct of a sexual nature in relation to the other person,

in circumstances in which a reasonable person, having regard to all the circumstances, would have anticipated that the other person would be offended, humiliated or intimidated.

Such behaviour may consist of a single incident or several incidents over a period of time. It includes:

- asking a person for sex;
- giving a person to understand that you would like sexual favours from them;
- making any gesture, action or comment of a sexual nature to a person directly or making a comment of a sexual nature about them in their presence;
- making jokes containing sexual references or innuendo using any form of communication;
- exposing a person to any form of sexually explicit or suggestive material;
- making unwelcome physical contact such as touching, pinching, or patting;
- making unwelcome or unnecessary inquiries about or attempts to discuss personal matters of a sexual nature;
- deliberately intruding on an individual's personal space;
- staring at or secretly watching a person for the purpose of sexual stimulation or gratification; and
- stalking a person.”

3. The following amendments be made in section 5 “Children”:

(a) add the following paragraph after of the first paragraph of the educational material with the heading “Characteristics and effects of child abuse” under paragraph 5.16:

“Grooming actions are designed to establish an emotional connection to lower the child’s inhibitions through the development of a relationship with the child, and increased opportunity to see the child. Grooming involves psychological manipulation that is usually very subtle, drawn out, calculated, controlling and premeditated. Typically, grooming occurs incrementally: accessing the victim, initiating and maintaining the abuse, and concealing the abuse.

All Australian jurisdictions have grooming offences, which vary in scope and application. Grooming offences may target online or other electronic communications, subjecting children to child exploitation material, and/or using intoxicating substances to engage children for the purpose of sexual activity.”

4. The following amendments be made in section 6 “Personal behaviour”:
 - (a) add the following sentence at the end of paragraph 6.3:

“Abuse in a family or domestic context is commonly known as “family and domestic violence”.

A Theology Of Gender And Gender Identity

(A report from the Sydney Diocesan Doctrine Commission.)

Terms of reference

The Standing Committee –

(a) received the following report –

“In April 2016 the Social Issues Committee agreed to establish a subcommittee to address issues related to gender and gender identity. The subcommittee has now met, and recognised the need for position paper outlining a theology of gender and gender identity, to inform its work. Following consultation with the chair of the Diocesan Doctrine Commission it is agreed the Doctrine Commission is best placed to provide such a paper. Given the desire for the Gender subcommittee to report to synod in 2017, the Doctrine Commission has suggested its own report be provided to Standing Committee in June 2017.”, and

(b) requested the Diocesan Doctrine Commission *prepare a position paper providing a Theology of Gender and Gender Identity, which includes issues related to Gender Dysphoria*, for the Standing Committee meeting June 2017.

1. Introduction

- 1.1. Over the past decade, there has been a dramatic rise in social awareness and public discussion of the phenomenon of transgenderism. This has been driven by two distinct developments. The first is an increased appreciation of the fact that some people experience a profound sense of gender incongruence (that is, a mismatch between their biological sex and their psychological sense of gender identity). This heightened appreciation has provoked considerable discussion about the appropriate clinical and pastoral response to such a condition, particularly in the light of the possibilities occasioned by medical and surgical developments. Second, the therapeutic discussion has become intertwined with an ideological discussion about the nature and reality of gender itself. The development of Gender Theory (explained below), which is far from ideologically neutral, has given further impetus to this discussion.
- 1.2. However, there are real (and often unacknowledged) points of tension between these two discussions. For example, most forms of contemporary Gender Theory hold (i) that gender is not binary, but occurs on a broad spectrum and (ii) that gender is not fixed, but fluid. Many of those who identify as transgender, however, are convinced that there are only two genders, but that, in their case, their gender does not match their biological sex. Notwithstanding these inconsistencies, the theory that gender is non-binary and changeable is being promoted as both the explanation of and appropriate response to gender incongruence. It is important, therefore, to disentangle these two discussions. This will help us to make a wise and compassionate response to those who experience genuine gender incongruence, without having to embrace the claims of contemporary Gender Theory.
- 1.3. Christian engagement with these issues draws on the biblical doctrines of creation, including its corruption and disorder as a result of the human fall into sin, redemption through Christ and the eschatological hope of renewal and restoration. It takes seriously the value of each human being as one created in the image of God, and the biblical imperatives to gentleness and love, and the need to live by faith in Christ in humble obedience to the word of God. Our starting point as believers is the goodness and benevolence of God, which underpins the truthfulness and life-nourishing character of his word. Our desire is to exhibit the compassion of Christ to a needy and broken world, and so to take seriously the deeply personal and often painful gender identity struggles experienced by some fellow human beings.

2. Key terms and their meanings

- 2.1. Before turning to the relevant biblical material, it will be helpful to define a number of key terms that are an essential part of this discussion.
- 2.2. *Biological sex*: This refers to the physical or physiological characteristics that help us differentiate between what is male and what is female: chromosomes, hormones, gonads, genitals, and secondary sex characteristics – e.g., body shape, voice pitch and hair distribution. Biological sex is often simply referred to as sex.

- 2.3. *Gender*: Historically, the terms sex and gender have often been used interchangeably. Even today drawing a distinction between them is not universal. Where a distinction is made, however, gender is “often intended to emphasize the social and cultural, as opposed to the biological, distinctions between the sexes.”¹ As such, the term usually encompasses three aspects: gender identity, gender expression and gender roles.
- 2.4. *Gender identity*: This refers to the way individuals perceive themselves and wish to name and identify themselves. When a person’s subjective gender identity conforms to their objective biological sex, as is the case for most people, they may be referred to *cisgender* (cis = on this side of).² When there is a clash, however, then they are commonly referred to as *transgender* (trans = on the other side of). See further paragraph 2.9. below.
- 2.5. *Gender expression*: This refers to the psychological and social aspects of how masculinity and femininity are presented in things like dress and demeanour, social roles and conventions and other cultural gender norms. These vary from culture to culture, if not from person to person.
- 2.6. *Gender roles*: This refers to the commonly accepted expectations of maleness or femaleness, including social and behavioural expectations. Some roles (e.g., who cooks the meals or who manages the finances) vary from person to person, household to household, or culture to culture, others are biologically determined (e.g., pregnancy and breastfeeding).
- 2.7. *Gender bending*: This refers to the intentional crossing, bending or blending of accepted gender roles or behaviours, perhaps by adopting the dress, mannerisms or behaviours of the alternative binary gender (often referred to as transvestitism), or through the attempt to obscure one’s gender and to appear as either asexual, agender, pansexual, omnigender or androgynous.
- 2.8. *Gender dysphoria*: This is the latest diagnostic term for the distress experienced by those whose psychological or emotional gender identity differs from their biological sex.³ It replaces the former term, *Gender Identity Disorder*, which saw the mismatch itself as a psychiatric disorder.⁴ Now, however, it is only the distress that is (usually) caused by the mismatch that is regarded as a disorder, not the mismatch itself. For this reason we will usually use the language of gender incongruence to describe the experience of mismatch throughout this report.
- 2.9. *Intersex*: This is a general term that covers a range of rare ‘disorders of sex development’ (or ‘disorders of sex differentiation’) where there is some biological ambiguity in a person’s genitalia or gonads or, more rarely still, in their chromosomes. Except in very rare instances, a person’s biological sex can be known from their DNA. Because intersex conditions are medically identifiable deviations from the sexual binary norm they are not regarded as constituting a third sex. Because they are biologically (rather than psychologically) based, some intersex people do not wish to be associated with the LGBTQ movement.⁵
- 2.10. *Transgender*: This is an umbrella term for people who are born either male or female, but whose gender identity differs from their biological sex (to varying degrees), and who want to express the gender with which they identify through cross-dressing, and/or cross-hormone therapy, and/or ‘sex reassignment surgery’. The term transsexual is sometimes used interchangeably with transgender, and sometimes used only of those who seek medical assistance to transition. Because of its breadth, the transgender umbrella also includes those who identify as bigender, pangender, omnigender, gender fluid, gender diverse or agender.
- 2.11. *Heteronormativity*: This term communicates the three ideas: (i) that biological sex is either male or female (sexual binarism), (ii) that sex and gender are meant to go together (cishnormativity), and (iii) that only sexual orientation toward and sexual relations with a member of the opposite sex is normative. It is used by the LGBTQ movement as a pejorative term.

3. Biblical and Theological Considerations

- 3.1. We turn now to explore the way in which the Bible’s teaching speaks to the issues raised by current gender ideology (in general) and to the phenomenon of gender incongruence (in particular).

¹ J. A. Simpson & E. S. C. Weiner (eds.), *Oxford English Dictionary* (Oxford: Clarendon Press, 1989).

² This term cisgender emerged in the 1990s as part of the development of transgender ideology. Although, in itself, it is a neutral descriptor, it is often employed in order to normalise transgender experience; i.e., to convey the idea that it is just as natural for some to be transgender as it is for others to be cisgender.

³ See, for example, the *Diagnostic and Statistical Manual of Mental Disorders: Fifth Edition* (Washington, DC/London: American Psychiatric Publishing, 2013), pp. 451-459 (usually referred to as DSM-5), published by the American Psychiatric Association.

⁴ DSM-4 (1994).

⁵ For this reason, we will use the acronym LGBTQ, rather than LGBTIQ, throughout this report.

Creation and its Implications

- 3.2. The basic, binary and sexually dimorphic nature of humanity is revealed in Genesis 1 and then repeated (after humanity's Fall) in Genesis 5.⁶

²⁶ Then God said, "Let us make man (Heb. 'adam) in our image ..."

²⁷ So God created man (Heb. 'adam) in his own image,
in the image of God he created him;
male (Heb. *zakhar*) and female (Heb. *neqevah*) he created them. (Gen 1:26-27)

¹ ... When God created man (Heb. 'adam), he made him in the likeness of God. ² Male (Heb. *zakhar*) and female (Heb. *neqevah*) he created them, and he blessed them and named them Man (Heb. 'adam) when they were created. (Gen 5:1b-2)

The implication of these texts is clear: God did not create a third sex. This point is underlined by Jesus in answer to the Pharisees' question about divorce.

He answered, "Have you not read that he who created them from the beginning made them male and female." (Matt 19:4; cf. Mark 10:6)

The biblical account of creation thus indicates that God has created each human being as either male or female. We are given no encouragement to consider male and female as two extremes at either end of a broad continuum, or to consider those with an intersex condition as intended from the beginning as a third sex.⁷

- 3.3. This maleness and femaleness of humanity is portrayed in Genesis 1-2 not just as a physical characteristic of the bodies of the man and the woman, but as part of their relational nature as beings made in the image and likeness of God. The man's sexed identity is intimately connected to the woman who is flesh of his flesh (Gen 2:23), and to whom he holds fast (2:24) and with whom he shares the responsibility of ruling the world under God. Likewise, the woman's sexed identity and purpose as God's image-bearer is intimately connected to the man, out of whom she is taken (2:23), and whom she helps in their mutual task of dominion (1:28; 2:20-21). The man-ness of Adam makes no sense without the woman-ness of Eve as his counterpart, and vice versa. Each is defined in distinction from but in relation to the other.
- 3.4. The binary reality of human sexuality revealed in Genesis 1 is both emphasised and developed in Genesis 2. Here we move from humanity being described in terms of the adjectival nouns 'male' (Heb. *zakhar*) and 'female' (Heb. *neqevah*) – which are not unique to humans but also apply to animals (e.g., Gen 6:19) – to the nouns 'man/husband' (Heb. *ish*) and 'woman/wife' (Heb. *ishshah*), as these are applied to Adam and Eve.

²⁴ Therefore a man (Heb. *ish*) shall leave his father and his mother and hold fast to his wife (Heb. *ishshah*), and they shall become one flesh. ²⁵ And the man (Heb. 'adam) and his wife (Heb. *ishshah*) were both naked and were not ashamed. (Gen 2:24-25)

The implication of this, contrary to current gender theory, is that biological sex is inseparable from both gender identity and gender roles. Human males grow into men (and potentially husbands and fathers) and human females grow into women (and potentially wives and mothers). Indeed such 'heteronormativity' is what makes human marriage, human family and human flourishing possible. This is, once again, confirmed by Jesus, as he brings Genesis 1 and 2 into the closest possible connection.

⁶ But from the beginning of creation, "God made them male and female." ⁷ "Therefore a man will leave his father and mother and hold fast to his wife, ⁸ and the two shall become one flesh." (Mark 10:6-8a)

The implication is once again clear: men and woman are not two poles at either end of a gender spectrum. Gender, like sex and because it is an extension of sex, is binary. There is thus no space in biblical anthropology – either before or after the Fall – for additional genders.

⁶ All Bible references are taken from the English Standard Version, Permanent Text Edition® (2016), unless otherwise indicated.

⁷ In fact, the eunuchs of Scripture are all presented as male (as is indicated by the use of masculine nouns, verbs and pronouns), but are presumably unable to function sexually or reproductively (Esth 2:3, 14-15; Isa 56:3), either because of a birth defect or due to human interference. In other words, Scripture resists diluting the sex/gender binary, even though some do not fit neatly into it.

The Fall and its Implications

- 3.5. That is not to say that human sexuality and gender identity are straightforward in a post-Fall world. Clearly this is not so for everyone and, to some degree, not for anyone. The Bible has much to say about the effects of the Fall on every aspect of our humanity, including our sexual expression and gender identity. Furthermore, sin and death have impacted every part of human existence and the whole created order has been subjected to frustration. Consequently, various forms of disease, disorder and disability are part of human experience. In other words, things go wrong with us not only relationally and behaviourally, but psychologically (with respect to our minds) and physiologically (with respect to our bodies and even to the level of our chromosomes).
- 3.6. One of the many ways that the Bible acknowledges the reality of physiological disability is by introducing us to the category of the eunuch – a term which generally referred to a castrated or otherwise impotent male. Indeed, in Matthew 19, following his discussion of the nature of marriage and the legitimate grounds for divorce, Jesus distinguishes between three types of eunuchs: two literal and one metaphorical or spiritual.

For there are eunuchs who have been so from birth, and there are eunuchs who have been made eunuchs by men, and there are eunuchs who have made themselves eunuchs for the sake of the kingdom of heaven. Let the one who is able to receive this receive it. (Matt 19:12)

Jesus' first two categories were, no doubt, informed by the Jewish distinction between "eunuchs of the sun" – i.e., those who have been eunuch from birth – and "eunuchs of man" – whether made so by accident or design. The first of these categories, most likely, would have included conditions that today would be regarded as disorders of sex development. However, as we've already noted, Scripture nowhere presents eunuchs as a third sex.⁸

- 3.7. But what about those whose bodily sex is unambiguous, and yet who claim to have been born in the wrong body; e.g., a male who is convinced he is a woman or a female who is convinced she is a man? How should we think about such a condition?⁹ To answer this question we need to consider what Scripture reveals about the relationship between the physical (or corporeal) and nonphysical (or incorporeal) aspects of the human person. Scripture displays a range of ways of speaking about both the corporeal and incorporeal aspects of human existence.¹⁰ What is consistently taught in both testaments is a dichotomous or dipartite view.¹¹ That is, human beings consist of body/flesh and soul/spirit. Furthermore, although the body perishes at death, and so can be separated from the soul, this is a consequence of sin and, therefore, an 'unnatural disruption'. God's ultimate purpose, therefore, is for body and soul to be reunited in resurrection at the last judgment, so that our eternal experience (whether it be of salvation or damnation) will be a 'psychosomatic' one. Therefore, Jesus can speak in the following way:

And do not fear those who kill the body (Gk. *sōma*) but cannot kill the soul (Gk. *psychē*). Rather fear him who can destroy both soul and body (Gk. *psychē kai sōma*) in hell. (Matt 10:28)

- 3.8. At the same time, however, the biblical authors view the human person as an integrated whole. This means that "[b]iological processes are not just functions of the body as distinct from the soul or spirit, and mental and spiritual capacities are not seated exclusively in the soul or spirit. All capacities and functions belong to the human being as a whole, a fleshly-spiritual totality."¹² Otherwise put, Scripture

⁸ It is also important to note that certain intersex conditions may contribute to gender dysphoria in the person with the condition. For this reason DSM-5 distinguishes between gender dysphoria without a disorder of sex development (p. 455) and gender dysphoria with a disorder of sex development (p. 456).

⁹ It has been suggested that a different kind of physiological ambiguity may lie behind this condition: that it is the result of brain-body mismatch. However, the scientific evidence supportive of such a theory is negligible at best. As Drs Lawrence S. Mayer and Paul R. McHugh write: "the current studies on associations between brain structure and transgender identity are small, methodologically limited, inconclusive, and sometimes contradictory. Even if they were more methodologically reliable, they would be insufficient to demonstrate that brain structure is a cause, rather than an effect, of the gender-identity behaviour." See Lawrence S Mayer and Paul R. McHugh, "Sexuality and Gender: Findings from the Biological, Psychological, and Social Sciences," *The New Atlantis* 50 (Fall 2016), p. 104: http://www.thenewatlantis.com/docLib/20160819_TNA50SexualityandGender.pdf.

¹⁰ For example, "Inner man", 'spirit', 'soul', 'mind', 'heart', – all do duty for the incorporeal part of man and different functions thereof. 'Outer man', 'flesh', 'body', 'members', 'mouth', 'face', and several metaphors do similar duty for the corporeal part of man." Robert H. Gundry, *Sōma in Biblical Theology: With Emphasis on Pauline Anthropology* (Grand Rapids: Zondervan, 1987), p. 156.

¹¹ There are two texts that suggest a distinction between 'soul' and 'spirit' (1 Thess. 5:23; Heb. 4:12), which some see as evidence for a trichotomous or tripartite view. In whatever way these texts may be best understood, they do not disturb the general, two-fold distinction between the inner and outer person.

¹² John W. Cooper, *Body, Soul & Life Everlasting: Biblical Anthropology and the Monism-Dualism Debate* (Grand Rapids: Eerdmans, 1989), p. 78.

understands “human beings holistically as single entities which are psychosomatic unities.”¹³ Scripture, therefore, presents us with an anthropological ‘both-and’, a ‘dualistic holism’: i.e., an ontological duality (a distinct body and soul) within a functional holism (a single integrated person).

- 3.9. The soul is the soul of the body and the body is the body of the soul. As King David writes: “For you formed *my* inward parts; you knitted *me* together in my mother’s womb” (Ps 139:13). The sex of the body, therefore, both determines and reveals the gender of the person. Christian ethicist, Oliver O’Donovan teases out the implications of this fact with both clarity and compassion.

The sex into which we have been born (assuming that it is physiologically unambiguous) is given to us to be welcomed as a gift of God. The task of psychological maturity – for it is a moral task, and not merely an event which may or may not transpire – involves accepting this gift and learning to love it, even though we may have to acknowledge that it does not come to us without problems. Our task is to discern the possibilities for personal relationship which are given to us with this biological sex, and to seek to develop them in accordance with our individual vocations ... Responsibility in sexual development implies a responsibility to nature – to the ordered good of the bodily form which we have been given. And that implies that we must make the necessary distinction between the good of the bodily form as such and the various problems that it poses to us personally in our individual experience. This is a comment that applies not only to this very striking and unusually distressing problem [i.e., gender incongruence], but to a whole range of other sexual problems too.¹⁴

So notwithstanding the fact that all kinds of things can and do go wrong with us, both physiologically and psychologically, biblical anthropology leaves no room for the idea that one can *actually be* a man trapped in a woman’s body or a woman trapped in a man’s body. That may well be a person’s subjective feeling, but it is not an objective fact.

- 3.10. The Bible is also unambiguous in its condemnation of a number of behaviours that best fall under the rubric of ‘gender bending’. The first of these behaviours is that of cross-dressing, which is directly prohibited in Deuteronomy 22:5.

A woman (Heb. *ishshah*) shall not wear a man’s (Heb. *gever*) garment, nor shall a man (Heb. *gever*) put on a woman’s (Heb. *ishshah*) cloak, for whoever does these things is an abomination (Heb. *to’evah*) to the LORD your God.

There can be little doubt that this text condemns cross-dressing in the strongest terms. This is clear from the use of the Hebrew word *to’evah*, which is a word applied to any act that is “excluded by its very nature” or is “dangerous or sinister.”¹⁵ It is thus the word applied elsewhere to homosexual intercourse (Lev 18:22; 20:13) and various idolatrous practices (Deut 7:5; 13:14). But why should cross-dressing be seen in such a light and condemned in such terms? Some commentators have assumed a link with either homosexuality or pagan religious practices. This is possible, but there is nothing in the immediate context to suggest as much.¹⁶ More likely, “[t]he immediate design of this prohibition was not to prevent licentiousness, or to oppose idolatrous practices ... but to maintain the sanctity of that distinction of the sexes which was established by the creation of man and woman, and in relation to which Israel was not to sin.”¹⁷ Therefore, while care is needed in applying old covenant commands to our situation under the new covenant, the abiding ethical principle behind Deuteronomy 22:5 is straightforward: “this injunction seeks to preserve the order built into creation, specifically the fundamental distinction between male and female.”¹⁸

- 3.11. Moving to the New Testament, the second of the behaviours that Scripture condemns is sexual effeminacy; that is, a man playing the part of a woman (by being the ‘receiver’) in homosexual intercourse. Those who engage in such a practice are included in Paul’s vice list in 1 Corinthians 6:9-10.

¹³ Ibid.

¹⁴ Oliver O’Donovan, *Begotten or Made?* (Oxford: OUP, 1984), pp. 28-29.

¹⁵ Ernst Jenni and Claus Westermann, *Theological Lexicon of the Old Testament* (Peabody: Hendrickson, 1997), p. 1429.

¹⁶ See the arguments of P.J. Harland, “Menswear and Womenswear: A Study of Deuteronomy 22:5,” *ExpTim* 110 (1998), pp. 74-75.

¹⁷ Carl Friedrich Keil and Franz Delitzsch, *Commentary on the Old Testament*, Vol. 1 (Peabody: Hendrickson, 2002), p. 945.

¹⁸ Daniel I. Block, *The NIV Application Commentary: Deuteronomy* (Grand Rapids: Zondervan, 2012), p. 512. The issues of intention and effect also require consideration. That is, it may be possible to engage in cross-dressing for (say) the purpose of entertainment (e.g., Dame Edna) without the intention or effect of confusing either self or others or blurring established boundaries. But there are risks. While intentions can be innocuous, effects are much harder to gauge and impossible to control.

⁹ Or do you not know that the unrighteous shall not inherit the kingdom of God? Do not be deceived; neither fornicators, nor idolaters, nor adulterers, nor the effeminate (Gk. *malakoi*), nor homosexuals (Gk. *arsenokoitai*), ¹⁰ nor thieves, nor the greedy, nor drunkards, nor revilers, nor swindlers, shall inherit the kingdom of God. (NRSV)

Paul's assessment of homosexual behaviour derives from the absolute prohibitions found in Leviticus 18:22 and 20:13, and so (like Deut 22:5) is ultimately grounded in the creation theology of Genesis 1-3.¹⁹ His use of the two distinct terms highlighted above (*malakoi* and *arsenokoitai*) reveals that he is censuring all who willingly play either the passive or the active roles in homosexual acts.²⁰ His reference to the *malakos* ("soft man"), therefore, is aimed at those who actively feminize themselves by (and for the purposes of) playing a passive homosexual role.

- 3.12. The third of the behaviours that the Bible opposes is gender ambiguity; that is, the attempt to blur the lines between man and woman by one's gender expression. This is Paul's chief concern in 1 Corinthians 11:2-16 and why he challenges his readers accordingly.

⁴ Every man who prays or prophesies with his head covered dishonors his head. ⁵ But every woman who prays or prophesies with her head uncovered dishonors her head—it is the same as having her head shaved ... ¹³ Judge for yourselves: Is it proper for a woman to pray to God with her head uncovered? ¹⁴ Does not the very nature of things teach you that if a man has long hair it is a disgrace to him, ¹⁵ but that if a woman has long hair, it is her glory? For long hair is given to her as a covering. (1 Cor 11:4-5, 13-15, NIV)

While there is a number of complexities in the passage in which these verses appear, what is clear is that Paul desires men and women to both maintain and celebrate the gender distinctions that reflect our God-given sex, and not take steps to either deny or diminish them.²¹ This is why he "expresses no less disquiet (probably indeed more) about men whose style is effeminate with possible hints of a quasihomosexual blurring of male gender than about women who likewise reject the use of signals of respectable and respected gender distinctiveness."²²

- 3.13. Both the Bible's creation theology and its post-Fall prohibitions against the abuse and misuse of our God-given sex and gender lead to the same conclusion: all human beings have been created as either male or female, and it is God's will for us to embrace his good gift even though this can be complex in a sin-cursed world. We can further conclude that however best we categorise the painful experience of gender incongruence, from a biblical point of view, it involves a significant misperception of created reality.
- 3.14. However, it is important to emphasise that this does not mean that sufferers of gender incongruence are necessarily culpable for their condition. The critical factor, morally speaking, is how one responds to such a condition. Unlike wilful gender bending or deliberate gender erasing (which, as we've seen, are clearly prohibited in Scripture), the experience of gender incongruence would appear to be a largely non-volitional affliction and, to that extent, a condition for which sufferers are not culpable.²³ Consequently, our first response to those who struggle with their gender identity ought to be compassion and care, not condemnation or censure.
- 3.15. The more difficult question is what a person suffering from gender dysphoria should do to resolve it. The biblical teaching we have reviewed suggests that attempts to obliterate, disguise or live at odds with one's God-given sex/gender are contrary to God's will and against human good. Consequently, any attempt to do so, no matter how well intentioned, is unlikely to bring the lasting relief that sufferers are seeking and may bring them even greater distress.²⁴

¹⁹ See Gordon J. Wenham, "The Old Testament Attitude to Homosexuality," *ExpTim* 102 (1990-91), pp. 359-63.

²⁰ Roy E. Ciampa and Brian S. Rosner, *The First Letter to the Corinthians* (Grand Rapids: Eerdmans, 2010), p. 241.

²¹ *Ibid.*, p. 503.

²² Anthony C. Thiselton, *The First Epistle to the Corinthians* (Grand Rapids: Eerdmans, 2000), p. 805.

²³ We say "largely" because, as Robert Gagnon notes, it's impossible to disentangle the "complex interplay of nature, nurture, environment, and choices. Incremental choices made in response to impulses may strengthen the same impulses." See R.J. Gagnon, "How Should Christians Respond to the Transgender Phenomenon." *First Things* (October 16, 2015): <https://www.firstthings.com/web-exclusives/2015/10/how-should-christians-respond-to-the-transgender-phenomenon>.

²⁴ Not surprisingly, the instance of 'sex-change regret' is disturbingly high (and little publicised) and, tragically, the experience of undergoing 'gender transition' seems to do little to address the high attempted-suicide rate of transgender people (over 40%). See, for example, Cecilia Dhejne, Paul Lichtenstein, Marcus Boman, Anna L. V. Johansson, Niklas Långström, and Mikael Landén, "Long-Term Follow-Up of Transsexual Persons Undergoing Sex Reassignment Surgery: Cohort Study in Sweden," *PLoS One* 6:2 (22 February, 2011): <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3043071>.

Redemption and its Implications

- 3.16. First, at the heart of the Christian gospel is the stunning claim that all who confess Jesus as Lord and believe in their hearts that God raised him from the dead are not only justified from sin, but brought to new birth by the Holy Spirit and given a new identity as sons and daughters of the living God. “Therefore,” writes Paul, “if anyone is in Christ, he [or she] is a new creation. The old has passed away; behold, the new has come” (2 Cor 5:17). This vital, spiritual union is necessarily determinative of a whole new self-understanding. As Paul writes elsewhere: “It is no longer I who live, but Christ who lives in me” (Gal 2:20a). In short, no Christian is what they once were (1 Cor 6:11); we have come to fullness in him in whom the whole fullness of deity dwells bodily (Col 2:9-10).
- 3.17. Second, this new life entails a new lifestyle. Those in Christ are called to “no longer live for themselves but for him who for their sake died and was raised” (2 Cor 5:15). This does not mean the removal of all temptations, trials and afflictions (not, at least, in this age), but it does mean there is a new power at work in us (that of the Holy Spirit) to help us “put off the old self with its practices and have put on the new self, which is being renewed in knowledge after the image of its creator” (Col 3:9-10). This call to mortification and vivification has profound implications for what we do with and to our bodies, for the Christian’s body is now a temple of the Holy Spirit. “You are not your own,” says Paul, “for you were bought with a price. So glorify God in your body” (1 Cor 6:19-20).
- 3.18. Third, among the vices of the “old self” that all believers are called to discard are covetousness (Col 3:5) and falsehood (Eph 4:25). These sins are particularly pertinent to the subject at hand. For many who struggle with gender identity issues are sorely tempted to desire a body other than the one they have been given. That is covetousness. Likewise, the aim of those who seek to transition gender is to “pass” as the opposite sex to what they actually are. This is falsehood. Such vices must be “put off.”²⁵ They are the opposites of contentment and truthfulness, and undermine godly relationships. Consequently, faithfulness to Christ cannot be separated from how a person with gender incongruence manages their condition.²⁶ Robert Gagnon puts it well: “while redemption is unmerited, an active pursuit of a ‘transgender’ life would be at odds with ... a claim to ‘faithfulness’ to Christ.”²⁷
- 3.19. Fourth, as there are vices to be “put off,” so there are virtues that believers are called to “put on.” Four are of especial relevance to our subject: endurance, patience, joy and thanksgiving. The development of such Christ-like characteristics is repeatedly encouraged in Scripture. But these four are brought together in Colossians 1:11-12, where the apostle Paul speaks of believers

11 being strengthened with all power, according to his glorious might, for all endurance and patience with joy; 12 giving thanks to the Father, who has qualified you to share in the inheritance of the saints in light.

Endurance and patience are vital for sufferers of gender incongruence, particularly for those whose cross-gender identification is strong and persistent. The distress caused by such a condition can be very painful, and the force of the temptation to alleviate it in destructive ways very real. The battle to be faithful can, therefore, be exhausting. However, resistance and obedience are possible, and much prayer is needed that strength be given to this end. But, more than that, joy and thanksgiving are also possible – if not for the affliction itself, for the sufficiency of God’s grace (2 Cor 12:9) and the fruit that suffering inevitably bears under the wise and sovereign hand of God (Rom 5:3-5; Jas 1:2-4).

- 3.20. Fifth, such a battle should never be fought alone. This is one of the reasons why the risen Christ has given his followers the gift of Christian brothers and sisters – not only that we might keep each other accountable, but that we might bear one another’s burdens. So Paul writes as follows to the Galatians.

1 Brothers and sisters, if someone is caught in a sin, you who live by the Spirit should restore that person gently. But watch yourselves, or you also may be tempted. 2 Carry each other’s burdens, and in this way you will fulfill the law of Christ. (Gal 6:1-2, NIV)

²⁵ We appreciate that the person who is convinced they are ‘in the wrong body’ may wish to argue that their longing for a different body, or their attempts to disguise or change their body, are driven by a desire to present their ‘true selves’. Our argument is that the body reveals the ‘true self’.

²⁶ Contra Mark A. Yarhouse, “Understanding the Transgender Phenomenon,” *Christianity Today* (June 8, 2015): <http://www.christianitytoday.com/ct/2015/july-august/understanding-transgender-gender-dysphoria.html?share=7K2biduOkWQzgy+4ihDhypi09ikaJk3&paging=off>.

²⁷ Robert A. J. Gagnon, “Gender Dysphoria and ‘Practical Application’: A Rejoinder to Mark Yarhouse” (August 28, 2016): <http://www.robgagnon.net/Yarhouse%20Rejoinder.htm>.

This text raises the important question: What counts as a “sin” and what counts as a “burden”? In our view, the experience of gender incongruence itself falls in the latter category (burden). Consequently, “there is a need for the church to be able to cope with the disclosure of gender incongruence among those who experience it and have the courage to share what they are going through.”²⁸ Nevertheless, from a biblical standpoint, attempts to alleviate gender dysphoria by gender transitioning (whether by social transitioning, cross-dressing, cross-hormone therapy or ‘sex change’ surgery) fall into the category of “sin.”²⁹

- 3.21. Sixth, what will gentle restoration look like when such sin takes place? Here is where a range of factors will need to be taken into account: e.g., whether the person is a believer or a seeker, how old they are, whether they are spiritually mature or immature, the severity of the dysphoria, what steps they’ve taken, and whether they have other physical and/or mental health issues. Consequently, the nature and timing of restoration, and the kind of care and counsel required, will vary from person to person. Nevertheless, in light of the teaching of Scripture, it is clear that all forms of cross-gender identification are contrary to God’s will and the good of sufferers. Therefore, the goal of restoration will be to work toward an acceptance of one’s bodily sex as a true signifier of one’s gender.
- 3.22. Finally, alongside our concern for the welfare of the person suffering gender dysphoria, there is another important factor to be considered in our response. That is, the impact of the decisions we take or the strategies we adopt upon the church community. What message is being sent by a church that effectively condones that which Scripture condemns? What effect will this have on other members of the body – particularly those who are vulnerable and impressionable or struggling in other areas of life? Paul’s concern – “a little leaven leavens the whole lump of dough” (1 Cor 5:6) – is relevant here. That said, needlessly imposing rigid gender stereotypes is not helpful either. Provided believers are operating within accepted biblical norms and cultural expectations for gender roles and gender expression, not all men and women need to look, dress or act in precisely the same way.

The Age to Come and its Implications

- 3.23. The final piece of scriptural teaching relevant to our question has to do with what is revealed about the nature of our resurrection bodies. Admittedly, there is much we cannot know on this score (1 Cor 15:35-36). Nevertheless, in broad terms, the Bible affirms a principle of both continuity and transformation (1 Cor 15:42-44). That is, following the pattern of Jesus’ own resurrection, it is *this earthly body* that will be raised, but with *different qualities and capacities*. As Paul says, Christ “will transform our lowly body to be like his glorious body” (Phil 3:21).
- 3.24. Curiously, the prospect of transformation has led some to speculate about the possibility of our being raised as either androgynous or monosexual or asexual beings. Given that our bodies are sexed in this world, and that the risen Jesus remains a man (Acts 17:31), it would require a very clear statement of Scripture to create the expectation that we will be raised as something other than eternally sexed (and therefore gendered) beings. Certainly, when read in context Galatians 3:28 teaches no such thing, nor does 1 Corinthians 6:13-15.³⁰ Far from suggesting that sex distinctions disappear in Christ, the first of these passages simply makes the point that one’s sex is irrelevant to one’s standing in Christ (Gal 3:26-27). The second is affirming not the destruction of gender, but that our bodies will be raised just as the Lord’s body was raised (1 Cor 6:14). In being raised, we will, of course, be changed (1 Cor 15:51-52); but not changed from men or women into something else. Rather we will be changed from mortal to immortal, perishable to imperishable men and women (1 Cor 15:53-54).
- 3.25. The one passage that some have thought teaches that we will be raised as asexual is Matthew 22:30 (and parallels), where Jesus says: “For in the resurrection neither do they marry nor are they given in marriage, but are like the angels.” But while this passage clearly affirms that marriage belongs only to this age, it says nothing about the elimination of human sex distinctions. In fact, Jesus’ choice of words implies quite the opposite: as Augustine saw, “neither do they marry” is a reference to males and “nor are they given in marriage” is a reference to females. In other words, “[f]ar from saying that

²⁸ Mark A. Yarhouse, *Understanding Gender Dysphoria: Navigating Transgender Issues in a Changing Culture* (Downers Grove: IVP, 2015), p. 151.

²⁹ Yarhouse, therefore, is not to be followed when he suggests that some believers “may benefit from space to find ways to identify with aspects of the opposite sex, as a way to manage extreme discomfort.” Mark A. Yarhouse, “Understanding the Transgender Phenomenon,” *Christianity Today* (June 8, 2015): <http://www.christianitytoday.com/ct/2015/july-august/understanding-transgender-gender-dysphoria.html?paging=off>.

³⁰ See Richard Hove, “Does Galatians 3:28 Negate Gender-Specific Roles?” in Wayne Grudem, ed., *Biblical Foundations for Manhood and Womanhood* (Wheaton: Crossway, 2002), pp. 105-143. Daniel R. Heimbach, “The Unchangeable Difference: Eternally Fixed Sexual Identity for an Age of Plastic Sexuality,” in Wayne Grudem, ed., *Biblical Foundations for Manhood and Womanhood* (Wheaton: Crossway, 2002), p. 285.

there will be no distinctions of gender in the new creation, Jesus said in essence that those who are male in heaven will not take a wife, nor will those who are female be given in marriage.”³¹ Human marriage will have fulfilled its purpose.

- 3.26. The glorious prospect of bodily resurrection as eternally sexed/gendered beings has two important implications. First, whatever disappointments and disabilities we may have to deal with in this life, it matters what we do with and to the bodies God has given us. In fact, even though Christians should be willing to spend and be spent in the cause of our Master, we are nonetheless to love our bodies. As Paul says, “no one ever hated his own flesh, but nourishes and cherishes it, just as Christ does the church” (Eph 5:29). What we do with our bodies is significant. The tragedy of self-rejection and self-mutilation needs to be seen in this light. This may well be an act of desperation but it is also an assault upon the body and so ultimately sinful. The intensity of the struggle and the temptation to think about ourselves in ways other than those God encourages and directs in his word does not convey legitimacy upon such responses. Instead we are called upon to take comfort in the Saviour who knows our weaknesses and is able not only to sympathise with them but to provide “grace to help in time of need” (Heb 4:16).
- 3.27. Second, in the resurrection on the last day every form of disease and disorder, sickness and sadness will be healed and banished once and for all (Rev 21:4). In fact, so wonderful will be the glory revealed both to us and in us that the sufferings of this present time will not be worth comparing with it (Rom 8:18). This is good news for all of God’s people, but particularly for those whose gender incongruence proves irresolvable in this life. Christians have a real hope that will not disappoint us. This is why we are called to wait for it with patience (Rom 8:25), fixing our eyes not on what is seen and transient but on what is unseen and eternal (2 Cor 4:18).

4. Conclusion

- 4.1. How, then, should we think about gender incongruence and gender identity struggles where there is no disorder of sex development involved? In light of the Bible’s teaching, and in the absence of any certain biological cause, gender dysphoria (and the incongruence lying behind it) is best regarded as a psychiatric disorder. This is why it appears, and how it is classified, in the most recent edition of the *Diagnostic and Statistical Manual of Mental Disorders*.³² In other words, despite what is sometimes claimed, there is no reason to believe that a person can have either the brain or the soul of one sex and the body of the other. Rather, it is a psychological pathology and, as such, one of the tragic effects of the Fall.
- 4.2. Such clarity may do little, in and of itself, to alleviate the distress of those who suffer from gender incongruence. This is why responding compassionately and constructively to such felt experiences remains a paramount concern of the Christian community. However, the conclusions we have reached do lay some important foundations upon which to build a biblically informed and medically responsible pastoral and therapeutic approach. It likewise provides a helpful interpretive grid through which we can evaluate current Gender Theory and make sense of the various social, political and ideological changes going on around us. For not only are the basic claims of Gender Theory false, but the goal of sex change is unrealisable.³³
- 4.3. What, then, is the call of the gospel to those who are gender non-conforming? First, like all who are weary and burdened, they are to come to Jesus as they are. This means that in our evangelism we must not let the temporary overshadow the eternal. The greatest need of those who experience gender dysphoria or who identify as transgender or have undergone sex reassignment procedures is not for their identity issues to be resolved (as wonderful as that would be), or their attempts at transitioning to be reversed (which may not be possible), but to be reconciled to God and adopted as his beloved children. In other words, like the rest of us, transsexuals, the transgendered and the gender dysphoric need the gospel of Jesus Christ. For every human being has been created through and for Jesus Christ (Col 1:16), and will therefore be restless in heart unless and until they find their rest in him.³⁴ But rest is precisely what Jesus promises to all who come to him in faith (Matt 11:28) – irrespective of their past sins or present afflictions. This is the hope of the gospel: that true life, lasting peace and eternal comfort can be found in Jesus Christ.

³¹ See Mark David Walton, “What We Shall Be: A Look at Gender and the New Creation,” *JBMW* 9:1 (Spring 2004), p. 19.

³² The weakness of DSM-5 is that it is only the dysphoria or distress that is seen as the clinical problem, not the actual gender incongruence. However, there are equally good reasons for regarding gender incongruence itself (irrespective of the distress it may or may not cause) as a mental disorder. This was the strength of the category of ‘Gender Identity Disorder’ in DSM-4.

³³ As Paul McHugh writes: “Transgendered men do not become women, nor do transgendered women become men ... In that lies their problematic future.” See “Transgenderism: A Pathogenic Meme”, *The Public Discourse* (June 10, 2015): <http://www.thepublicdiscourse.com/2015/06/15145>.

³⁴ Augustine, *Confessions* I.1.1.

- 4.4. Second, while we are all invited to come to Jesus as we are, he is not content to leave any of us as we are. His goal is to restore us into his own image and teach us to discern and do the will of God (Rom 12:2). As we have seen, this will necessarily entail living, as far as is possible, in conformity with our God-given sex. For those who have gone down the path of transitioning, this will mean ceasing cross-hormone treatment,³⁵ cross-dressing and other forms of cross-gender identification. Some surgical steps and some of the effects of cross-hormone therapy may, of course, be irreversible. If so, the person may need to see themselves akin to one type of biblical eunuch; that is, as one wounded physically by past sin, but awaiting wholeness in the resurrection.³⁶ Whatever the case, sensitive pastoral care and strong congregational support will be essential for anyone who, in obedience to Christ, is seeking to de-transition.
- 4.5. Finally, how should Christians respond to the transgender tsunami that is currently sweeping the western world and impacting increasing numbers of churches, schools and homes? Our first response should always be genuine compassion towards those who experience the brokenness of the world in the form of gender incongruence or who are victims of the confusion created by current gender theory. Compassion and truth, however, ought not to be pitted against one another. We will need to speak truthfully to those who are struggling in this area and misled by Gender Theory. If we truly love our neighbours, we will also refuse to withdraw from discussion in the public square. We will, therefore, not only pray fervently but, where possible, publicly challenge the claims of Gender Theory. We will also advocate for a more responsible and coherent therapeutic approach to the treatment of gender incongruence and for truly 'safer' school education programs and policies that benefit and protect *all* children. We need to do all these things in a way that cannot itself be labelled simply 'ideological,' but rather arises from a profound humility before God and his word and a heartfelt concern for the welfare of fellow sinners and fellow sufferers.

For and on behalf of the Sydney Diocesan Doctrine Commission

M D THOMPSON
Chairman

31 July 2017

³⁵ Albeit under appropriate medical supervision.

³⁶ Russell Moore, "Joan or John? My Answer: Part Two," *Russell Moore* (May 26, 2009): <http://www.russellmoore.com/2009/05/26/joan-or-john-my-answer-part-two>.

39/16 Business rules for moving amendments to motions

(A report from the Standing Committee.)

Key Points

- Concerns have been raised about the way the existing business rules of Synod regulate debate on motions and, in particular, debate on “long and complex” motions which are subject to multiple proposed amendments
- It is proposed to trial a modification to the business rules at the Synod session in 2017 to give priority consideration only to those amendments which appear on the day’s amendment sheet

Purpose

1. The purpose of this report is to consider the matters raised in Synod resolution 39/16 (the “Synod resolution”) and to recommend amendments to the business rules of Synod to improve the process of considering amendments to motions.

Recommendation

2. The Synod receive this report.

Background

3. Synod passed resolution 39/16 in the following terms –

‘Synod, recognising that –

- (a) some of the motions brought before it can be long and complex;
- (b) on occasion, Synod has chosen to vary its business rules so as to enable a “set piece” debate;
- (c) the *Conduct of the Business of Synod Ordinance 2000* allows that –
 - (i) “a member may move a motion to amend a principal motion at any time before the close of debate.” (4.9.1);
 - (ii) “...for motions to amend a motion, a member may speak for up to 5 minutes” (4.6.1.c); and
 - (iii) the President is permitted to waive the application of rule 4.9 in order to enable the Synod to express its mind (4.9.8);
- (d) no such relief is given by the ordinance to the President in respect to rule 4.6; and
- (e) Synod’s practice has been to allow the movers of amendment to speak to their amendments prior to those wishing to speak for or against the principal motion, although this is not required by the *Conduct of the Business of Synod Ordinance 2000*,

is concerned for the possibility that a large number of amendments can have the effect of consuming the bulk of the time allocated for the debate of a particular motion, to the detriment of the Synod’s ability to debate the principal motion.

Accordingly, Synod requests Standing Committee to re-examine the *Conduct of the Business of Synod Ordinance 2000*, with respect to –

- (a) whether the President should be given permission to waive the application of rule 4.6 on similar grounds to the relief offered in 4.9.8;
- (b) whether the ordinance should require Synod’s practice of allowing movers of amendments to speak prior to those wishing to speak for or against the principal motion, or otherwise;
- (c) whether the ordinance should provide a rule regarding “set piece” debates, in particular for looking at the right of reply by both sides;
- (d) whether to provide for a considerably shorter time limit for the mover of an amendment, while providing for the mover of the amendment to speak one more time in the debate; and

- (e) any other matters that might improve the effectiveness of Synod's business rules as they apply to the debate of a motion,
and to bring to Synod in 2017 a report and any such amending ordinance as is required to give effect to its findings.'

4. At its meeting on 14 November, the Standing Committee requested the Chancellor and the Diocesan Secretary (the "committee"), in consultation with the Archbishop, to undertake the work requested in the Synod resolution and report their findings to a future meeting of the Standing Committee with recommendations.

Matters raised by resolution 39/16

5. The Synod resolution raises various issues of concern about the way in which the existing business rules of Synod regulate debate on motions and, in particular, debate on "long and complex" motions which are subject to multiple proposed amendments.

6. Although various issues are raised, there are two main areas of concern which are addressed in this report.

7. The first is whether the business rules should be amended to include a rule for "set piece" debates, particularly through the provision of a right of reply for both sides of a debate on a contested motion.

8. The second is whether the business rules should be amended to better regulate debate on a motion which is subject to multiple proposed amendments by ensuring the debate is not comprised solely of speeches made by those moving the amendments, thereby providing greater scope for speeches by members who wish to speak for or against the motion but without moving a proposed amendment.

Provision for set piece debates involving a nominated opposer

9. The committee recognises that from time to time the Synod has made special provision for a "set-piece" debate involving a nominated opposer of a motion who is given a special right of reply (usually exercised just before the right of reply of the mover).

10. However the committee does not believe it is necessary or desirable to include a further rule in the business rules to provide for such set-piece debates.

11. There are three main reasons for this.

12. Firstly, a set-piece debate involving a nominated opposer with a right of reply is just one type of special arrangement for considering a motion. There are many other types of special arrangements that have been used for motions. As each one needs to be tailored to the particular circumstances of the motion, it would be counter-productive to "hard-wire" any of them into the business rules in advance. The flexibility currently afforded to the Synod through its ability to suspend its business rules (under rule 6.5) and put in place special arrangements which would otherwise be inconsistent with the business rules is sufficient.

13. Secondly, while the mover of a motion is easily identified, there is a practical problem of identifying who should be the opposer of a particular motion for the purposes of exercising a special right of reply in opposition. On occasion, the special arrangements agreed to by the Synod have permitted the Archbishop to nominate the opposer. However more commonly the name of the opposer is specifically identified in the special arrangements agreed to by the Synod. Again, any special arrangements need to be agreed to by the Synod on a case-by-case basis and are not susceptible to being "hard-wired" into the business rules in advance.

14. Thirdly, the basic model for considering a motion requires two members of Synod to support the motion by moving and seconding it and for debate on the motion to proceed only if at least one other member indicates a wish to speak against the motion or move an amendment to it. While subsequent debate may involve speeches both for and against the motion, the trigger for the debate means that the debate will tend to be a time of testing of the motion or at least of the form of motion moved by the mover. Consequently, in the ordinary course, it is procedurally fair for only the mover to have a right of reply at the end of the debate. Any injustice that might on occasion arise from these arrangements can be dealt with by the Synod as the need arises.

Considering amendments to motions

15. The committee accepts the contention in the Synod resolution that, in effect, a practice has emerged by which those moving amendments to a motion are generally given priority in the debate on the motion over those who simply wish to speak for or against the motion without moving an amendment. This practice is particularly evident in contested motions which are subject to multiple proposed amendments. As such the committee believes that consideration should be given to amending the business rules in a way which better regulates the consideration of amendments.

16. The committee is aware why the practice referred to above has developed and is arguably necessary even if not directly prescribed by the business rules. In short the problem is this. Debate will proceed on a motion only if a member wishes to speak against the motion or move an amendment to it. If debate on a motion proceeds because a member wants to move an amendment, then by direct implication, the member wishing to move the amendment will be called by the President to speak to the amendment. However other members may also wish to move amendments to the motion. This can occur at any time before the close of debate on the motion provided written copies of the amendments are handed to the President before the close of debate. In these circumstances the President is not strictly required to give the call to all who have given him a copy of a proposed amendment. However, practically, unless the President does so he will be open to potential criticism for picking and choosing the amendments he supports. Hence the practice has arisen of permitting all members who wish to move amendments to do so, usually in priority to those members who simply wish to speak for or against the motion without moving an amendment.

17. Another dimension of this problem arises from the general rule in business rule 4.7 that members, other than the mover, can only speak once to the same motion. This can lead to a member who speaks early in the debate on a principal motion in practice being precluded from speaking again to fresh matters raised in a subsequently moved amendment. Strictly, under the business rules amendments are separate motions and members are entitled to speak separately to both the principal motion and the amendment if called by the President to do so. However by reason of time limitations and the sheer number of Synod members who may wish to speak to a contested motion with multiple amendments, it is often impractical for the President to call a member to speak separately to both the principal motion and an amendment to the principal motion. The difficulty is compounded by the requirement under business rule 4.1(h) that all amendments are put to the Synod together with the principal motion, as amended, after the debate has concluded. While this requirement has many advantages, its disadvantage is that it obscures the "separateness" of the principal motion and any motion to amend the principal motion.

18. In many cases these problems can be dealt with satisfactorily from the chair, including through the use of the discretions for dealing with amendments in business rules 4.9(6) and (8). However the existence of the Synod resolution suggests that, on some occasions, even effective chairmanship and the existence of these discretions may not be sufficient.

19. In terms of possible amendments to the business rules to address these problems, there are no "magic bullet" solutions. Any amendment will be a matter of balance.

20. However the following modifications to the business rules are proposed to improve the Synod's consideration of motions which are subject to proposed amendments –

- (a) After a principal motion has been moved and seconded, any amendments which appear on the day's amendment sheet ("priority amendments") will be moved and seconded in the order determined by the President.
- (b) After any priority amendments have been moved and seconded, debate on the principal motion, including any priority amendments, will proceed in the following way –
 - (i) a member who wishes to speak in the debate on the principal motion or move an amendment to the principal motion or an amendment to an amendment may do so only if called by the President,
 - (ii) the mover of a priority amendment may speak again in the debate on the principal motion or move a further amendment to the principal motion or an amendment to an amendment only if called by the President to do so, and
 - (iii) if a member formally seconds a priority amendment, the member is not regarded as having spoken in the debate on the principal motion.
- (c) The business rule which provides that no member, other than the mover of the principal motion, may speak more than once to the same motion should be amended to exclude from this rule any speech made by a member in moving a priority amendment.

21. The above proposal introduces 2 main changes to the existing rules for considering motions and amendments.

22. The first change is to give priority to those amendments which have been prepared and submitted in time for inclusion on the day's amendment sheet. There are 2 advantages in this. Firstly, it encourages members to prepare and submit amendments in advance of the debate on the principal motion. While this is not always possible, in most cases it is desirable that amendments are not prepared on the run during the debate. Secondly, it enables such amendments to be presented to the Synod prior to the general debate on the principal motion commencing so that subsequent speeches either for or against the principal motion can also interact with these amendments.

23. The second change enables the mover of a priority amendment to speak again to the principal motion once all the other priority amendments have been moved – but only if called on by the President to do so. This effectively means that after the mover of a priority amendment has moved and spoken to his or her priority amendment, he or she is treated like any other member for the purposes of the general debate on the principal motion.

Standing Committee's response

24. The Standing Committee agreed in principle that the business rules of Synod should be amended as follows –

- (a) After a principal motion has been moved and seconded, any amendments which appear on the day's amendment sheet ("priority amendments") will be moved and seconded in the order determined by the President.
- (b) After any priority amendments have been moved and seconded, debate on the principal motion, including any priority amendments, will proceed in the following way –
 - (i) a member who wishes to speak in the debate on the principal motion or move an amendment to the principal motion or an amendment to an amendment may only do so if called by the President,
 - (ii) the mover of a priority amendment may speak again in the debate on the principal motion or move a further amendment to the principal motion or an amendment to an amendment only if called by the President to do so, and
 - (iii) if a member formally seconds a priority amendment, the member is not regarded as having spoken in the debate on the principal motion.
- (c) The business rule which provides that no member, other than the mover of the principal motion, may speak more than once to the same motion should be amended to exclude from the rule any speech made by a member in moving a priority amendment.

25. The Standing Committee requested the Diocesan Secretary to include in the business paper for the session of Synod in 2017 a procedural motion by which these proposed changes can be put to the Synod on a trial basis for that session with a view to amendments to the business rules being prepared for the Synod session in 2018 if that trial is considered successful.

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

MICHAEL MEEK SC
Chancellor

31 August 2017

Catholicity and Communion

25/14 Theology of Communion and Catholicity

(A report of the Sydney Diocesan Doctrine Commission.)

Introduction

1. In 2014 the Synod of the Diocese of Sydney passed the following resolution:

25/14 Theology of Communion and Catholicity

In the light of the Primate's Address at the 16th General Synod of the Anglican Church of Australia in Adelaide and recent comments by the Archbishop of Canterbury on what constitutes membership of the Anglican Communion (in an interview with the editor of the *Church of Ireland Gazette*), this Synod requests the Sydney Diocesan Doctrine Commission to prepare a report on the theology of communion and catholicity with special reference to contemporary Anglicanism in Australia and to report back to the next session of this Synod.

2. Relevant comments from the Presidential Address of the Most Reverend Dr Phillip Aspinall, delivered on Monday 30 June 2014, include the following:

Over time increasing diversity has diminished and weakened our internal sense of coherence and belonging together ... That is, the character of the Church as catholic has found only the most muted expression in Australia. Local autonomy has trumped catholicity. (Proceedings of the Sixteenth General Synod, p. 22)

And so, at the international level, catholicity struggles with the autonomy of individual member churches and similar sorts of strengths and weaknesses of that arrangement are apparent internationally. (Proceedings, p. 23)

Reflecting on this situation some years ago, Ephraim Radner (2007) argued that local autonomy always seems to trump any notion of catholicity because the local is well defined legally and so is readily asserted. So the Anglican world has allowed political and legal considerations to displace serious thinking about belonging together.

In Radner's view, legal autonomy and juridical independence are stumbling blocks to the theological and scriptural notion of communion. Related to the metaphor of the body, communion requires much more serious thought than has yet occurred. A single member of the body is never autonomous (Radner, 2007, 3). The body metaphor means the members of the body are necessarily related. It implies the integration of the parts and that all sorts of things are common. Where communion is held as ideal, autonomy cannot be.

Radner (2007, 4 – emphasis in original) goes on to insist that 'communion is a **mission**, and not a static essence or characteristic of the Church.' Communion, he says, is 'an historical task that must define the shape of our conversion.' The mission of God is the Father sending the Son to die in love for the world and so to bring reconciliation. And the Son said to the infant church 'as the Father has sent me, even so I send you' (John 20.21). So communion is an immensely difficult vocation precisely because it involves dying for one another.

The burdens of the theological and scriptural idea of communion do not fit with the political idea of autonomy. Communion anticipates us bending our wills and giving up our lives for others beyond our local church; autonomy, on the other hand, involves us asserting ourselves over against the other.

We must give much more serious thought to communion, to catholicity, if we are to progress the mission which is our vocation. Unpacking the meaning and significance of communion might just give rise to legal and political possibilities for church life not previously entertained. (Proceedings, p. 23)

3. The comments of the Archbishop of Canterbury in his interview with Canon Ian Ellis of the *Church of Ireland Gazette* on Friday 3 October 2014 were:

... virtually everywhere I've gone the analysis is that the definition of being part of the Anglican Communion is being in communion with Canterbury. (Audio interview at 00:22–00:35. Online at <http://www.coigazette.net/buy-a-subscription-2/audio-interviews/interview-53-archbishop-justin-welby/>)

ACNA [Anglican Church in North America] is a separate church. It is not part of the Anglican Communion. (Audio interview at 03:04–03:08)

4. This report is in part a response to the former Primate's challenge to 'give much more serious thought to communion, to catholicity.' A response to the Archbishop of Canterbury's observations and comments is also provided. However, the report is first and foremost an attempt to do the constructive task of exploring a biblical and theological approach to catholicity and communion with due recognition of the historical factors which inform any such exploration at this point in our history. Following a definition of terms, the report proceeds in three major parts:

- Part I: Catholicity and Communion in Historical Perspective
- Part II: A Theological Outline of Catholicity and Communion
- Part III: Contemporary Application of this understanding of Catholicity and Communion

Definition of Terms

5. **Catholicity** is an attribute, or quality, of God's Church. It can be used to describe:

- (1) the *fundamental truth* that there is one Church gathered by God from every nation and culture (universality or geographical extension);
- (2) the *practical expression* of that universality in terms of a set of common beliefs (orthodoxy or doctrinal purity);
- (3) a *derivative institutional application*, i.e., a structure for representing the universal nature of the Church (e.g., the Roman Catholic Church).

6. **Communion** is something the members of God's Church possess. It can be used to describe:

- (1) the *fundamental truth* of our fellowship in the Spirit of Christ;
- (2) the *practical expression* of that fellowship among a group or groups of believers in terms of a gospel-shaped common life;
- (3) a *derivative institutional application*: structures for representing that fellowship between groups of believers (e.g., the Anglican Communion).

7. For both sets of definitions, the first sense is strongly grounded in Scripture; the second follows naturally (and strongly in the case of communion); the third, however, is an extension of the biblical sense into a particular historical and institutional context. Extending these theological ideas from persons to institutions may create a theological foundation for extending authority from the spiritual to the institutional sphere. One purpose of this report is to find a way of thinking theologically about institutional communion and catholicity without distorting the biblical witness to these ideas. But we must not lose sight of the core truth that our fellowship is in Christ and his gospel alone, and institutional bonds, effective as they may be for creating relationships, generating action and fostering culture and identity, are 'Christian' bonds only to the extent that they embody Christ and his gospel. As far as its structures are concerned (6.3 above), the benefit of practical arrangements is measured solely by the gospel fruits they bear.

Part I: Catholicity and Communion in Historical Perspective

8. Contemporary Anglican discussions of catholicity and communion occur within an ongoing discussion of this and related issues that goes back to the early church and continues on a wider front today. While only the biblical teaching is normative and theological reflection upon that teaching is the critical way forward in any discussion, that reflection is in various ways conditioned by the wider historical discussion and so it is important to outline this context rather than leave it as an unexamined background.

The Early Church

9. The original idea of the word 'catholic' (Gk. *katholikos*) was that of geographical extension and diffusion – i.e., universality. This appears to be the meaning of the term as it first appears in chapter VIII of Ignatius' *Epistle to the Smyrniacs*: 'Wherever the bishop appears, there let the people be; as wherever Jesus Christ is, there is the Catholic Church.' By 'the Catholic Church', Ignatius evidently means the aggregate of all the Christian congregations. Just as he sees the bishop as the centre of each individual church, so he sees Jesus Christ as the centre of the 'Catholic' (i.e., universal) Church. The word, therefore, highlights the scope of God's gospel purposes (i.e., the salvation of the world) and, by implication, the primary calling of his people (i.e., to make disciples of all nations).

10. While the word 'catholic' never lost this original sense, in the latter part of the 2nd century it began to include the sense of 'orthodox', as opposed to 'heterodox.' This was a natural development of the original meaning inasmuch as the Greek term *katholou* meant 'according to the whole' or 'all embracing.' The Catholic Church thus taught the 'whole' truth (the Catholic faith), whereas heresy was inevitably partial and local, exaggerating some aspect(s) at the expense of others. Consequently, the thought of *doctrinal purity and apostolic fullness* came to be seen as a mark of true Christian catholicity. This is the sense in which the term is used in the Muratorian fragment (c. 190-210 A.D.), which refers to certain heretical writings as 'not received in the Catholic Church.'

11. This dual sense of geographical extension and diffusion (on the one hand) and doctrinal purity and fullness (on the other) came naturally to refer to those who in every place named the name of Christ and adhered to 'the Catholic faith' – hence the rise of the expression 'the Catholic Church.' So, in the 4th century, for example, Cyril of Jerusalem wrote as follows: 'The Church is called catholic or universal because it has spread throughout the entire world, from one end of the earth to the other. Again, it is called catholic because it teaches fully and unfaithfully all the doctrines which ought to be brought to men's knowledge, whether concerned with visible or invisible things, with the realities of heaven or the things of earth' (*Catechesis* 18:23). The two senses had become inseparable by the middle of the fourth century. Nevertheless, the catholicity of the church did not determine the structural form of its unity; this varied from place to place and developed over time.

12. Alongside these developments, the writings of the early church fathers (i.e., from Ignatius to Augustine) reveal that the notion of 'the communion of the saints' (Lat. *communio sanctorum*) was understood as a way of expressing the Pauline concept of *koinonia*. In particular, it sought to capture the spiritual union of all who are 'in Christ', living or dead. Not surprisingly, in later thought, this communion was understood to comprise the church *militant* (on earth), the church *penitent* (in purgatory), and the church *triumphant* (in heaven). Consequently, both eastern and western churches have sometimes pointed to this doctrine in support of the practice of both praying *for the dead* (i.e., interceding for those in purgatory) and praying *to the dead* (i.e., asking the saints in heaven to intercede for us). Historically speaking, though, the key notion embedded in the idea of 'communion', has always been one of 'spiritual unity.'

13. Critical issues surrounding the nature of catholicity and the extent and boundaries of communion came to the fore in the Donatist controversy of the 4th and 5th centuries. At the heart of the controversy was the Donatists' belief that, because of compromises made by many clergy and laity during the Diocletian persecution, they alone were the 'pure remnant' of an apostate church. Those who had surrendered the Scriptures or in some other way denied the faith in order to avoid persecution were labeled *traditores* (Latin for 'the ones who had handed over') and any subsequent ministry undertaken by these people, after they had returned to the church, was considered invalid by the Donatists. Repentance alone was not considered sufficient to restore them to the Catholic Church. So, significantly, as well as rebaptising those who had lapsed in the face of persecution, they also rejected the ministry of anyone who had been ordained or consecrated by a *traditor*. Ultimately this resulted in a schism with two parallel Churches in North Africa.

14. The Donatist issue raised questions about what constituted sufficient grounds for excommunication and when schism was justified. Conversely, what was sufficient to enable restoration of one who has fallen from faith in one way or another? More particularly, the question of how sinful behaviour impacts the subsequent ministry of a person lay at the very heart of the controversy. Augustine's theological response to the Donatists was threefold: First, he argued that the unworthiness of a minister does not invalidate the sacraments he ministers, since their true minister is Christ. Second, using the metaphor of grain and chaff, he argued that the visible church contains both the saved and the unsaved and the final separation of these was reserved to the angels on the Last Day. With regard to the validity of ministry, this meant that '[s]ometimes he who is baptized by the grain is chaff, and he who is baptized by the chaff is grain' (*Tractate* VI:12). Third, Augustine argued that to rebaptise is not only to exorcise the Spirit and blaspheme the sacraments, but to break the unity of the Church and destroy its catholicity. He thus concluded that the schismatic claims of the Donatists should be regarded as a great evil.

15. What is critical to realise, however, is that both 'Catholics' and 'Donatists' agreed that unrepentant sin and a departure from biblical teaching remained appropriate grounds for separation. The repentant *traditores* should be welcomed back, argued the Catholics, but this did not mean that the church should tolerate false teaching or persistence in sin with a refusal to repent. This was a different matter.

The Medieval Church

16. The emergence of Christendom following the conversion of Constantine and the increasing prestige of the bishop of Rome contributed to a more institutional approach to catholicity in the centuries that followed. The papal office began to determine who was to be considered inside and outside the church. The maxim 'outside the church there is no salvation' came to mean 'outside communion with the bishop of Rome there is no salvation', as evidenced by the excommunication and anathematization of the Patriarch of Constantinople by a legate of Pope Leo IX in 1054. Excommunications were issued by Popes throughout the medieval period, many of them motivated by political factors. Though opposed by some, including William of Ockham, John Wycliffe and Jan Hus, this institutional approach to communion and catholicity stood without serious challenge until the time of the Reformation.

17. At various points during the Medieval Period, orthodox individuals and groups (as well as heretics) were declared excommunicate because their teaching challenged the prevailing institutional consensus. Peter Waldo and the Waldensians were excommunicated in the twelfth century for advocating translation of the Scriptures, preaching in vernacular languages, a universal priesthood which fostered lay preaching, and voluntary poverty in the face of the ostentatious wealth of the Church of Rome. Two centuries later, John Wycliffe and the Lollards were similarly treated for teaching a universal priesthood, championing a vernacular Bible, and challenging the use of images, compulsory clerical celibacy and the recently propounded teaching of transubstantiation. Jan Hus and the Hussites in Bohemia also found themselves declared outside the sphere of salvation for their challenge, on biblical grounds, to the prevailing teaching of the church.

18. The issue raised by these movements was whether an individual or group teaching orthodox biblical doctrine could be removed from communion and considered to have breached the catholicity of the church by a decision of the institutional authorities. Who has the right to determine when communion has been severed and catholicity has been compromised? When the institution and its structures have departed from the faith of the New Testament and yet retain the levers of ecclesiastical and political power, who is to arbitrate between claims of the pontiff and the reformer?

19. The excommunication of Martin Luther in 1520 and his condemnation by the Imperial Diet in 1521 brought these questions into sharp relief. Luther at first appealed from 'the Pope ill-informed' to 'the Pope better informed', then to a General Council of the Church, and finally to Scripture as the sole arbiter of his claim to be teaching the catholic faith and to remain in fellowship with Christ and all true believers everywhere. Luther never considered himself to have separated from the church brought into being by the sacrifice of Christ, his resurrection and the donation of the Spirit at Pentecost. He believed instead that a corrupt institution had separated itself from the gospel and so was rightly challenged by those who remained 'captive to the word of God'. Believers were bound together by a common faith in Christ and a shared commitment to live under the impress of his word. All other bonds are incidental and when an institution demands a higher loyalty than that which is given to Christ and his teaching, it has ceased to be a true church.

The Church of England

20. At the time of the Reformation, the Church of England adopted a position, more or less identical to that of the Eastern Church, which insisted upon the right of separate churches, whether national or otherwise, to be autonomous, while preserving the essentials of the Catholic faith of Christendom – geographical diffusion, doctrinal purity and the fellowship or communion that exists between all true believers. This is reflected in the *Book of Common Prayer* in such expressions as 'the Catholic Faith', 'the good estate of the Catholic Church', 'all who profess and call themselves Christians', 'all them that do confess Thy Holy Name', 'Thine elect in one communion and fellowship in the mystical body of Thy Son', and 'the holy Catholic Church.' It is also found in the 1604 Canon regarding '*The Form of a Prayer to be used by all Preachers before their Sermons*': 'Ye shall pray for Christ's holy Catholick Church; that is, for the whole Congregation of Christian People dispersed throughout the whole World' (LV).

21. The theological foundation of the Church of England's understanding of catholicity is the doctrine of the triune Godhead as it is expressed in the three Creeds and in Articles I-V of the *Thirty-Nine Articles of Religion*. This foundation necessarily includes the doctrines of Christ's incarnation, atoning death, resurrection from the dead, ascension, current reign and coming return. This foundation also includes the formal and material principles of the Reformation: the supreme authority of Holy Scripture and the doctrine of justification by faith alone. Insistence upon these truths was hardly a departure from true catholicity. Rather, as the 19th century Bishop of Lincoln, Christopher Wordsworth, once wrote: 'The Church of England ... reformed herself in order to become again more truly and soundly Catholic, both in doctrine and discipline' (*Theophilus Anglicanus*, 1850, p. 236).

22. This is further indicated by Cranmer's initial dream of a pan-European reformed confession that would improve on the Augsburg Confession and provide a more effective counter to the pronouncements being issued by the Council of Trent. As late as March 1552, Cranmer had written to Calvin proposing just such a confession, expressing their common cause and brotherhood. It was only after it proved too difficult to produce a common statement across the reformed churches that Cranmer pursued the only feasible alternative: an official doctrinal statement of what the Church of England believed. This led to the drafting of the Forty-two Articles, which would eventually become the Thirty-nine Articles of Religion.

23. The basis of all fellowship or communion both within and between churches is spelled out in Article XIX with its definition of the visible Church of Christ as 'a congregation of faithful men', and its two 'marks': the pure preaching of the word of God and the proper administration of the sacraments. Interestingly, the episcopal form of the Church and its ministry is not regarded as the only valid form of church government, but simply as an allowable form that, like *The Ordinal* itself (which 'contain all things necessary to such consecration and ordering'), does not contain 'anything that of itself is superstitious or ungodly' (Article XXXVI). According to the Anglican formularies, then, the episcopal form of the church was not understood to be an essential element of the Church's catholicity. This reflects the teaching of the New Testament, where there is no single divinely authorised form of church government.

24. It was for this reason that the English Reformers believed they were at liberty to sever ties with churches, like the Church of Rome, that 'have erred' in either their 'manner of ceremonies' or, most especially, in 'matters of faith' (Art. XIX). The reason for this was that the ultimate test of *catholicity* was *apostolicity* – that is, acceptance of and adherence to the teaching of the New Testament. In addition, the Church of England has also employed a *corroborative* test, that of *antiquity*. According to the Canons of 1571, for example, clergy are not to teach anything 'except it be agreeable to the doctrines of the Old or New Testaments, and whatever the Catholic Fathers and ancient Bishops have collected out of that very doctrine.' This does not mean that everything found in the Church Fathers is truly 'catholic' (i.e., orthodox), but simply that anything that is *not* found in them cannot be regarded as properly 'catholic' (i.e., universal). The corroborative test of antiquity has also proved useful in making distinctions between things *essential* (i.e., 'That which has been believed always, everywhere, and by all') and things *non-essential*. However, such a test is not infallible and needs to be subordinated to the supreme authority of Holy Scripture.

25. Ever since the Elizabethan Settlement, Puritans in the Church of England had been calling for further reform. While there was general agreement on the doctrines of authority and salvation (the 'Calvinist consensus'), many continued to dispute details of clerical vesture or various phrases in the *Book of Common Prayer* and protested the constraints imposed by *Act of Uniformity* (1558). By the early seventeenth century there were distinct groups within the Church of England, but rather than arguing for 'comprehensiveness', High Church Laudians, the Puritans, the Durham House faction and the Latitudinarians all sought to advance their own positions. The triumph of the Puritans, as a result of Cromwell's victory in the English Civil War, did not lead to comprehensiveness and toleration any more than the Anglicanism that preceded it. After the restoration of the English monarchy (1660), a new *Act of Uniformity* was introduced, and in a desire to produce outward conformity, Puritan dissenters were required to give 'unfeigned assent and consent to all and everything contained and prescribed' in the new *Book of Common Prayer*. Those who would not comply were thrown out of their vicarages, barred from any position in either church or state, forbidden to preach or teach by law and even from meeting in small groups in their homes. Rather than perjure themselves, over 1800 ministers (approximately 20 per cent of the English clergy) were forced to leave the Church of England on St Bartholomew's Day, 24 August, 1662. Comprehensiveness has always been a fraught concept in the Church of England.

Formation of an 'Anglican Communion'

26. The Thirty-nine Articles of Religion did not envisage a global phenomenon of Anglicanism. Indeed, the Articles themselves insisted that 'It is not necessary that Traditions and Ceremonies be in all places one, or utterly like; for at all times they have been divers, and may be changed according to the diversities of countries, times, and men's manners, so that nothing be ordained against God's Word' (Article XXXIV). However, as England's (and then Great Britain's) worldwide colonial empire grew, it took with it the shape and essential character of the English church. In this sense, the idea of an Anglican communion arose *incidentally*. However, it also developed *intentionally* as societies began to be formed within the Church of England with a particular concern for not only the pastoral care of British colonists but also the evangelization of people in other lands — e.g., the Society for Promoting Christian Knowledge (1698), the Society for the Propagation of the Gospel (1701) and the Church Missionary Society (1799). The churches which grew in these colonies were bound by historical association, a common creed and more or less common liturgical practices. In their formative years, leadership was provided by the Church of England.

So, for example, it was the authorities in England who decided when the colony of New South Wales needed its own bishop and who that bishop would be.

27. In the eighteenth and nineteenth centuries the emergence of local leadership and the development of diocesan structures in many colonies and former colonies led to a further shift that raised very significant questions. What would the relationship of these churches be with the Church of England in the future? How would they continue to relate to the royal supremacy over the English church? How could an Anglican identity develop that was not quintessentially English? How would the various colonial churches relate to each other? Furthermore, growth towards a more local expression of a common faith and heritage was not uniform across the various spheres of British influence. The American episcopal churches soon sought their own identity in tandem with the new political realities following the War of Independence. Yet the Diocese of Sydney was technically part of the Church of England until 1961 and still looked to England to provide its archbishops right up until the mid 1960s. Different theological trajectories were taken, sometimes within the same national body (witness the different theological complexions of dioceses within Australia), certainly when different parts of the world are compared (compare The Episcopal Church in America with the Anglican Church in Australia).

28. In 1865, fearful that recent decisions in the Privy Council would lead to different laws being in force in the Church of England than were in force in the Canadian Church, the Synod of the Church of Canada petitioned the Archbishop of Canterbury to convene 'a national synod of the bishops of the Anglican Church at home and abroad.' The request and the concern that gave rise to it, both revealed the continuing sense of connection with, and to some extent dependence upon, the Church of England. The Archbishop of Canterbury did call the bishops together in 1867, but not before he stressed that this would be a consultation, not a synod, and it could not presume to make laws for all the churches. This first Lambeth Conference saw Anglican bishops from around the world consider how they might best maintain the faith and unity of this Anglican Communion and then address the situation that had arisen surrounding the deposition and excommunication of Bishop John Colenso of Natal, who, unsurprisingly, was an Englishman. Though motions were put forward, in keeping with the Archbishop's instructions prior to the conference, they were not resolutions binding on all the member churches. Nevertheless, a sense of fellowship, a common mission, and close ties in particular with the Archbishop of Canterbury, were strengthened by the conference.

29. To date there have been fourteen Lambeth Conferences, which bishops attend at the invitation of the Archbishop of Canterbury and which, while providing a means of expressing the mind of Anglican leadership worldwide, continue to have no legal or binding authority. The Lambeth Conference continues as an *expression* of connection and a means of mutual encouragement and advice, and is now treated as an *instrument* of unity (alongside the Archbishop of Canterbury himself and the Anglican Consultative Council). However, in recent decades the conference has been overshadowed by considerable disagreement on ethical and theological issues. The idea of a common mission has been put under considerable strain. In the past decade in particular it has become clear that resolutions of the Lambeth Conference can and will be totally disregarded by those national churches who disagree. The 1998 Lambeth Resolution 1.10, which affirmed (526 in favour, 70 against) that homosexual behaviour is incompatible with the teaching of Scripture, did not prevent The Episcopal Church of America from consecrating a practising homosexual man in 2003 and a practising homosexual woman in 2010.

30. In 2008, the stresses within the Anglican Communion came to a head. In the face of the behaviour of The Episcopal Church, and the decision of the Church of Canada to bless same-sex unions, invitations to the 2008 Lambeth Conference were issued, not to the homosexual bishop at the centre of the controversy, but to all other bishops, including those who had participated in the confirmation of his appointment and the subsequent consecration of the Bishop of New Hampshire. Invitations were not issued, either, to those bishops who had been consecrated in response to the crisis in order to provide oversight and spiritual refuge to parishes and ministries alienated by the developments in America and Canada. Consequently, a group of Primates and others convened their own conference in Jerusalem, the Global Anglican Future Conference (GAFCON), just a month before the Lambeth Conference, in order to strengthen each other for ministry and to stand with those who were suffering because of their stand for biblical truth and godly behavior. The GAFCON Primates reissued an earlier observation made by the Primates of the Anglican Communion that the Communion had been 'torn at the deepest level.' Nonetheless, the institutional structures of the Communion remained in place, though there was no longer a common mission nor a common understanding of the gospel at its heart. There was no willingness to be held accountable to the teaching of Scripture. The behaviour of the American and Canadian bishops, in defiance of warnings given from all around the world, raised again the question of the limits of fellowship, the meaning of catholicity and the true nature of communion.

31. Many of the concerns that arise in the contemporary discussion of catholicity and communion echo those at various points in this complex history. Conversely, this history, and the way in which theological and ecclesiastical concerns have been addressed in this history, may well provide resources for the contemporary discussion. At the very least it provides the background against which our biblical study of these topics, and the theological reflection that emerges from that study, takes place.

Part II: A Theological Outline of Catholicity and Communion

The Catholic Church: God's Scattered and Gathered People through History

32. God created humans to be his image in the world; however, without the life and wisdom that flows out from the presence of God in their midst (Gen 2) they can neither relate to each other nor rule in a God-glorifying way. God made humanity to be in his presence and to be channels of God's life and love to the rest of his creation, but this purpose was blighted by human rebellion. The road to the fulfilment of God's creative purpose must now pass through the fires of judgment (Gen 3:24).

33. After the flood God scattered his rebellious human creatures both for blessing (Gen 10) and for judgment (Gen 11), but God's intention was always to regather them around himself, beginning with Abraham and his seed (Gen 12). God's redemption of Israel from slavery was, in this sense, an act of new creation. At Sinai a nation was born, representing a new humanity, gathered around the mountain of God's presence. The divine gift of the tabernacle enabled Israel to continue living as a people gathered around God while they journeyed to the Promised Land (Exod 40). Their mission was to be a kingdom of priests (Exod 19), a channel of divine blessing to the nations.

34. The era of Israel's nationhood brought with it the divine gift of an anointed king, a human mediator of the rule of God over the nations (Ps 2), but through a gross failure of kingship the nation found itself scattered, exiled among the nations (as predicted in Deut 4:27). Faithless kings and false prophets led the people away from following the Lord, and the people eagerly followed, led by the sin engraved on their heart (Jer 17:1).

35. This dispersal was both for the judgment of Israel and for the blessing of the world, as the scattered people of God carried his word to the ends of the earth (Isa 66). But any future regathering would always be doomed to failure until the problem of sin-engraved hearts could be dealt with. The New Covenant, promised by the prophets and established at the ultimate cost of Jesus' shed blood (Matt 26:28), brought into existence a new people of God. This people would be transformed inwardly and individually by an act of forgiveness that cleansed the conscience from acts that lead to death (Heb 9:14). God's exalted Messiah would thus come to rule an eternal kingdom of the faithful; God's Second Adam would be the first member of a new humanity.

36. What is only hinted at in the Old Testament is made clear on the Day of Pentecost, as the risen Christ pours out his Spirit on the New Covenant people (Acts 2), and scatters them so they may gather a harvest for God from every nation. Just as a mixed multitude came out of Egypt with Israel (Exod 12:38), so the church God gathered around the Lamb will be drawn from every tribe and tongue and nation (Rev 5). At the consummation of God's original creation purpose, the nations, healed from the curse, will need no temple in which to serve the Lamb, for they will see the face of God (Rev 21-22). The Church already participates in this glorious future through the high priestly work of Jesus, who has gone ahead of us to the right hand of God (Heb 6:20; 12:2). We have already come to 'the assembly of the firstborn who are enrolled in heaven' (Heb 12:18-24).

37. The Church of God is manifest on earth today as a 'diaspora' of churches comprised of those born again into a living hope through the resurrection of Jesus Christ. In trials and grief God's power guards us through faith, stamps our common life with love and joy as we await our inheritance, the salvation to be revealed in the last time (1 Pet 1), and impels us into the world with a mission to reach the nations. There is but one Church, universal, militant, suffering and triumphant. Its God-graced unity is not dissolved by the reality of multiple congregations and denominations scattered across the globe. It is, after all, the Church of the risen Christ, gathered around him by God, not men, and united in the Spirit. Its members are known not by their nationality or language or denomination, but by their declaration that Jesus is Lord, and the belief in their hearts that God raised him from the dead (Rom 10:9).

38. Each individual gathering of Christ's people is a local expression of this one, universal Church, now gathered in heaven around its Lord (Eph 2:6). As the Spirit enables each member to show Christ's love, the Church – not one unit of some greater this-worldly collective, but something whole in itself – is manifest

in that time and space. The frequent reference in the New Testament to 'the churches' underscores the significance of local gatherings as true expressions of the universal Church. As Paul says to the church in Corinth, 'you are the body of Christ, and each one of you is a part of it' (1 Cor 12:27).

Church Unity in New Testament Thought: The Communion of the Saints

39. Several metaphors are used in the New Testament to express the unity of the Church: the branching vine (John 15, cf. Isa 5), the temple (Eph 2:19-22), the body (Eph 4:15-16). In each case Christ is pictured as the piece that holds the whole together: the vine, the cornerstone, the head.

40. The unity Christ forges in his Church goes deeper than simply a shared faith. Believers are made members of Christ and of one another by 'being made to drink of one Spirit' (1 Cor 12:13). To be in Christ is to be brought back from death by the breath of God's own life: 'although the body is dead because of sin, the Spirit is life because of righteousness' (Rom 8:10). Moreover, our spiritual union with Christ mediates to us the trinitarian life of Father, Son and Spirit (John 16:13-15; 17:23).

41. The agent of our unity is the Spirit, who binds us together in Christ (John 14:23). The instrument the Spirit uses to join us to Christ is the prophetic word, now preserved for us as Scripture (1 Pet 1:12; 2 Pet 1:19-21). It is the Christ we meet in Scripture, and no other Christ, to whom the Spirit joins us, and in whom we find our unity (Gal 3:28). Yet this unity also needs to be maintained by 'walking in a manner worthy of your calling' (Eph 4:1). Having exhorted the Ephesians to 'guard the unity of the Spirit in the bond of peace', Paul is quick to stress that this unity is essentially unbreakable, being grounded in God, not in humans: 'there is one body and one Spirit ... one Lord, one faith, one baptism, one God and Father of all' (Eph 4:3-6).

42. 'Maintaining our unity' thus refers to acting in a way that faithfully expresses what we are in Christ. In the first instance this means showing the fruit of the Spirit, such as humility, patience, love (Eph 4:2). Then, a person expresses Christ-like love by giving to others the particular gift with which they are endowed, so that we may grow up together into the fullness of Christ (Eph 4:7-16). The result of these varied gifts is always the same: equipping people to know Christ (Eph 4:12-13), confident of the truth, and lovingly speaking it (Eph 4:14-15). In short, we maintain the unity we have in Christ by 'learning Christ' in the context of our common life (Eph 4:20-24). Our fellowship is created by the gospel and maintained by the gospel. True communion is always and only gospel-communion.

Church Unity in New Testament Thought: The Limits of Communion

43. Since our unity is grounded outside us, it cannot be broken by our failure to maintain it in love, by divisions, cultural distinctions or even by some differences of theological opinion. Nevertheless, it is not inviolable. Communion is lost when the gospel is lost, when a person or a church 'deserts the one who called you by the grace of Christ' (Gal 1:6). The divine grace Paul warns the Galatians they are in danger of abandoning is described in his preceding statement.

Grace and peace to you from God our Father and the Lord Jesus Christ, who gave himself on account of our sins to rescue us from the present evil age, according to the will of our God and Father, to whom be glory for ever and ever. Amen. (Gal 1:4-5)

44. By the gift of himself, and because of the sin within us, God in Christ rescued us from the sin around us, that is, from the world. To embrace a gospel where what we do, or even think, justifies us (Gal 3:10-14) is to abandon Christ's gospel; it is to embrace a Christ who gave himself to help us rescue ourselves, so that we might share the glory with God. This 'turning to a different gospel' (Gal 1:6) is what it takes to lose gospel communion, for a different gospel means a different Christ. As John writes, 'whoever has the Son has life; whoever does not have the Son does not have life' (1 John 5:12).

45. Careful discernment is required, that we neither embrace those who are not in Christ, nor reject those with whom we are one in Christ. Galatians 1:4-5 suggests three questions that may be used to test whether a group calling itself Christian shares membership in Christ.

- (1) *What is taught concerning Christ and his gift of himself?* Is what he achieved in his life, death and resurrection our only hope of rescue? Is there confidence in his power to set us free from the present age? Such confidence is grounded in the confession that Jesus Christ is Lord of all creation (Col 1:15-17), fully God and fully man (John 5:26; 20:28; Heb 1:3), the one and only way to the Father (John 14:6). To receive Christ is to receive the triune God: 'because you are his sons, God sent the Spirit of his Son into our hearts, the Spirit who calls out, "Abba, Father"' (Gal 4:6).

- (2) *What is taught concerning sin?* Is it beyond any human remedy? Does it render us liable to judgment and wrath? Is it clear that it is God, not the present age, who determines what it means to fall short? Rejection of our accountability to God at every level leads to depraved minds, ungodly behaviour and disqualification from the faith (2 Tim 3:1-9). Correct doctrine is inescapably embodied in correct practice. The stark truth is that 'anyone who does what is good is from God. Anyone who does what is evil has not seen God' (3 John 11f.).
- (3) *What is taught concerning Scripture?* It is significant that the two previous tests result from treating Scripture as normative for matters of faith. Because sinful appetites distort human reason, and the present evil age darkens human tradition, we are utterly dependent on God's self-revelation through the Prophets and Apostles, preserved in Scripture (2 Tim 3:10-17; 2 Pet 1:19-21; 1 John 4:6). The Church is after all a product of the word. In short, the extent of our sin means that we must confess the sufficiency and perfection of Scripture as the authority that norms human tradition and reason. Scripture is the written word of God, the means by which we are made 'wise for salvation through faith in Christ Jesus' (2 Tim 3:15). It fulfils its function by speaking as a coherent whole, canonical Old and New Testaments with one voice proclaiming Jesus as the Christ, the only saviour of the world (1 John 4:14).

46. Those who affirm, teach and practise the first two truths on the basis of the third, share in the communion of the saints, other differences notwithstanding. The boundaries of true catholicity lie within the lines determined by Scripture's account of Christ, of human sin and of itself. To be catholic a church must be orthodox at these foundational points.

Order and Polity: The Church as a natural human institution

47. The Church's gospel shape is also seen through its earthly existence as a human society. Luke recognised that the ideal shape of Israelite society under the Mosaic law was brought to fulfilment in the primitive church (Acts 4:32-34, echoing Deut 15:4-11).

48. Most of what the New Testament has to say about church order focuses on the way local churches were internally organised. Because 'God is not a God of confusion', the church should 'do all things decently and in order' (1 Cor 14:33, 40). As with a human family, love expresses itself in the church most effectively through structures that reflect its nature and purpose. The Pastoral Epistles depict a church that governed its affairs through a series of offices, including overseers, elders and 'deacons' (i.e., servants). It is important to recognise how these offices differ from those by which Israel's life was regulated under the Old Covenant.

49. Aaron and his sons were anointed, ordained, and set apart for life (Exod 29; cf. 28:41). Kings were anointed by prophets at God's command, a sign that God had set them apart for life (2 Sam 12:7). Like priests, their office was passed down from father to son. Prophets were called by God directly, with no human intermediary. All these offices were fulfilled in Christ. It is his prophetic Spirit we all share (Acts 2), his priestly sacrifice by which we all draw near to God (Heb 10), his kingship by which we shall all reign (Rev 5).

50. In stark contrast to the Old Testament offices, all of which speak to us of the Christ to come, the first Christians borrowed everyday titles from the surrounding culture which best described the sorts of functions the church needs its leaders to perform. Neither office nor office-bearer was 'ordained by God' in the sense that priests and kings were; instead, the church organised itself as any village or family of the time might do, around 'overseer', 'elder' and 'servant'.

- (1) The gospel and the church of God is always under attack by a hard-hearted generation, and must be guarded (Acts 20:28; Tit 1:9-11). An *overseer* is required to keep the church standing firm against attacks from without and within.
- (2) A church is an extended family, a household, and as such needs an *elder* to serve as head of the family – this is the normal way that family groups functioned in Near Eastern society (cf. 1 Tim 5:17). Those with natural authority and wisdom must use their position to keep the faith lodged in the family's collective memory (cf. Jer 26:17-19), and to pass on true religion to the next generation. They ought to do so as a group, pooling their wisdom and being held accountable to one another. They will need to make key decisions (Acts 15:6; 16:4), and many of them will teach and preach (1 Tim 5:17).

- (3) Without exception every follower of Christ must put on our Lord's *servant* nature, and especially those who would lead (Mark 9:35). When the church is filled with servants of Christ, agents of the gospel who hold the mystery of the faith with a clear conscience (1 Tim 3:9), then it will bear living witness to the incalculable riches of Christ (Eph 3:7-10). Of this army of servants it is wise and good to recognise some gifted individuals so that we can hold them up as examples to follow, free them to use their gifts of service and equip them to take up the mantle of eldership when the time comes.

51. It is natural that the Pastoral Epistles should focus so many words on those with these particular responsibilities, because it is on them, humanly speaking, that the survival of the church into the next generation depends. Their task is to guard the gospel, to keep the catholic faith true as it passes to the next generation, and to maintain the unity of the Spirit by words and works of Christ-like service. Each of these offices shares this task in one form or another, and indeed in the Pastoral Epistles it would appear that 'overseer' and 'elder' are overlapping, if not synonymous, terms.

52. While it is true that church officers are not New Testament's equivalents of kings and priests, neither are they *mere* community leaders, because the gifts they exercise are given by the Spirit 'so that the body of Christ may be built up until we all reach unity in the faith' (Eph 4:13). The first church officers were appointed by the apostles (Acts 14:23). As such the gifts and qualifications of the first church officers were recognised and nurtured by the apostles (2 Tim 1:6) and their delegates (Tit 1:5), who appointed them to leadership.

The traditional labels of bishop, priest and deacon are a later historical development of these roles, as the oversight exercised by the elder over a single church in the New Testament era (Tit 1:5-7) came to be exercised by a 'bishop' over a region of churches.

The Church and the Churches

53. As the Church spread out from Jerusalem, countless local congregations sprang up, and the question of their relationship to each other needed to be addressed. While much of the focus of the New Testament's discussion of church unity focuses either on relationships within individual congregations, or on the unity of all God's people in his Son, there are also numerous references to relationships between 'the churches' (Gk. *ekklēsiai*). From these references, it is evident that a significant fellowship existed between the congregations that were planted by the apostolic preaching of the gospel. They shared news and encouragement (2 Cor 8:1; 18; 2 Thess 1:4). They sent greetings and messengers to one another (Rom 16:16; 1 Cor 16:19; 2 Cor 8:19; 23), and gave thanks for one another (Rom 16:4). They shared in suffering together (1 Thess 2:14; 2 Thess 1:4), and provided financial support for one another (1 Cor 16:1; 2 Cor 11:8). Perhaps most significantly, they shared not only in the apostolic gospel of God's grace, but in standards of godly behaviour that were binding in 'all the churches' (1 Cor 7:17; 14:33-34; cf. 1 Cor 11:6).

54. In this sense, local congregations were by no means independent of others, either in the obligations of mutual love or in deciding for themselves what constituted right doctrine and behaviour. As Paul says quite strongly to the self-assured Corinthians –

Did the word of God originate with you? Or are you the only people it has reached? If anyone thinks they are a prophet or otherwise gifted by the Spirit, let them acknowledge that what I am writing to you is the Lord's command. If anyone ignores this, they will themselves be ignored. (1 Cor 14:36-38)

55. For the first generation of the Church's existence it was the apostles who personally exercised the foundational role of authenticating new churches. The risen Lord Jesus had commissioned them to witness to his ministry 'in Jerusalem, in Judea and Samaria, and to the ends of the earth' (Acts 1:8). Any of the disciples could be involved in planting new churches, but the authenticity of such gatherings was confirmed by apostolic acknowledgment. So Philip 'proclaimed the Messiah' to the Samaritans, even performing signs and baptising, but the church did not receive the Spirit until Peter and John 'laid hands upon them' (Acts 8:17). As those who had seen, heard and touched the incarnate Word (2 Pet 1:16; 1 John 1:1), the apostles authenticated the gospel through their personal presence and witness, and underwrote the tradition handed down before the completion of the New Testament.

56. However, with the conversion of Cornelius (Acts 10) a parting of the ways among the churches was foreshadowed. The paradox of Gentile inclusion among the people of God through faith in Christ was forced upon the Church in the first instance by the visible work of the Spirit (Acts 15:8). Next, the Jerusalem Council, having come to see that God had always held the Gentiles within his salvific purposes, exerted its apostolic

authority to ensure the full acceptance of Gentile believers, as Gentiles, within the New Covenant people (Acts 15:23-29). Did this amount to a centralising authority in the Jerusalem church? Galatians 2 provides an important corollary to this view, in that it demonstrates that the ministries of Paul and the Jerusalem church are independent and interdependent at the same time. They are independent, in that there are two distinct apostolic spheres of activity: Peter, apostle to the circumcised, and Paul, apostle to the uncircumcised (Gal 2:7-8). But they are also interdependent, in that the gospel preached by each is the same apostolic message (Gal 2:2). The type of bond that existed between these church networks is exemplified in the collection for the saints in Jerusalem (Gal 2:10; 2 Cor 8-9).

57. With the passing of the apostolic generation there arose the need to pass on the 'pattern of sound teaching' they had laid down (2 Tim 1:13; 2:2), and as had been the practice since Moses' day, the tradition was secured for future generations by means of inscripturation (2 Pet 1:16-21; 3:16). To this day, a church is apostolic when it preserves the tradition of faith authorised by those who knew Jesus, a tradition preserved in the Old and New Testament Scriptures. Tradition remains important, even vital, but apostolicity comes not through a succession of ministries but through Scripture. The God-breathed Scripture has a final authority among the followers of Christ.

Part III: Catholicity and Communion Today

58. The analysis of this report suggests that the unity or communion that arises as a fruit of the gospel ought to be highly valued. It is a God-given, Christ-created, Spirit-empowered, Scripture-shaped reality with a missional dimension.

Gospel Communion

59. Communion, at whatever level it is to be experienced, is to be pursued and maintained in humility and forbearance, in mutual love and support, in ministry and shared mission, in thanksgiving and prayer for one another, and in mutual admonition, rebuke and even repentance-oriented excommunication where there is serious error in either doctrine or life.

60. This reality can be expressed on a range of levels: between individuals, within and between congregations, across and within dioceses, both nationally and internationally, and across the boundaries of denominational and missional organisations, both locally and worldwide. Precisely what is involved in the expression of unity, or the sharing of communion, will look different at each level.

61. It is relatively straightforward to see how the principles that order relationships operate at a personal level between brothers and sisters, despite the challenges of practice. Christians may find themselves united in gospel communion, and in full accord on matters of faith and obedience. Their relationship will then be one of *mutual encouragement*. Alternatively, they may affirm a true spiritual union, but be in discord over some aspect of what it means to 'walk in a manner worthy of the gospel of Christ' (Phil. 1:27). When Christians are in communion but not in accord, their relationship will be one of *exhortation, debate, and limited cooperation*. These activities count as true expressions of Christian love, and in their own way model to the world the unity that marks out Christ's disciples. Finally, there may be a lack of gospel communion or even an ex-communication, as a result, for example, of persistent and explicit turning to another gospel or a refusal (either explicit or implicit) to discipline their teaching and behaviour by the written word of God (see 1 Cor 5:3-13; Tit 3:10-11; cf. §§43-46). To the extent to which a person adheres to an impaired understanding of the gospel, the communion they share with others will be impaired, and the resulting relationship will be one of *rebuke, withdrawal of fellowship, prayer and evangelism*.

Institutional Communion

62. It is less straightforward but still conceivable to envisage how these principles can map onto relationships between organisations. How can a congregation, diocese or denomination be 'in communion' with another such organisation, given that they are not persons? The answer lies in recognising the multiple levels of interpersonal relationships of which institutions consist. For example, if the official statements of each diocese or denomination accord with true teaching, then personal representatives may meet in full accord and for mutual encouragement. However, it is also possible that the official teachings of one diocese or denomination, as conveyed through authorised representatives, could place it out of gospel communion with other dioceses or denominations. Yet, at the same time, a congregational priest or elder in that same diocese or denomination could be a faithful steward of the gospel, and in the face of discouragement from his own overseers find encouragement from communion with the elders of another congregation in his diocese or beyond. Communion can even be shared between individual believers who meet for mutual encouragement as they struggle to be faithful within churches, dioceses or denominations that teach a false

gospel. As Augustine's response to the Donatists suggests (§§13-15), broken communion between churches does not necessarily mean broken communion among all of their members.

63. The expression of communion between separate churches and church networks begins with shared expressions of faith, but it does not end there, as the pattern of the New Testament Church makes clear (§§53-56). Communion extends to activities that create and nurture personal relationships, such as the exchange of news and visitors, and the encouragement of mutual intercession and thanksgiving. In times of crisis communion brings forth sacrificial love, perhaps in the form of material aid, or perhaps even at the cost of standing with imperilled brothers and sisters in some more direct way. When necessary, communion will entail hard words of admonition in the face of departures from godliness and, perhaps for a time, the pain of impaired or broken fellowship. None of these disciplinary measures need be organisation-wide. There may be individual congregations that nature and history have brought together for some reason – for example, a migrant group spread between two regions, or common circumstances that create natural mission partners – and they might share rich expressions of communion outside the structures of their parent dioceses. The institutional machinery of the organisation may sometimes be brought into play, but even then it would be a mistake to speak of institutional communion as if it were an independent reality; it is the people involved who are exercising spiritual gifts for the building up of the body of Christ.

Implications

64. What are the implications of institutional communion for the Anglican Communion? The notion of an Anglican Communion has arisen as a product of historical development, not by divine mandate (see §§23-24, 26-29). This is not to say that it is unimportant. But we need to be clear that precisely because it is an historical and organisational structure, there is a danger of overreach in the claim to 'communion' in the use of the title 'the Anglican Communion.' That is, it runs the risk of having the theological freight of the concepts of catholicity and communion loaded into it unreasonably.

65. Institutional approaches to communion, such as that in the quote from the Archbishop of Canterbury in October 2014, may have their own legal validity in terms of 'the Anglican Communion', but they cannot determine the reality of either Anglican identity or Christian fellowship (gospel communion in the terminology of this paper). To the extent that statements like the Archbishop's serve to blur the distinction between these two senses, they are inadequate because they fail to give due weight to this unity in the gospel, in mission and in a common heritage. Continued variety within a shared catholicity, either within or across denominations, is not necessarily a breach of unity. Not all disagreement need harden into division.

66. Likewise, while the call of the Primate for Christian men and women to care for each other is welcome, his use of the language of catholicity and communion to argue for a particular form of structural or political unity is problematic. Our commitment to each other arises from the gospel of grace. It is this gospel that calls on us to refrain from asserting ourselves against the other (Phil 2:3). Furthermore, our shared commitment to gospel communion may in fact lead us to dispute particular institutional and political structures. Legal and juridical independence are not necessarily the enemies of a biblical and theological notion of communion.

67. Because unity and gospel communion are highly valued, 'members', through their authorised representatives, ought to try as best they can to work within those structures that they find themselves inhabiting, by dint of historical development, voluntary association, and divine providence. Where possible and desirable, this means engaging in mutual ministry and mission with others in the institutional communion, encouraging, rebuking, correcting, and training in righteousness as the word of Christ dwells richly among us. As we have noted, it also means that there will be times when, because of issues of either life or doctrine, fellowship will be broken when it is recognized that essential elements grounding the communion are not held in common. This is not to be done lightly and may operate at different levels: dissociation may be at the level of congregations, groups of congregations, or perhaps even entire denominations based on either explicit statements of doctrine or severe, clear and publically endorsed breaches of lifestyle contrary to Scriptural practice. Because unity is so highly valued, any process entertained in this respect will be of necessity careful, transparent, evidence-based, documented and, to some eyes, protracted; always holding out the possibility of repentance, mutual agreement and reconciliation.

68. The Anglican Communion is an attempt to model global gospel partnership through a wise and godly ordering of our common heritage and theological, ecclesiological and liturgical commitments. Institutional communion remains of value whenever it serves to give further expression to the gospel communion shared by the members of its constituent churches. Likewise, Anglican polity remains of value whenever the structures it generates continue to facilitate the defence and proclamation of the gospel into the next

generation. To be in communion with an international fraternity of churches whose apostolic character consists in the faithful handing down of the traditions about Jesus preserved in Scripture is a blessing from God, and there is no greater privilege than to give extravagantly of one's resources for the welfare of such churches to the glory of God (2 Cor 9:12-15).

For and on behalf of the Sydney Diocesan Doctrine Commission

M. D. THOMPSON

Chair

16 May 2017

Clergy Assistance Program – 12 month review

(A report from the Standing Committee.)

Key Points

- The Clergy Assistance Program (“CAP”) has now been running for 12 months and in that time 63 parish clergy have accessed the program.
- Indications are that it is continuing to meet a need and the feedback received to date has been very positive.
- A number of refinements have been made to the program, principally to give spouses of parish clergy access to the program.

Purpose

1. The purpose of this report is to provide the Synod with a review of the first full year of operations of the Clergy Assistance Program.

Recommendation

2. Synod receive this report.

Background

3. On 14 November 2015 Standing Committee requested that Sydney Diocesan Secretariat (“SDS”), in consultation with the Archbishop, his Episcopal team and the Director of Ministry Training and Development –

- (a) put in place suitable arrangements to make professional counselling available to parish clergy licensed in the Diocese as a first step in establishing a Clergy Assistance Program (“CAP”), and
- (b) bring to a future meeting recommendations to extend the assistance that might be provided under the Program, both in terms of the type of assistance provided and the categories of person to whom assistance is provided.

4. At that meeting Standing Committee also approved an additional amount of \$133 per minister being added to the Stipend Continuance Insurance component of the ministry costs recovered from all parishes in 2016 pursuant to the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2015* as a contribution to the expected cost of a CAP.

5. On 11 April 2016 the Archbishop officially launched the CAP which offers a program of professional, confidential Christian counselling together with support from other mental health professionals where required. The program is run by Anglicare and offers clergy licensed to parishes up to 6 sessions with counsellors or other appropriate mental health professionals on an anonymous basis.

6. In November 2016 Standing Committee received a report reviewing the effectiveness and cost of the CAP after the first 6 months of its operation and approved –

- (a) the continuation of the CAP for at least another year,
- (b) an extension of the eligibility under the CAP to include the spouse of clergy licensed to parishes in the Diocese, with effect from 1 December 2016, and
- (c) the Ministry Costs component of the PCR charge for 2017 continuing to include an amount of \$133 to cover the expected cost of the counselling offered to parish clergy and their spouse under the CAP.

7. This report provides a review of the first full year of the operations of the CAP.

Review of program

8. After the first 12 months of operation the level of take up indicates the CAP is continuing to meet a need. The number of attendees at CAP counselling sessions has been as follows –

Apr-Jun 2016	28
Jul-Sep 2016	33
Oct-Dec 2016	20
Jan-Mar 2017	21

9. A total of 63 cases (clergy and/or spouse) have accessed the program, 12 of whom attended with their spouse giving 75 clients in total.

10. In 20 of those 63 cases the clergy had requested to see a counsellor or other mental health professional of their choice (either to continue a previous relationship, or because Anglicare did not have a counsellor available in their area, or to see another mental health professional such as a psychologist or psychiatrist).

11. In total the CAP has provided 131 counselling sessions in its first 12 months. A significant number of clergy have required less than the maximum of 6 counselling sessions to reach a satisfactory conclusion. Others have preferred to have a few sessions then request a break to reflect, so these cases remain open waiting for clergy to reconnect. Only 1 clergy person has transferred to work with an Anglicare-funded counsellor following completion of their 6 sessions in the calendar year.

12. Only 3 cases have been referred to an external medical professional at intake, although all counsellors recommend clients also keep in contact with their GP and take their GP's advice in relation seeing other mental health professionals if and when that is recommended.

13. Very few calls were received outside of normal working hours and so after a review of this facility the after-hours on call telephone service was discontinued from 1 December 2016. The CAP website information and the voicemail and messaging facility were updated to reflect the new CAP operational times of Monday to Friday 9am – 5pm with the continued provision of the Lifeline crisis counselling telephone number.

14. Only 2 formal enquiries have been received from lay ministry staff, one of whom was about to be ordained. However, in the first 6 months of the CAP a number of wives of clergy have also enquired. In each of these cases Anglicare offered, and the person accepted, counselling but without CAP underwriting the funding. In November 2016 Standing Committee agreed to extend eligibility under the CAP to the spouse of clergy licensed to a parish and the website information and the voicemail and messaging facility were updated to reflect this change.

15. The most frequent presenting issues have remained fairly consistent throughout the first 12 months of the CAP –

ISSUE	FREQUENCY
Stress (either self-stated or medically diagnosed)	48%
Employment related (how the person is managing their role in the parish and the demands of ministry life, including burnout)	35%
Anxiety (either self-stated or medically diagnosed)	25%
Depression (either self-stated or medically diagnosed)	19%
Relationships (includes marital, other personal, or parish relationships not involving specific conflict)	16%
Parish conflict (with staff, office holders or parishioners)	11%
Resilience (capacity to manage and bounce back from disappointments)	10%

Feedback

16. No feedback forms have yet been received from clients who have engaged with an external counsellor or other medical professional, possibly because the counselling is still ongoing or simply that the client has not responded to requests for feedback. However, the written feedback received to date from 15 clergy who have seen Anglicare counsellors is summarised in the following table –

PROPOSAL	DISAGREE	TEND TO DISAGREE	TEND TO AGREE	AGREE
The counsellor listened to me and understood my issues			2	7
I am satisfied overall with the services I have received at Anglicare			2	7
I am better able to deal with issues for which I sought help			4	5
I would recommend this service to other clergy	1		1	12

17. The following comments have been provided by clergy of their spouse who have completed a series of sessions with Anglicare counsellors –

[Name] was very helpful. He listened well & gave me some things to think about. We agreed that I would think about these issues over the next few months & then revisit early in 2017.
I have not followed up further with counselling as work has snowed me under. Good service but personalities didn't work.
Occasional helpful things came.
Very helpful; obviously it took more than 1 session to build up confidence, trust and rapport in the counsellor. Thanks for the counsellor, CAP and Anglicare.
Very timely and helpful service. So valuable to have this service on hand at a time of a developing issue of anxiety. The counsellor helped me explore the issues and put in place a strategy of resilience and growth. One area of improvement might be for the counsellor to be overtly Christian in discussion and perhaps pray at the end. I'm not sure how different it would have been to have a counselling session with a secular service. However, I am very thankful for everyone involved from the person who took the call to the counsellor herself.
It was a really helpful thing to do. I likely wouldn't have sought out help had it not been for the Clergy Assistance Program. It's also helped me see that there's nothing wrong with seeing a counsellor, so I'll be more likely to seek help in the future if I need to.
I was tremendously helped by my experience with [Name]. In our first session we set out goals for my sessions and by the sixth session we had accomplished them. I am surprised by how significant the progress I made was, and [Name] (and CAP) was God's kindness in equipping me to process some difficult pastoral situations and my own history. I feel better in myself and better equipped to continue serving and loving those God has entrusted to me.
I had received some helpful counselling before I sought help from Anglicare via CAP. I was in considerable need for help and solid, wise, professional, personal, helpful counsel was provided. With Anglicare's counselling, I have made demonstrable progress, especially in my ability to handle church conflict and challenges which are so integral to my problems in a growing church. I feel however that I need to capitalise on the excellent and insightful work begun, and continue the counselling with my current counsellor. It is a pivotal time in our church's life. I am eager to last the distance in ministry and this has been a God-send. Thank you. Honestly, I am deeply thankful to God for this ministry by my counsellor and Anglicare. It's another way Anglicare is making real partnerships that help gospel ministry thrive in our mission field. I feel that the diocese has cared for, and invested in, me wisely, compassionately and profoundly with this program better than anything since my college training. They need to know that. I am not ashamed to say that I need(ed) help.
The CAP program is brilliant in encouraging me and supporting me to take time to debrief and process some of my experiences in ministry and particularly what it impacts on my marriage. I really appreciate having it available.
The session was timely and helpful for us to work through some issues of that moment and provided a sounding board as we considered the future and how some matters of the past were lingering.
I found it very helpful. I have not felt the need at this stage for a further appointment, as things have been going along very well since seeing the counsellor.
Counsellor was extremely helpful.

Cost of program

18. In December 2015 Standing Committee approved an amount of \$133 per minister being added to the Stipend Continuance Insurance component of the PCR Charge for 2016 to cover the estimated cost of the CAP. The figure of \$133 per clergy licensed to a parish had been based on an estimate of \$30,000 for Anglicare's set-up costs plus \$39,000k for counselling (assuming 50 clergy x 4 sessions x \$195 per session) divided by 520 licensed clergy.

19. In November 2016 Standing Committee agreed to continue that charge unchanged for 2017 despite adding clergy spouses to the persons eligible to access CAP on the basis that the costs to that time were well below the originally estimated \$69,000 per 12 months.

20. The Agreement signed with Anglicare in April 2016 and then renewed in December 2016 for a further 12 months provides for the Diocese to pay Anglicare up to \$230 per session for a maximum of 6 sessions in a calendar year for each clergy or clergy spouse choosing to access the CAP. The cost of the CAP is

therefore primarily dependent on the number of persons accessing the program; the average number of sessions they require; and in the case of external mental health professionals, the administration fee of \$40 payable to Anglicare plus the amount of any shortfall (up to \$190) between the fee charged by the external professional and any Medicare rebate the person may be entitled to claim. For the first 12 months of the program there is a guaranteed minimum of \$40,000 payable to Anglicare to cover their fixed set-up costs such as employing the in-take officer, staff training and the manager's supervision time.

21. In November 2015 Standing Committee agree to increase the Stipend Continuance Insurance component of the PCR charge payable by parishes by \$133 per clergy person licensed to the parish to cover the estimated cost of the CAP.

22. In fact the individual components of the actual costs have varied from the estimates in a number of ways, although the aggregate has remained within the overall total of the funding being provided through the PCR charge.

23. The actual costs invoiced by Anglicare for the first 12 months can be summarised as follows –

116 sessions conducted by Anglicare counsellors @ \$230 per session =	\$26,720
36 sessions conducted by external professionals @ various costs between \$80 and \$230 per session =	<u>\$4,857</u>
Total =	<u>\$31,577</u>

24. Under the Agreement the total cost of the CAP for the 12 months (April 2016 to March 2017) will therefore be \$40,000.

25. There are several reasons the actual cost has proved to be less than the original estimate –

- (a) the number of clergy and clergy spouses accessing the program has been higher than estimated (63 compared to 50, partly due to the inclusion since December 2016 of clergy spouses),
- (b) the average number of sessions has been less than estimated (just over 2 compared to 4, partly due to the fact that not all clients have completed their sessions; some having decided to 'pause' and reassess and others only beginning their engagement with the CAP towards the end of the first 12 month period),
- (c) the cost per session has been slightly higher than estimated (\$230 compared to \$195 as a result of negotiations surrounding the final Agreement with Anglicare),
- (d) the net average cost of sessions with external professionals has been lower than estimated (\$135 compared with \$195, partly because of the Medicare rebate available for sessions with some medical professionals and partly because of a delay or reluctance on behalf of some clergy in claiming any shortfall).

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

29 August 2017

Proposal to change the status of the provisional parish of Kangaroo Valley to a parish

(A report of the Wollongong Regional Council.)

Proposal

1. The proposal is to change the provisional parish of Kangaroo Valley to the parish of Kangaroo Valley.
2. The parish has seen steady growth in membership, ministry and Christian maturity.

Support of the Western Sydney Regional Council

3. On the 8th August 2017 the Wollongong Regional Council resolved to support the request that the Parish of Kangaroo Valley be classified as a parish under the *Parishes Ordinance 1979*.

Parish information

4. Anglicans have been meeting in Kangaroo Valley since the mid 1800s, with the current church building dedicated in 1872.

5. The unique enclosed geography of Kangaroo Valley has meant there is a very high value placed on community within its boundaries. That community is diverse, ranging from wealthy retired former Sydneysiders to dairy farmers and tradespeople, teachers, and those who work in Sydney but live in Kangaroo Valley. The community has its own internationally acclaimed biannual arts festival and yearly folk festival. It prides itself on its community fundraising for the local school and pre-school. KV has a pioneering community commitment to environmental preservation.

6. In 2013 the parish became provisional. Before this, the church was part of the Parish of Berry with Kangaroo Valley. In 2009 the Rev. Andrew Paterson was appointed to be assistant minister responsible for the Kangaroo Valley church under the leadership of the Rev Neil Percival, Senior Minister of Berry Anglican. After prayer, discussion and planning, it was agreed in 2013 that the church in Kangaroo Valley make an application to become a provisional parish. Kangaroo Valley has been a provisional parish now for 4.5 years, and has grown both in numbers and in offertory giving.

7. Due to the commitment of many in the church, the parish has been able to develop ministry to all ages. In a small village township, community bridge building and service is an essential ministry for our church and is actively encouraged. Ministries that have grown or been established through this approach include 'Cuppas n' Kids' for mothers and preschool children, run at the church weekly; most of the people attending are not Christians. The parish has recently established 'Retired KVers', a community activity group for those over 55 run in our church hall each term. The parish has also established a yearly outdoor gospel service as part of the annual Kangaroo Valley Folk Festival; each year this service has attracted more and more unique visitors. Members attend training sessions in evangelism at church to give them better skills at sharing their faith with members of the KV community. Through the ministry of the parish, there has been at least one new Christian in KV each year since 2009 – praise the Lord!

8. Members of the congregation have exercised their stewardship by using their God given gifts and financial resources for his glory, and have embraced the vision of being a parish for Kangaroo Valley. This has led to a significant increase in giving - the offertory has nearly doubled since 2009.

Future Plan

9. The parish has been growing funds with the possibility of employing a part-time youth worker in the future to grow our ministry to children and youth.

10. the church will continue to build upon its 'community ministry' strategy: training members in evangelism and encouraging its members to join Kangaroo Valley community groups (e.g., arts group, garden group, school P and C, the tennis club, VIEW Club, scouts, Lions) and then be the aroma of Christ and witness in those groups.

11. To be a church especially for the KV community will be considered as a significant positive addition by a majority of KV residents. Our intention is to build upon that positive identity for the glory of God.

Size of congregations

12. Average attendances are currently –

8:30am	17 Adults
10:00am	39 Adults 14 Children

Particulars of all church trust property

13. Details of property held by the Anglican Church Property Trust upon trust for the provisional parish are as follows –

Value of the Land and Improvements	\$ 691,000
Value of Buildings:	
Church	\$1,180,000
Rectory	\$660,000
Church Hall	\$420,000
Old Rectory	\$1,480,000
Garage and Shed	28,300
Church and other contents	\$93,000

Summary of consolidated receipts and payments

14. A summary of the financial position over the past three years is set out below–

	2014	2015	2016
Receipts			
Offeratories	72,885	74,081	78,051
Rental Income (Old Rectory)	13,032	13,356	20,939
Trust Investment Income	13,735	10,286	9,949
--- Sub-Total of Primary Receipts ---	99,652	97,723	108,939
Received for other missions	1,857	2,013	1,579
Received donations	9,623	2,927	2,910
Drawdown on trust funds	7,595	10,714	17,751
Other	910	1,018	858
Total Income	119,637	114,395	132,037
Operating expenses			
Ministry staff	74,194	73,674	76,176
PCR	20,155	21,281	21,153
Resources for Ministry	2,432	1,449	1,763
Parish donations (to missions)	5,083	5,298	7,695
Parish admin/general/utilities	5,914	5,635	8,019
Parish property/equip/maint	3,157	4,574	803
Property improvements *	10,278	863	9,496
Other	289	511	439
Total Expenses	121,202	113,285	125,544

* Extra Property Improvements to Old Rectory to prepare for domestic letting

Recommendation

15. The Wollongong Regional Council recommends that the provisional parish of Kangaroo Valley be reclassified as a parish with effect from 1 January 2018.

For and on behalf of the Wollongong Regional Council.

PETER HAYWARD
Bishop of Wollongong

13 August 2017

10/16 Licensing of Incumbents Interim Report

(A second interim report from the Standing Committee.)

Key Points

- While there are frustrations involved in clergy tenure when this is abused, it has contributed to unhampered preaching of the gospel which serves to maintain the strong evangelical heritage of our diocese. The appetite in the Diocese to change tenure and licensing is balanced by those who would oppose any significant change.
- More can be done to help clergy flourish by strengthening professional development and providing incentive to participate. Ministry Training & Development have developed a program to encourage Life Long Ministry Development.
- A career transition concept has been suggested that would help a small minority of rectors to voluntarily relinquish the office and transition out of their own accord to a more suitable role.
- Addressing the mental health and pastoral care of clergy in the Diocese has been assisted by the Clergy Assistance Program and the Clergy Contact Person Program
- Parish disputes can be avoided by encouraging healthy parish relationships and good practice for staff teams.
- The Committee invites members to provide feedback to the draft Healthy Parish Relationships document.
- Unreasonable and persistent failure to attend *Faithfulness in Service* and Safe Ministry training should be treated as misconduct.

Purpose

1. The report notifies the Synod of progress concerning Synod Resolutions 9/15, 50/15, 51/15 and 10/16.

Recommendations

2. The Synod receive this report
3. The Synod consider the following motion to be moved at the forthcoming session of the Synod in 2017 “by request of Standing Committee” –

‘Synod, noting the second interim Report of the Licensing of Incumbents Review Committee –

- (a) requests the Standing Committee to amend the *Ministry Training and Development Ordinance 1989* Objects to provide an approved accreditation system for clergy Professional Development,
- (b) requests the Standing Committee to amend the *Nomination Ordinance 2006* to include a mechanism requiring any nomination board to determine the Ministry Training and Development (MT&D) Professional Development Accreditation status for the person being nominated to the Archbishop for appointment as rector of the parish,
- (c) requests Standing Committee to amend the parish Prescribed Financial Statement to include an expense line for Professional Development and to ask the Stipends Allowances Committee to make a recommendation of an appropriate amount per clergy to be included in annual parish budgets for professional development.
- (d) endorses the concept of Negotiated Relinquishment of Incumbency as a mechanism to assist rectors who are choosing, or being encouraged to leave a parish, and requests Standing Committee to determine how it can be implemented and report to Synod in 2018,
- (e) notes the draft Healthy Parish Relationships Guidelines, invites members to provide feedback to the Committee and endorses the Committee’s attention to this area,

- (f) requests the Standing Committee to bring a bill to the next Synod that would constitute as misconduct “unreasonable and persistent failure to attend the triennial *Faithfulness in Service* training” and “unreasonable and persistent failure to complete the triennial Safe Ministry training”.

4. The Synod consider the following motion to be moved at the forthcoming session of the Synod in 2017 “by request of Standing Committee” –

“Synod thanks the Pastoral Supervision Working Party and Rector Training Review Group for their work including in particular their promotion of professional development and reflective practice as imperative for the Diocese.”

Background

5. At its session in 2015, Synod passed the following resolutions –

9/15 Licensing of incumbents

Synod requests Standing Committee, in consultation with the Archbishop, to report to the next session of Synod on –

- (a) the basis on which clergy are licensed as incumbents in the Diocese, and
- (b) whether there are circumstances where the present practice should be modified.

50/15 Professional Pastoral Supervision for Clergy and Stipendiary Lay Ministers

Synod –

- (a) recognises and gives thanks to God for the sacrificial and tireless efforts of our clergy and stipendiary lay ministers in parish ministry;
- (b) notes the need for all clergy and stipendiary lay ministers to debrief in a safe, stable and suitable supervisory space;
- (c) requests that the Standing Committee ask for a report from the Pastoral Supervision Working Group, and then review and report back to the Synod.

51/15 Career Transition Management for Clergy and Stipendiary Lay Ministers

Synod –

- (a) recognises and gives thanks to God for the sacrificial and tireless efforts of our clergy and stipendiary lay ministers in parish ministry;
- (b) requests that the Standing Committee establish a Working Group to explore ways of making it possible for those clergy and stipendiary lay ministers who need to transition from their parish ministry role to do so with honour and dignity, and report back to the Synod.

6. At its meeting on 16 November 2015 the Standing Committee requested that Bishop Peter Hayward, the Rev Philip Wheeler, the Rev Gavin Poole, the Rev Andrew Bruce and Dr Robert Tong bring a report to a future meeting of the Standing Committee addressing the matters in resolution 9/15. This group became known as the Licensing of Incumbents Review Committee (the “Committee”).

7. At its meeting on 25 July 2016, the Standing Committee encouraged the Committee to liaise with the Pastoral Supervision Working Party and the Rector Training Review Group.

8. At its meeting on 19 September 2016, the Standing Committee agreed that the terms of reference of the Committee be expanded as follows –

- (a) to confirm that the work of the group in response to Synod resolution 9/15 extends beyond the licensing of incumbents to include the licensing of clergy generally,
- (b) to ask that the group undertake the work requested by the Synod in relation to career transition management for clergy and stipendiary lay workers (resolution 51/15), and
- (c) to ask that the group generally coordinate the development of proposals relating to or arising from the licensing of clergy (resolution 9/15), pastoral supervision for clergy and stipendiary lay ministers (resolution 50/15) and career transition management for clergy and stipendiary lay ministers (resolution 51/15),

and agreed that the Archdeacon of Women’s Ministry and the Director of Ministry Training and Development be added as members of the group and that the group also be given the power to co-opt.

9. An interim report prepared by the Committee was circulated to Synod in 2016. The Committee reported that the basis on which clergy were licensed was –

- on the authority of a diocesan bishop which, in Sydney, is the Archbishop,
- open to candidates meeting various minimum qualifications,
- to ‘a title’, that is, to a specified ministry position,
- for rectors, until retirement in accordance with the *Retirements Ordinance 1993*,
- for assistant ministers, subject to the terms of their appointment, and
- subject to the licence not having been relinquished, suspended or revoked in accordance with relevant ordinances, or pursuant to a judgement of the tribunal or other relevant court.

10. The Committee also identified five possible areas or reasons why modification or adjustment to the present practice might be warranted, but did not draw a final conclusion as to the circumstances in which the present practice should be modified.

11. The Committee noted the following possible recommendations –

- (a) that a Professional Development program be developed using the available resources and structures of MT&D and Moore College and that responsibility for developing materials and resources and the overall program be given to the Synod appointed committee looking at rector training,
- (b) that a mechanism be developed to allow the Archbishop in conjunction with the parish leadership to be able to offer a minister an ‘exit strategy’ that enables them to retrain and return to secular work, and,
- (c) that an annual/regular ‘mental health check-up and debrief’ with a qualified counsellor or psychologist be required for all ministers as part of the professional development program.

12. At its session in October 2016 Synod (resolution 10/16) –

- (a) welcomed the interim report on Licensing of Incumbents,
- (b) encouraged the Committee to continue to meet and provide a final report with recommendations and proposed ordinances for consideration by the Synod in 2017,
- (c) noted that the survey mentioned in the report will be sent to Synod members shortly and invited members to complete the survey, and
- (d) invited Synod members to provide feedback on the interim report to the Diocesan Secretary by 31 December 2016 for consideration by the Committee.

13. The Committee was also mindful that in 2016 Synod passed the following resolution –

9/16 Equipping rectors for their task of leadership

Synod gives thanks to God for the well trained men who lead our parishes and recognising that –

- (a) rectors are charged with the leadership of our parishes, and
- (b) many could be even better prepared and even better resourced for this task,

Synod asks the Strategic Research Group to establish a committee (in consultation with MT&D, CMD and other appropriate instruments) to explore and report back to the Synod in 2017 on what action is required and how it may be implemented to better equip rectors for their task of leadership.

14. The Committee comprises the Rev Andrew Bruce, Bishop Peter Hayward, the Rev Gavin Poole, Dr Robert Tong AM, the Rev Philip Wheeler, MT&D Director, the Rev Gary O’Brien and Archdeacon for Women’s Ministry, the Ven Kara Hartley. At its meeting on 20 March 2017, in order to facilitate liaison with the Rector Training Review Group, the Committee co-opted Mr Peter Mayrick, Co-Director with the Centre for Ministry Development, as an additional member of the Committee.

15. The Committee has retained its original title even though its brief was extended to include the licensing of clergy generally and broadened beyond licensing.

Work of the Committee

16. The Committee met a further seven times following Synod 2016 and undertook the following activities –

- (a) liaised with the Pastoral Supervision Working Party by receiving a presentation from representatives of that group and reviewing its report,
- (b) liaised with the Rector Training and Review Group by receiving and evaluating a professional development proposal from the group and co-opting Mr Peter Mayrick from the group to the Committee,
- (c) received and evaluated feedback from Synod members,
- (d) received and analysed the results of a survey of Synod members,
- (e) reviewed the options for modifying the licence arrangements of clergy,
- (f) received and evaluated a professional development proposal prepared by Ministry, Training & Development, and
- (g) developed with SDS a proposal for career transition and exit from ministry.

17. The Committee undertook a survey of Synod members, 'Incumbency in Sydney', and 319 Synod members both lay and clergy responded. This represents about 40% of Synod members (807). Of the approximately 270 possible rectors in the Diocese, 127 completed the survey representing just under 50% of rectors. The Committee was encouraged by Synod's high response rate and this enabled the Committee to gauge shortcomings with the existing system, to identify areas that need addressing and dampen anxiety about the current system.

18. The purpose was to provide some quantitative data, rather than anecdotes, on issues such as incumbent rectors staying too long, levels of mental illness among clergy, support for changes to licensing, attitudes to professional development and whether there is adequate support for clergy in their roles. The data has been used in focusing the work of the Committee and supports the various recommendations.

19. A brief summary page 'Incumbency at a Glance' is provided in Appendix 1. Essentially the survey reveals the following observations.

- (a) There is not a strong view from either clergy or lay members that their rector should move on. Only 13% of rectors indicated they would move on if they could. About the same percentage of lay representatives thought their rector should move on.
- (b) There was support for the view that while their church is supportive of the rector in his role, approximately half of the rectors believed that they were being adequately cared for in their work.
- (c) There was a strong view (88% of respondents) that if rectors were not performing, a better way is needed to help them move on. At the same time 35% of respondents agreed that a change was needed to licensing and tenure while 29% disagreed that a change was warranted.
- (d) While about a third of rectors have some sort of coaching or mentoring in place to help them develop only half the parishes had any allocation in their budgets for professional development of their staff.
- (e) While 11% of rectors reported struggling with depression and 16% with anxiety these figures are not appreciably higher than the general population (12% of Australian males will struggle with depression at some stage of their life) and therefore the contention that levels of depression, anxiety and burn out are very high among our clergy does not appear to be supported by the survey evidence.

20. The full survey results are available to Synod members on the [Synod this year page](#) of the SDS website, www.sds.asn.au, along with two detailed analyses (one developed by members of the Committee and the other by Mr John Bellamy, Senior Researcher with Anglicare, who helpfully extracted additional information from the data set) on the SDS website as part of the Synod papers.

21. The survey could be summed up by the following remark that was made by a rector in the comments field –

I want to ensure that those rectors who are thriving, and those who are faithfully pushing through change, have security in their positions to be entrepreneurs and make tough decisions. (At the same time) I am keen to see those rectors who are 'treading water', doing nothing, and the church is declining, have the ability to be moved on or helped into another area of ministry.

22. The Committee's reading of the survey is that while there is not significant support to change clergy tenure, there is a desire to help rectors flourish, strengthen professional development and provide ways of helping a small minority of rectors to transition out of incumbency to either another ministry role or to the secular work force.

23. In addition to the survey the Committee received detailed feedback and comments from a number of Synod and Standing Committee members and we appreciated the comments made and have sought to accommodate or act on those suggestions or comments where possible.

24. The Committee focused its work in five main areas –

- (a) licensing and whether any change to licence or tenure might be recommended,
- (b) Professional Development for all clergy drawing together the work of several other committees and working groups,
- (c) pastoral care and ways to better support all clergy,
- (d) creation of good practice guidelines for healthy parish relationships (rector and parish, rector and ministry team), and
- (e) career transition and developing a workable exit mechanism.

Licensing and the legal context (9/15)

25. The Parish Administration Ordinance requires all persons who preach and conduct services to be licensed and approved by the Archbishop. This is governed by a number of Ordinances. The *Anglican Church of Australia Constitution Act 1902* allows a licence to be suspended or revoked but only in accordance with a Synod ordinance and/or via a tribunal. In short, the Archbishop grants licences, but Synod through its Ordinances determines how they may be suspended or revoked.

26. This however does not stop the Archbishop granting licences with limited tenure, or validity for the term of appointment to a parish (as is the case for Assistant Ministers).

27. The concept of tenure has its origin with the Church of England Parson's Freehold, which secured a lifelong benefice for the purpose of the rector or vicar. This was designed to provide an ongoing benefice to clergy and encourage unhampered preaching of the gospel. Although freehold predates the Reformation, it enabled reformation ministry that was distinguished from the magisterium that characterised the Roman Catholic Church. On the one hand, this led to abuses such as that committed by the Rev Edward Drax Free, who was appointed Vicar of All Saints, Sutton, Bedfordshire in 1808. He was accused of irregularity of his services, the scurrility of his sermons, swearing, excessive drinking, removing lead from the church roof, and uprooting gravestones in the churchyard. He was finally removed by the House of Lords in 1830 which led to law reform in the Church of England. On the other hand, freehold provided for rectors who were unpopular choices and enabled them to continue their ministry even in the face of opposition (R.B Outhwaite, *Scandal in the church; Dr Edward Drax Free, 1764 – 1843* (London: Hambledon Press, 1977).

28. Freehold has been called into question on numerous occasions and attempts made to modify the law to enable the removal of a clergyman from a benefice in the interest of the parish. During one such debate, a church historian warned against removing freehold and being left with, 'A poorly paid employee; with no security of tenure, desperately striving to serve two masters: his ecclesiastical superiors and his lay parishioners; and satisfying neither of them.' (A.T. Hart, 'The Parson's Freehold', *The Churchman*, Vol 80 (1966)).

29. In England freehold has been recently superseded by the Church of England Common Tenure for all new licences, which confers powers on diocesan Bishops to instigate capability procedures on grounds of non-performance and to make fixed term appointments in limited circumstances.

30. The Committee considered the culture of our Diocese where incumbency is well entrenched and considered an important aspect of Sydney distinctiveness which places emphasis on the local church and the unhampered preaching of the gospel. In the view of some it is tenure that has helped guard the evangelical heritage of the Diocese and any change to the basis of licensing would be a threat to this evangelical heritage.

31. The Committee is therefore not proposing any significant change to licensing of incumbents. It has, however, identified at least one minor change that might be beneficial for all clergy pertaining to *Faithfulness in Service* and Safe Ministry and can anticipate a possible future change to licensing pertaining to professional development once the culture of life long ministry development is more embedded.

32. Given the importance of ensuring safe ministry in our parishes and the expectation that all clergy will understand and abide by the standards set out in *Faithfulness in Service*, the Archbishop requires that every person holding a licence must attend the triennial one day training program in *Faithfulness in Service* and ensure they are compliant with Safe Ministry standards (refresher training at least every three years). However non-attendance and failure to comply with these minimum standards agreed upon by Synod has no mechanism of enforcement. A member of clergy could simply refuse to attend despite being spoken to by their regional bishop or the Archbishop. The Committee was of the view that this serious breach of expected standards ought to warrant at least a review of the licence. This could be achieved by way of an

adjustment to what constitutes an offence in this Diocese under the Discipline Ordinance or by way of an ordinance such as was agreed by Synod recently concerning clergy obtaining a Working With Children Check.

33. The Committee wants to see professional development and life-long ministry training become normative in the Diocese. While many clergy are already voluntarily participating in some form of professional development, the current culture is not universal and an accreditation system would add incentive and shape to the culture in the Diocese. A concern is that those clergy who would most benefit from a more rigorous and accountable professional development program are possibly those who are less likely to voluntarily pursue it. Incentives to participate were canvased such as encouraging parish nominators to clarify whether a prospective candidate for a parish vacancy had engaged in ongoing professional development and discouraging appointment of candidates who have shown no willingness to develop. A certificate of currency could be supplied from MT&D.

34. As a culture of lifelong ministry training develops in the Diocese it is foreseeable that strengthening of the program might be considered in the future with the addition of –

- (a) a performance review process at agreed key stages in ministry (after 10 years, 15 years, 20 year mark) utilising tools such as 360 degree reviews and consultation with the person, their parish and the Diocese,
- (b) a review of licence, with the potential for removal where an incumbent persistently and unreasonably refuses to engage in professional development.

35. The Committee therefore recommends that –

- (a) the **Nomination Ordinance** be amended by the Standing Committee to include a mechanism requiring any nomination board to determine the MT&D Professional Development Accreditation status for the person being nominated to the Archbishop for appointment as rector of the parish,
- (b) a bill be brought to the next Synod that would constitute as misconduct “unreasonable and persistent failure to attend triennial *Faithfulness in Service* training” or to complete the triennial Safe Ministry training”, and
- (c) a line item for Professional Development be added to the parish **Prescribed Financial Statements**.

Professional Development (10/16)

36. The first Report from this Committee in 2016 identified the need to develop a culture of professional development within the Diocese. We identified that there was very little by way of formal professional development beyond the initial training at theological college and the first three years out of college with the MT&D program. This situation is well below what most other professional people in our society have (doctors, lawyers, engineers, accountants, psychologist etc) and well below the expectations and assumptions of lay people who are regularly surprised by the lack of any professional development requirements for their ministers.

37. While the survey has revealed that many ministers do have some form of on-going professional development (50%), this was not universal, consistently embraced over the life of a minister, or necessarily focused on developing the competencies ministers needed. Programs vary in style from specific coaching and training in ministry skills, ongoing theological training via masters or higher degrees, accountability groups seeking to support ministers in their work or simply ministers undertaking their own reading programs and courses.

38. It was felt that this culture ought to be developed even further and MT&D was asked to develop a plan for ‘life-long ministry development’. Several other groups were working simultaneously on related areas and the Committee received reports from the Rector Training Review Group (commissioned by the Strategic Research Group, see Appendix 3) and the Pastoral Supervision Working Group (see an executive summary at Appendix 4).

39. A detailed proposal for ‘Life Long Ministry Development’ has been developed by MT&D after review of the various reports and extensive consultation. The details of the proposal and the benefits are contained in a separate motion before Synod.

40. The Committee endorses the MT&D proposal for lifelong ministry development and recommends –

- (a) MT&D be encouraged to pursue completion of the LMD website, including the Ministry Development Plan template and certificate of LMD currency,
- (b) all licensed ministry personnel be encouraged to register for LMD recognition,

- (c) the Archbishop be requested to communicate the benefit of professional development to rectors and Wardens encouraging them to financially support their rector's development,
- (d) prescribed annual financial statements include a professional development line item,
- (e) registration and continued MT&D recognition be included as licence conditions for all future rectors, and
- (f) a commitment to professional development be included in the Archbishop's letter of offer to all new rectors and parishes be encouraged to ensure their new rector attends the Developing Rector Program.

Pastoral Care and Mental Health of Clergy

41. In April 2016 the Archbishop launched the Clergy Assistance Program ("CAP") which offers a program of professional confidential Christian counselling, together with support from other mental health professionals where required, for clergy licensed in the Diocese. A small addition charge was added to PCR to cover the cost of this scheme. Standing Committee have received two reports on the operation of the scheme and outcomes. A report on the first year of operation of the scheme is contained in the Synod papers for 2017. The scheme has been accessed by 63 parish clergy and feedback has been very positive.

42. In addition to the CAP initiative the Diocese has recently added the Clergy Contact Person ("CCP") program which provides a list of contact persons that clergy and their spouses can call when they are facing heightened levels of stress and difficulty associated with parish ministry. The contact person will arrange a face-to-face meeting to discuss the options available to them including accessing peer support groups, mentoring/coaching and professional development programs, and (via the Clergy Assistance Program) counselling and other mental health support. For clergy who are unable to work due to poor health, the program also includes assistance in making stipend continuance insurance claims. The contact persons are well equipped to assist in both explaining and accessing these options. The CCP program is still in its infancy but once sufficient history is available the program will be reviewed as to its effectiveness and usefulness.

43. The Committee commends the Diocese for these initiatives as ways to improve support for clergy and help address pastoral care and mental health needs of clergy. The PSWG especially highlighted the need to improve pastoral support and provide structures by which clergy can de brief and deal with the pressures of ministry and impact of dealing with complex pastoral situations.

Healthy Parish Relationships

44. Over the course of the Committee's work we became aware of the need for guidelines to help manage staff relationships and the relationship of the rector to the parish. There are various pieces of legislation that govern these relationships however it was felt that 'good practice' guidelines would be more useful to develop healthy relationships. Managing expectations and clear communication between parties helps minimise problems.

45. The Committee were aware of the work of SDS in this regard with an extensive document available on the SDS website entitled 'Employment Relations Guidelines for Parishes'. However it would seem this is not widely accessed by parishes and therefore it was thought that simpler practical Guidelines be developed. These guidelines would set out what 'good practice' is to achieve healthy parish relationships with the rector and staff and the lay leadership of a parish. These would include practical things such as –

- letters of appointment,
- templates for job descriptions for staff,
- templates for staff reviews,
- best practice termination guidelines should a termination of a staff member be contemplated etc.

46. Appendix 2 contains an early exposure draft of the Healthy Parish Relationships Guidelines. The Committee invites feedback and comments from Synod members about its value and the contents.

Career Transition Management (51/15)

47. By its resolution on 19 September 2016 Standing Committee made the Committee responsible for undertaking the work requested by the Synod in relation to career transition management for clergy and stipendiary lay workers (resolution 51/15). Specifically, this entailed exploring 'ways of making it possible for those clergy and stipendiary lay ministers who need to transition from their parish ministry role to do so with honour and dignity.' The Committee confined its consideration to incumbents for this report.

Introduction

48. There are circumstances where resignation from an incumbency may be the appropriate decision for a minister to take. For example –

- (a) the minister's health or the health of their immediate family or close relations,
- (b) immediate family in need of significant additional attention, or
- (c) inadequate skills to continue as incumbent of a parish.

Obstacles to transition from incumbency

49. In our interim report, we observed five circumstances where modification to the present practice of licensing might be warranted: those of pastoral breakdown, incapacity, unsuitability, staying too long and congestion (unavailability of alternative roles). Incumbents in these circumstances may not feel able to resign and transition to alternative employment because there are genuine obstacles to exiting parish ministry.

50. The Committee identifies obstacles including –

- (a) an authentic heart for the gospel, for his people and for his work, meaning that an incumbent would prefer parish ministry to any other kind of work and is reluctant to leave,
- (b) for some a strong sense of 'calling' to the office and belief that ordination is 'for life' and so resignation is seen as a failure or even wrong,
- (c) the enormous life change involved due to the combination of years of service in the role, residential arrangements, social network and children's education being tied to the minister's vocational office,
- (d) for many the professional qualifications held by the incumbent prior to ordination may have expired, so that re-training may be required and involve a significant investment of time and/or money,
- (e) the incumbent's remuneration package is sufficiently comfortable, life-encompassing and for some, in excess of what they may be able to attract in the labour market, and
- (f) fringe benefits offered as part of the remuneration includes a significant discount to tuition fees at Anglican schools and this discount may no longer be available should the incumbent transition from parish ministry.

Ministry Re-deployment

51. Unsuitability for continued incumbency ministry in many circumstances does not mean that a person is unsuitable for other ministry roles. Positions of assistant minister, school or Anglicare chaplain, theological educator, missionary service or service with para-church ministries are options as alternatives to the secular workforce.

52. The Diocese ought to value any person who has offered their vocational gifts to the ministry of gospel proclamation, Bible teaching and prayer, and who, in partnership with the Diocese, has invested in being equipped for gospel ministry. Redeployment within ministry is preferable if at all possible.

Negotiated Relinquishment of Incumbency

53. Where it becomes apparent that an incumbent is not able to fulfil his ministry, there should be conversations between the incumbent, the parish wardens and the regional bishop to consider if a voluntary relinquishment of incumbency is appropriate.

54. In our view, the terms of any negotiated relinquishment ought to include a payment (akin to a redundancy payment offered in the secular workforce) to make transitioning out of incumbency a realistic possibility.

55. Components of a secular termination payment commonly include –

- (a) statutory entitlements including annual and long service leave owing,
- (b) payment in lieu of notice (including allowances),
- (c) redundancy (up to 12 weeks),
- (d) an additional separation payment (in return for relinquishing any right to further legal claims), and
- (e) provision of an out-placement service.

56. A relinquishment package for an incumbent could therefore include –

- (a) entitlements including annual and long service leave owing,

- (b) a 'relinquishment' payment to assist in re-training and redeployment,
- (c) permitting the incumbent and family to remain in a parish residence for an agreed period (for example up to six months, at minimal or no rent) while the parish searches for a new incumbent and to provide stability for the family,
- (d) Anglican schools may be asked to continue to provide a clergy discount to the incumbent for an agreed period,
- (e) continued access to the Diocesan Clergy Assistance Program, and
- (f) provision of an out-placement service.

57. For the purpose of this discussion, a termination/relinquishment payment might be determined as follows –

- assuming 26 weeks in an average case, and using a "minimum stipend" of \$65,000 per annum, a termination payment might be in the order of \$32,500
- allowances regularly reimbursed out of the ministers MEA ought also to be paid for this period (housing allowance, travel, hospitality, book allowance, etc). At a minimum this would include the motor vehicle allowance of approximately \$6,000 for 26 weeks
- any payments made by the parish (non-MEA) should also be calculated for the period (phone, ISP expenses, etc)
- out-placement service, \$8,000.

58. Accordingly, the relinquishment/termination payment might be in the order of \$50,000. There may be parishes where the amount is higher or lower depending on circumstances. For example where the incumbent is relinquishing for reasons of their own or a close family member ill health consideration might be given for increased payment to assist in meeting medical expenses.

Who should pay the termination payment?

59. There are a number of possibilities for the source of payment –

- (a) the parish in full,
- (b) the parish and the Synod in defined proportions, or
- (c) the Synod.

60. Parishes will vary in their capacity to make a relinquishment/termination payment. For some, it will only be possible if funds external to the parish can be drawn upon. For others, a Synod fund could be used to supplement parish contributions. Such a fund could be seeded by an additional PCR charge.

61. From discussions with the regional bishops it is anticipated that there might be a total of 1 or 2 such transitions of incumbents in each region in any year (estimated 5-8 across the Diocese). The total financial cost of the negotiated relinquishments might be between \$250,000 and \$400,000 each year. If this cost was carried in a 50/50 split in most instances with the parishes and the Synod, the cost to the Diocese from Synod funds might be as little as \$125,000.

62. The Committee notes that funds were available in previous years through the Clergy Mobility Fund and available at the discretion of the Archbishop for the purpose of assisting an incumbent to transition out of ministry. There are still funds held by the Diocese available at the discretion of the Archbishop-in-council.

63. In order to keep the scheme operating for future years amount available in the Synod Fund for negotiated relinquishments would need to be topped up. A small additional charge could be made in the PCR for each incumbent to replenish the Fund.

64. The Committee believes this proactive approach will over-time reduce costs associated with the incumbents staying in office in circumstances where for their wellbeing or the parishes it would be better if they relinquished the office.

65. Accordingly, it is recommended that Synod endorse the concept of a 'negotiated relinquishment of incumbency', and requests Standing Committee to determine how it is to be implemented.

For and on behalf of the Standing Committee

PHILIP WHEELER

Chair, Subcommittee of Standing Committee

31 August 2017

Incumbency at a glance

319 members of the 2016 Anglican Diocese of Sydney Synod including 127 rectors participated in an online survey that raised issues regarding the licensing of rectors. This represents just on 33% of all possible Synod members and just under 50% of rectors in the Diocese. Thanks to the large response, the survey produced some of the most comprehensive research on this issue in the Sydney Diocese.

You will find detailed reports at (Insert address).

This short synopsis compares some anecdotal claims to the research.

Time to move on?

Assertion: 'There are many rectors who should have moved on but are digging their heels in.'

Findings: Unsupported

When lay respondents were asked whether they believe that it is 'time for their rector to move on' more disagreed (77%) than those who agreed (14%). The clear majority of respondents are happy with their current rector. The majority (92%) of rectors believe they are well suited to their positions.

Older rectors

Assertion: 'Older rectors are 'treading water' until retirement.'

Findings: Unsupported, with qualification

Lay respondents are more likely to agree that their rector should move on where the rector has been in the position for longer than 10 years (24%). Given that rectors who have been in the position for a longer time period are also more likely to be older, the association with age may simply be a surrogate of length of time in the position.

Licensing

Assertion: 'There is strong support to change the typical rector's licence.'

Findings: Unsupported, with qualification

The number of respondents who support change to licensing (35%) is roughly equivalent to those who do not support change (29%). However, a large majority of respondents (88%) believe that there needs to be a better way to help rectors into different roles if they are not performing.

Mental Illness

Assertion: 'Mental illness is prolific among rectors.'

Findings: Unsupported, with qualification

11% of rectors indicated that they significantly struggle with depression. This compares to 12% of Australian men who will struggle with depression at some stage of their life (Beyond Blue). While 16% of rectors indicated that they significantly struggle with anxiety. This compares to 20% of Australian men who will experience anxiety (Beyond Blue).

Mental illness is a societal issue and not unique to clergy. We will want to care for those who suffer and ensure they flourish despite their illness. This requires a supportive community. The Diocese has initiated a Clergy Assistance Program to help improve the care of clergy facing mental health issues.

'Stuck in their roles'

Assertion: 'Many rectors are 'stuck' in their roles and need to be assisted into other roles.'

Findings: Unsupported, with qualification

The majority of rectors (92%) believe they are well suited to their role. A minority (13%) would move if they could. There is no evidence to suggest that this is significantly higher than many other professions.

Professional Development

Assertion: 'There is little by way of ongoing Professional Development for rectors'

Findings: Unsupported

Almost all rectors claim to participate in Professional Development however these were varied and there are not currently any formal requirements as other professions have. Over a third of rectors have either a

mentor or coach. If reasonable informal requirements were introduced it is not likely to consume much more time than rectors are already devoting to their development and training. Notwithstanding the current participation rates most would agree our culture of professional development needs improvement and universal application.

Support

Assertion: 'There should be more done to support our rectors.'

Findings: Supported, with qualification

51% of Rectors believe that they are adequately cared for. 42% of respondents do not believe that rectors are looked after in a way that gives them the best opportunity to improve and grow over time.

46% of churches reported that nothing is budgeted for professional development while 21% reported to spend more than \$1000 per full-time staff person. This strengthens to proposal for professional development from MT and D.

Support Networks

Assertion: 'rectors who have support networks perform better and are more energised.'

Findings: Supported

The percentage of rectors who indicated they felt energetic or very energetic climbed from 61% where there was no support to 69% where the rector reported only one professional development personal relationship to 78% where there were two or more supportive relationship.

Healthy Parish Relationships Guidelines

1. Preamble

Church leadership is an indispensable part of Christ's body. Men and women are gifts to the church to, "... prepare God's people for works of service so that the body of Christ may be built up until we reach unity in the faith and in the knowledge of the son of God ..." (Ephesians 4:12-13).

When the church's leadership and people work together, under the authority of Christ, the church flourishes and provides the best environment for gospel growth.

On the one hand, the people are to, "...respect those who work hard among you, who are over you in the Lord and who admonish you." (1 Thessalonians 5:12). On the other hand, leaders are not to lord over them and, "... whoever wants to become great among you must be your servant ..." (Mark 10:43). Servant leadership is the way of the Son of Man who, "... did not come to be served, but to serve, and to give his life as a ransom for many." (Mark 10:45).

In all our relationships, grace and love must prevail but particularly when it comes to ministers' relationships with each other and the church.

A proper understanding of expectations goes a long way toward healthy parish relationships. This document is designed to assist churches and ministers to work together. It focuses on the relationships of a) rector to the church and b) rector to other staff.

The Parish Council of each church may move something like the following motion at the beginning of each ministry appointment.

"The Minister, Wardens and Parish Council: –

- (a) give thanks for God's gifts to the church and strive to live at peace for the sake of the gospel;
- (b) agree to the church's amended version of the Sydney Diocese's, "Healthy Parish Relationship Guidelines" and;
- (c) agree to pray for those whom the Lord has given to provide leadership, teaching and pastoral support."

2. Other relevant documentation

We strive to relate to each other by grace and not by law. That said, the law is often based on good principles and knowing the law can actually lead to mutual understanding and hence better relationships.

These guidelines act as an omnibus document to help church workers through the maze of legislation. It is intended to work alongside existing legislation.

Listed here are some of the relevant documents that govern the way we relate in the church.

2.1. Anglican Diocese of Sydney, Employment Relations, Guidelines for Parishes

A very useful document which provides employment guidelines for all parish workers including employees, independent contractors, voluntary workers and Ministers/Assistant Ministers.

2.2 Remuneration guidelines

Remuneration guidelines for Parish Ministry Staff are published by the Secretariat on an annual basis.

2.3 Ordinances

2.3.1 Anglican Church of Australia Constitutions Act 1902, Clause 3(4) of the schedule

A part of an Act of the New South Wales Parliament which allows the Synod of each diocese to determine by ordinance the circumstances in which a clergy licence may be suspended or revoked.

2.3.2 Parish Administration Ordinance

Requires any person who preaches and conducts services to be licensed or approved by the Archbishop or regional Bishop.

2.3.3 Nomination Ordinance

Outlines the procedure for forming a nomination committee and making recommendations to the Archbishop.

2.3.4 Parental Leave Ordinance

Outlines parental leave entitlement for clergy.

2.3.5 Assistant Ministers Ordinance

Outlines the procedures for appointing an Assistant Minister and how that arrangement may be terminated.

2.3.6 Parish Disputes Ordinance

Can be used by Parish Council in cases of dispute involving a church worker, which may involve mediation.

2.3.7 Parish Relationships Ordinance

If a 65% majority of a Parish General Meeting determines that there is a relationship breakdown between the minister and parishioners, in certain circumstances, a licence review process may be invoked.

2.4 Statutory law

Stipendiary lay workers will be subject to various Commonwealth and New South Wales employment laws. Although these do not always directly apply to licensed clergy, they should be referred to.

2.5 The Ordinal, Book of Common Prayer

Clergy make important promises at their ordination. Anglicans take these very seriously and in some jurisdictions may even be legally binding.

3. Church relationship with staff**3.1 Rector****3.1.1 Employment status**

The rector is considered an officeholder rather than an employee. He is licensed to a parish by the Archbishop of Sydney.

This is an unusual employment status and doesn't directly correspond with other secular employment arrangements. Clergy licensing is governed by Synod, and its various ordinances.

Since the Minister is regarded as an officeholder, the Sydney Diocese Employment Relations Guidelines recommends that care be taken not to enter into an employment contract.

3.1.2 Nomination process

The nomination process is governed by the *Nomination Ordinance 2006*, can be onerous but involves representatives from the parish, Synod and the Archbishop. It is worth doing well in order to find the right candidate for the right church.

Once a rector is nominated, there is no going back. It can be difficult to remove a rector, therefore choose wisely.

The church elects five nominators at its general meeting every year. These people should be godly, well known and likely to act in the church's interest. Most years the nominators will be inactive however careful thought and prayer should be applied every year as though they will become active.

Nominators should have a clear idea of the type of minister that the church needs. They should have ongoing discussions with the Wardens.

An important question is whether the church needs a culture change for the sake of the gospel or ongoing improvement to the current culture. Nominators should seek a candidate who will lead such change/improvement.

Nominators will commonly filter all available clergy to come up with a preferred list. It is important to be realistic and to pick clergy who may be in a position to move.

Narrowing down the preferred list will involve speaking to referees, relevant people (like the bishops) listening to recorded sermons and attending their current church (bearing in mind the sensitivity for that church).

The nominators should interview the candidates more than once and should work hard to explain the uniqueness of their church and understand the candidates' strengths, weaknesses and characters, to determine a good fit. It is important to get beyond initial niceties. The nominators should consider the candidates they are pursuing and imagine the potential areas of conflict. This may direct their discussion with the candidates.

The candidates should make a careful study of the church profile along with other research. They should communicate clearly to the nominators any significant cultural change that they believe may need to take place. It is disingenuous to surprise the nominators once in the position.

Seeking God's wisdom in prayer should undergird the nomination process at every step.

3.1.3 Rector's responsibilities

Rather than a "job description" it would be appropriate to come to an advance agreement of the rector's responsibilities. These should be phrased in terms of ministry outcomes, rather than specific duties. For example, it is better to state, "The rector will be responsible for the pastoral care of church members" rather than, "The rector will visit sick church members on a frequent basis."

Schedule 1 of the Parish Administration Ordinance states, 'The minister has general responsibility for the spiritual welfare of the parish and each church in the parish and for this purpose has powers, rights and duties in accordance with his licence and authority from the Archbishop'.

The agreement should not contradict or repeat that already stated in the Parish Administration ordinance. However, it may include agreement as to how this is practised within the uniqueness of a particular church.

According to schedule 1 of the Parish Administration Ordinance, the main financial function of the Wardens are, 'to ensure the proper management, security and financial administration of all money and other property of the church (except money or other property for which the Wardens are excluded from exercising this function by the trusts on which such money or other property is held)'. They may also appoint certain paid workers, with the concurrence of the minister. The rector determines the duties performed by ministry staff.

Wardens are also responsible to keep order of each church property and grounds.

Put simply, the rector is responsible for the 'spiritual welfare' of the church and the Wardens and parish council for 'temporal matters'. In reality it is not quite that simple. The temporal matters can be managed in a way that facilitates the spiritual welfare of the church, so it important for the rector and Wardens to work closely together. The rector should consult the Wardens and parish council on matters regarding spiritual welfare and vice versa. If the two do not work well together, disagreement and discord can easily result. The rector should meet with Wardens at least monthly, in addition to a monthly parish council meeting.

3.1.4 Rector's entitlements

A rector should have access to normal entitlements however, given the uniqueness of his position, flexibility is required. For example, a rector may need to perform ministry duties during public holidays. He is responsible for his own time management, ensuring that he has sufficient rest with minimal disruption to the church. It is not appropriate for a minister to accrue leave in lieu of unused public holidays.

A church can encourage professional development by budgeting for it. Such a budget may include locum payments for study leave.

A rector should give ample notice for leave. He may negotiate with the Wardens additional study leave when it is considered to benefit the rector and the church.

It is important that current Wardens understand and respect agreements made between the rector and previous Wardens. Wardens often change and it can be frustrating for the rector to have to remind, educate and sometimes renegotiate agreements made in the past. If conditions have changed, Wardens may want to renegotiate an agreement with the rector. It is not acceptable to simply ignore a previous agreement. Eg. 10 years ago a rector negotiated with Wardens that a housing allowance would be indexed in line with rental prices in the local area. This agreement was ignored by subsequent Wardens and parish councils who failed to budget for an increase in his housing allowance.

Where possible, the Wardens should ensure that benefits and entitlements are provided so that the minister can personally flourish and grow, for the sake of the gospel. In cases of uncertainty, it is better to err on the side of reasonable generosity.

3.1.5 Professional Development (PD)

It is important for the rector to be involved in ongoing PD. MT&D administer a program to help ministers in the types of PD they should undertake and gives accreditation.

The Lifelong Ministry Development (LMD) guidelines requires a) A ministry development plan, b) A minimum of 30 hours LMD activities per year and c) Journal entry for each hour of LMD activity. The LMD approved PD activities allow much scope for the minister to develop a PD plan suited to his and the church's needs.

3.1.6 Regular review

It is recommended that a review be conducted with the Wardens once a year. This should include an open and honest discussion about the things the rector is doing well and the areas in which he could improve.

It should be two way and the rector may make certain request of the Wardens in order to facilitate and encourage the ministry.

3.1.7 Disputes

It is expected that disputes be dealt with in a directly personal way within the church before escalating to the Bishop or enacting an ordinance.

Schedule 1 of the Parish Administration Ordinance states, 'The policy of the Anglican Church of Australia in the Diocese is that any dispute between the minister and any of the members of this Church should be solved in a prayerful and pastoral manner, having regard to the rights and duties of those persons, rather than by legal decision.'

In the case of personal disputes, it may be necessary to use a mediator that both parties approve.

Conflict resolution can be time consuming and sometimes feels like a distraction to ministry. Conflict resolution requires careful communication and patience. If done properly, it may consume much time but will ensure that ministry flourishes.

The *Parish Disputes Ordinance 1999* provides helpful guidelines when a dispute involves a church worker.

3.2 Rector and Staff

3.2.1 Purpose

Paul writes to the Philippians *"I thank my God every time I remember you. ⁴In all my prayers for all of you, I always pray with joy ⁵because of your partnership in the gospel from the first day until now, ⁶being confident of this, that he who began a good work in you will carry it on to completion until the day of Christ Jesus."* Phil 1.3-6

This section of the guidelines are designed to help staff teams of paid and voluntary workers serve together in a healthy gospel partnership that brings joy to each other and advances the work that God is doing in each church of our Diocese.

They are meant to be discussed in each church and applied to the circumstances of each staff team and the context where they serve.

3.2.2 Appointment

The appointment of any staff is a long and complex matter and needs considerable care to ensure that there is real clarity on the ministry partnership that is being entered into. The SDS website provides The Employment Relations Guidelines to assist in this process and covers many important areas for the rector (with the wardens and parish council) and staff member to discuss, agree on and document.

3.2.3 Clear role description

A written role description outlining the primary and secondary responsibilities of each team member brings clarity for each member of the team. It allows each member to be focused in their work, avoids confusion and potential conflict, and provides a basis for being able to assess how each member is performing. This role description should be negotiated and agreed on before a position is offered and accepted. It is helpful for a discussion to take place every year in the review process (below) about how the role description matches the reality of what is being done. Changes in the functioning of the staff member or the role description can be discussed and agreed on at this point. (Note Appendix A for a pro-forma)

3.2.4 Regular review

A regular staff review enables each staff member to set goals for each year and then along with others on their 'review team' assess how they are going in achieving those goals, what additional resources or help might be needed or what changes need to be made to the goals. A 'review team' could consist of the team member and their spouse, the rector, a warden and two members of the church selected by the staff member.

3.2.5 Termination

The formal ordinance that needs to be followed in the termination of a clergy person is the *Assistant Minister Ordinance 1990*, and of a layperson The Fair Work Act 2009.

There may be a whole range of factors that lead a rector to decide to terminate a staff member's appointment in the parish. Sometimes it might be guided by a changing financial situation, sometimes by changes in the needs of the parish and other times by the suitability of the staff member to carry out the ministry needed. All our relationships as Christian co-workers should be marked by love, openness and honesty. A regular review process should provide the mechanism for open discussion on how a staff member is fulfilling their role in the parish. If a rector is not happy with a staff member's conduct, performance or capacity in the ministry it is essential that this is discussed openly with a view to addressing those concerns. This is best formally documented and confirmed by both rector and staff member so there is an objective record of what reviews and discussions have occurred. It should not be a 'surprise' to the assistant minister if the rector has issues with their performance and a termination is discussed. The staff member needs to understand the rector's concerns and be able to share their perspective with a view to agreeing on a way forward.

A recommended process for a rector to follow is:

- (i) Clearly alert the assistant minister (either verbally or in writing) that they are not fulfilling their responsibilities properly and provide details of these areas. Inform them of the need to improve their conduct or performance or further develop their capacity to carry out their role, or they risk being dismissed.
- (ii) Provide the assistant minister with a reasonable amount of time to improve his or her performance or conduct.
- (iii) Offer to provide the assistant minister with appropriate training or opportunity to develop his or her skills.
- (iv) Assess whether the assistant minister has improved in their conduct, performance or capacity.

- (v) Before you dismiss the assistant minister you must tell them the reason for the dismissal and give him or her an opportunity to respond.

[Note this is a draft recommended process and the current review of the Assistant Ministers Ordinance before Synod in 2017 is expected to outline its own process for managing a termination. These guidelines would be updated to reflect whatever process Synod decides]

3.2.6 Task and relationships

Ministry is not done in isolation - there are many tasks to be done. However, as we see in the passage above, ministry is also a partnership. Care must be taken to develop loving relationships within the staff team. This takes time and will involve opportunities to share, pray and read the scriptures together.

3.2.7 Regular meetings

1. Staff team – Organised parish ministry requires weekly team meetings to co-ordinate and plan. These meetings also provide an opportunity to develop relationships within the staff team as you meet over a meal, read scripture, share and pray for each other.
2. Days away - Sometimes the pressing matters of each week can dominate the weekly staff meeting and there is little time to discuss new ideas. Going away two or three times a year, as a staff team, for two or three days allows time for a more extended time to discuss the 'big picture', new ideas of how ministry might be done as well as providing time to relax together.
3. One to one with rector – a regular meeting (monthly – six weekly) one to one, between the rector and each staff member, provides an opportunity to discuss matters in the team members areas of responsibility and to provide feedback on how they are going personally and in their role.

3.2.8 Team covenant (how we work together)

Developing a team covenant or agreement on how the team functions together can contribute significantly to team harmony. This agreement covers things like how the staff team meet, how to function when members' responsibilities overlap, how to respond to other staff members' children or spouse if they serve in another staff member's ministry area, how to appoint leaders and how to resolve conflicts. (Note Appendix C for an example) Regarding team communication, it helps to clarify what things can be communicated via email and what would be better discussed in face to face conversations. Further, if there is a church office which provides working space, clarify expectations for the proportion of time spent working in that space and time spent working at home.

3.2.9 Professional development

Each staff member needs to continue to develop their convictions, character and competencies to enable them to continue to be fruitful in their ministry. The rector and parish council need to agree on how much time each staff team member can devote to professional development and what financial support is available. This would cover conferences, courses of study, books and fees for mentors/courses and pastoral supervision.

Ministry Training & Development has established a professional development process called "Lifelong Ministry Development (LMD)" to provide an intentional, self-directed and accountable approach to help ministers maintain their zeal and fervour in serving the Lord (Rom 12:11). This provides a very helpful structure to professional development and provides accreditation. More details are available on the MT&D website.

3.2.10 Outside ministry

Each staff member needs to be committed to serve in ministry in their church but what about their contribution to the wider church, like beach missions, camps or missions? Staff members may have much to contribute here and in turn find encouragement and source new ideas from serving in other places. Furthermore, they may be able to take and train church members. The rector and parish council need to agree on a policy.

3.2.11 Holidays, days off and time in lieu

Annual leave is an entitlement to both lay-workers and clergy but public holidays for lay-workers only. Rectors with parish councils need to determine their own policy around public holidays for clergy staff.

It is also important to agree on what the expectations are on days off for each staff member and how many nights are staff expected to be doing parish ministry? Also, following particularly busy periods is there any provision for time-off in lieu? How is that organised?

3.2.12 Stipend, allowances and other benefits

The Guidelines for the Remuneration of Parish Ministry Staff are produced annually and available on the SDS website. These guidelines provide detailed information on many different areas, however many of the provisions are guidelines only and need to be negotiated between the rector (with the approval of the parish council) and staff member. This needs to be negotiated before an appointment is made, included in the letter of appointment and discussed in the annual review each year.

3.2.13 Socials

Some opportunities for staff team members to socialise together, as well as with their spouse and children, can contribute significantly to building healthy relationships and team harmony.

4. Concluding Remarks

The guidelines outlined in this document do not have legal force and cannot contravene other legislation.

It is expected that in most situations there will be gospel unity and peace involving church workers.

In the case of disputes, fulfilment or non-fulfilment of the above may be considered appropriate evidence before a tribunal or equivalent.

Hebrews 12:14 "Make every effort to live in peace with all men and to be holy; without holiness no one will see the Lord. See to it that no one misses the grace of God and that no bitter root grows up to cause trouble and defile many."

Summary Report of the Rector Training Review Group

Background

The Diocesan Mission (*Mission 2020*) identified four priorities. Of these the third priority is to: Equip our members to exercise their gifts. The first factor to drive this priority is: strengthening leadership skills of clergy, especially rectors.

In focusing on this priority of the *Mission 2020* the Strategic Research Group (SRG) invited a team to consider how the diocese might best address the development of rectors across the diocese. This working group included:

- The Rev Gary O'Brien (Ministry Training and Development (MT&D))
- The Rev Rob Smith (Ministry Training and Development)
- The Rev Archie Poulos (Moore College, Department of Ministry / Centre for Ministry Development (CMD))
- The Rev Philip Wheeler (Department of Evangelism and New Churches)
- The Rev Andrew Katay (rector / Strategic Research Group)
- Mr Peter Mayrick (Centre for Ministry Development / Strategic Research Group)

The Rector Development Working Group met through 2016 and made recommendations to the SRG in late 2016. The work of the Rector Development Working Group has now been superseded by the second interim report of the Licensing of Incumbents Review Committee provided to the Synod in October 2017.

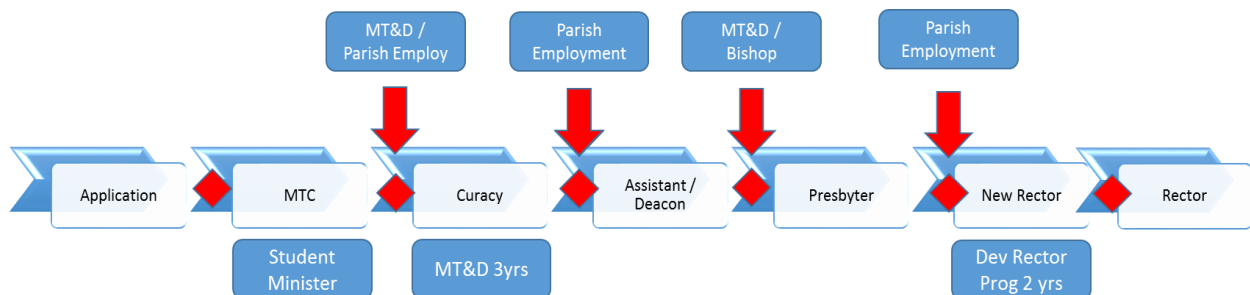
The work of the Rector Development Working Group

Our goal was to make a recommendation to the Diocese regarding how it can play a role to equip / enable rectors with a view to optimising their ministry.

The working group came to their recommendations through the following process:

The working group explored the current situation of rector Development and the issues to be considered in making a recommendation. In summary the working group identified:

- There are a number of stages in the life of minister in the Sydney diocese (see picture below) and



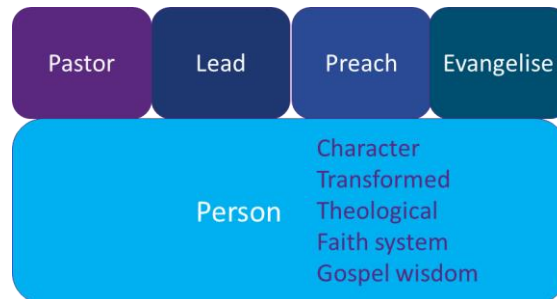
opportunities for clergy development however only a few of these stage are currently associated with targeted development.

- There are a number of “gates” through which a minister passes as he becomes a rector including:
 - Application to college
 - Approval for candidacy
 - Licensing as a curate
 - Parish employment
 - Approval as a Presbyter
 - Licensing to a parish
- However there are only a few key areas of formalised training and development

- Theological training (MTC)
- Post Ordination Training (3 year MD program by MT&D)
- Developing Rector Program (2 year new rector by CMD) – recently launched

□ The working group recognised that:

- There are a wide range of characteristics required of a rector and therefore a very wide range of possible development aspects or areas that could be addressed.



- Whilst there is no formalised training program for rectors (after the initial two year program), there are numerous providers of training, education, coaching, mentoring, pastoral supervision etc. We believe this is positive for rectors and wish to encourage a range of providers to encourage a range of services and allow choice to encourage higher levels of quality.
- There is a considerable difference between a 'new rector' and a rector who has been in their role for a while. Because the Developing Rector Program was being developed as we were meeting we focussed our attention on developing rectors who have been in their role for a period longer than two years.
- Any program to develop rectors would need to be introduced in a voluntary capacity for existing rectors. It may be possible to create incentives to gain support for any such program. Having said this, a mandatory approach to rector development could be introduced for new rectors as a condition of their new licensing by the Archbishop. Such an approach would enable the diocese to phase in Rector development.
- We believe that development needs to involve three elements which we wish to encourage:
 - Diagnosis – reflection to identify key areas for personal development as a rector. NB - feedback from HR experts encouraged any program to build a rector's capacity for self-reflection.
 - Planning – once an area is identified development requires intentional action.
 - Accountability – our investigations have identified that accountability to implementation has greatly improved the outcomes for pastors.
- There are a range of options for diagnosis and accountability. We do not wish to limit the options available to ministers. Rather we wish to encourage their use and availability.

□ We wish to build a 'user pays' approach to development and encourage parish budgets to fund development of staff. Having said this we acknowledge that there are parishes that may need assistance in funding this. NB We did not explore funding solutions to a great extent.

□ There will need to be a level of coordination if a program is going to require a compliance or tracking aspect (as would be required for an incentivised or a required program). We considered that MT&D would be the most appropriate structure for this to be located however this would require additional funds to enable MT&D to have suitable capacity. Note: we did consider means to increase funding to MT&D for this however did not progress this as a group at this stage.

Recommendation

The Rector Development Team considered a range of options before making recommendations to the SRG.

The SRG has discussed the proposal and considered –

- (a) whether the roles of wardens and parish councillors as key leaders in our parishes would benefit from further refinement, and what avenues there may be to support their development,
- (b) whether a letter from the Archbishop to wardens, encouraging them to financially support their rector's development (both as a general advice but also in conjunction with a letter to the rector regarding their professional development) would be beneficial,
- (c) the benefits of piloting the program with a number of Mission Area Groups,
- (d) including the report, "Coaching, Mentoring and Pastoral Supervision" as at appendix to the report.

The working group has completed a template for a Ministry Development Plan (available through MT&D or CMD). The working group brought this report to the Licensing of Incumbents Committee as per the request of Standing Committee in early 2017. The ideas and research from this group has informed the Lifelong Ministry Development proposal from MT&D that is before Synod 2017.

Summary Report of Pastoral Supervision Working Group

Background

At the 2015 session the synod carried the following resolution proposed by the Rev Robyn Kinstead:

“Synod –

- (a) recognises and gives thanks to God for the sacrificial and tireless efforts of our clergy and stipendiary lay ministers in parish ministry;
- (b) notes the need for all clergy and stipendiary lay ministers to debrief in a safe, stable and suitable supervisory space;
- (c) requests that the Standing Committee ask for a report from the Pastoral Supervision Working Group, and then review and report back to the Synod.”

The Pastoral Supervision Working group began meeting in 2010 as an informal gathering of people concerned to improve the supervision of theological students and clergy of the Diocese. In 2014, the Archbishop invited this group act on his behalf to develop a proposal for enabling supervision to be conducted across the Diocese.

The Royal Commission into Institutional Responses to Child abuse, and the increasing number of clergy requiring stress related absences has highlighted the need for a prophylactic program for clergy and church workers.

The Pastoral Supervision Working Group has sought to invite members who are both stakeholders in supervision and who have expressed an understanding of and interest in developing supervision in the Diocese. The working Group membership has been determined by the group. Current members are: Nicky Lock (convenor), Gary O'Brien, Andrew Ford, Jackie Stoneman, Andrew Nixon, Kara Hartley, Archie Poulos, Kerrie Newmarch, Geoff Broughton, Nigel Fortescue, Catherine Wynn-Jones, Sarah Kinstead, and Chris Edwards.

In 2017 the Pastoral Supervision Working Group was put on hold, with two members, Gary O'Brien and Kara Hartley joining the Licensing of Incumbents Review Committee.

The work of the Pastoral Supervision Working Group has now been superseded by the second interim report of the Licensing of Incumbents Review Committee provided to the Synod in October 2017.

What is Pastoral Supervision?

Pastoral supervision provides a regular, supportive, reflective, contracted space to attend to ministry practice with a trained supervisor: it has formative, normative and restorative aspects. It is not spiritual direction, counselling, line management, coaching or mentoring, though includes elements of those practices. It is an activity that is sensitive to God's revelation, “resulting in the minister having enhanced self awareness, ministering competence, theological understanding and Christian commitment.”¹

The Need for Professional Supervision of Clergy and Church Workers

It is generally understood that professional supervision provides 3 key 'helps' for clergy.

- (a) **Formation:** Professional supervision provides help for clergy in their ongoing development in their ministry. A person being supervised brings such an event to supervision, and reflective interaction with a supervisor on this event has the formative impact of enabling the supervisee to function better in these and other circumstances in the future, through an enhanced understanding of themselves, others and their situation.
- (b) **Reporting and Prevention of Burnout:** Clergy commonly comment on the loneliness of ministry and the high expectations placed upon them. These are two contributing factors to burnout. Burnout can be attenuated through clergy having a safe place and safe person with whom to explore ministry issues.
- (c) **General Accountability:** Exploration of our Diocesan Ordinances, especially the Parish Administration Ordinance (2008), reveals that rectors have both great freedom and little accountability (except for finances, property, Professional Standards and reporting matters). There is very limited formal or informal development other than retribution for moral failure.

¹ Pohly, K. (2001). *Transforming the Rough Places: the Ministry of Supervision*. Franklin, TN: Providence House Publishers.

In light of the findings of the Royal Commission into Institutional Responses to Child Sex Abuse supervision is acknowledged as providing the reflective space where the balance between being over rigid or too loose about personal boundaries can be considered in light of optimal ministry responses to those one is ministering too².

Elements currently in place in Sydney Diocese for Reflective Practice

There are currently several avenues for reflective practice for clergy and church workers in the diocese. These include Focus on Ministry Retreat groups (Les Scarborough model), Coaching (CMD, Sauerkraut, City to City, Arrow), Professional and clinical supervision of chaplains, counsellors etc in Anglicare and ARV, MT&D mentoring groups & Personal Supervision (eg Peter Moore Adifica)

The helpfulness of these practices was examined in a limited qualitative survey amongst Sydney clergy, male and female, who were currently accessing some form of these activities³. Four major themes emerged as to the usefulness of receiving some form of reflective practice:

- (i) for accountability and challenge
- (ii) for receiving practical advice and support
- (iii) to assist with examining ways in which personal and spiritual issues interfere with their ministry
- (iv) to receive overall support and strengthening in their ministry.

Additionally negative aspects of the respective reflective practices engaged in were described, though over half of the group stated that there were no downsides to these experiences: rather it had been both essential and a blessing. Negative aspects that were mentioned included:

- (i) the structure or contract not being clear, failing to be supportive enough (especially in relation to peer retreat groups).
- (ii) the difficulty of being honest with oneself and the supervisor/coach/mentor along with the sometimes draining nature of the interaction.
- (iii) The minority who considered any form of reflective practice not to be necessary and to be unwelcome by the majority of the clergy.

Clergy Assistance Program

This program was launched on 1 April 2016 and aims to offer 6 sessions of counselling for “a confidential conversation whenever they recognise any of the early warning signs of stress or if they feel the need for professional counselling concerning personal or ministry matters”. See www.anglicare.org.au/clergy-assistance-program.

Recommendations

The Pastoral Supervision Working Group made suggestions as part of their report to Standing Committee including:

- Creation of a 2 tier accreditation for supervisors in the Diocese.
- A register of Diocesan approved supervisors.
- Cost of supervision for clergy be undertaken by the parish.
- 10 hours of reflective practice per year, registered in some way.
- The Diocese consider making reflective practice a priority for all new clergy.

² Gutheil, T. G., & Brodsky, A. (2008). *Preventing boundary violations in clinical practice*. New York: Guilford Press, 257.

³ Nicola Lock, “A Pilot Study into the Experience of Sydney Clergy in Relation To Professional Supervision as a Contribution to Their Ministry Practice”. Unpublished manuscript, (2011).

Lifelong Ministry Development Guidelines

(A report from Ministry Training and Development.)

Key points

- Ministry Training & Development (MT&D) is establishing a professional development process called Lifelong Ministry Development (LMD) to provide an intentional, self-directed and accountable approach to help ministers maintain their zeal and fervour in serving the Lord (Rom 12:11).
- LMD seeks to incorporate the key recommendations of two Standing Committee working groups, the Pastoral Supervision Working Group and the Rector Training Review Group.
- LMD seeks to promote 'well-being' in ministry as it leads to a healthy work engagement and reduces the risk of 'burnout'.
- Synod research indicates that many ministers do have some form of professional development. These LMD guidelines seek to enhance this development by providing an intentional structure to this development, more resources, and recognition through receiving an annual Certificate of Completion.

Purpose

1. By this report Standing Committee is notified of the Ministry Training & Development Lifelong Ministry Development Guidelines, a professional development program for clergy of the diocese, with a view to Standing Committee authorising a suitable form of the guidelines being provided to Synod.

Recommendations

2. That Synod receives this report as an explanation of the LMD proposal and requests that a suitable form of the report be provided to the 2017 Synod.

3. That the following motion be moved at the forthcoming session of Synod in 2017, "by request of Standing Committee" –

"Synod, noting the report Lifelong Ministry Development Guidelines –

- (a) thanks MT&D for their attention to this important area,
- (b) recognises the significance of last year's Synod survey research that –
 - (i) 42% of respondents do not believe that rectors are looked after in a way that gives them the best opportunity to improve and grow over time,
 - (ii) 8% of rectors do not believe that they are currently "well suited" to their position,
 - (iii) 30% of rectors report a low level of energy,
 - (iv) 21% of rectors significantly struggle with depression or anxiety,
- (c) encourages our clergy to participate in LMD being operated by MT&D,
- (d) urges parish councillors and lay Synod representatives to support their minister's commitment of time and resources to professional development and reflect this in their parish budget, and
- (e) asks the diocesan members of the Nomination Board, when considering a prospective rector, to discuss with the parish nominators the prospective rector's current engagement with LMD."

Background

4. MT&D exists to "recruit, select, train and develop Anglican ministers for the Diocese of Sydney". In recruiting, it works closely with Moore College and Youthworks College as well as visiting churches and talking with individuals considering ordination. In selection, it conducts interviews with those applying for ordination and oversees a two year discernment process making a recommendation to the Archbishop about a candidate's ordination as a deacon or presbyter. In training and development, it operates a three year Ministry Development (MD) program for all newly ordained assistant ministers seeking to further integrate the participant's theological understanding with their personal life and ministry practice, as well as providing other training events and meeting one to one with clergy to discuss their ministry development.

5. The Licensing of Incumbents Review Committee (LIRC) is an ad-hoc committee constituted by Standing Committee tasked with responding to a suite of Synod resolutions, of which the Director of MT&D, the Rev Gary O'Brien is a member. The LIRC noted the following possible recommendations in its interim report to the 2016 Synod –

- (a) that a professional development program be developed using the available resources and structures of MT&D and Moore College and that responsibility for developing materials and resources and the overall program be given to the Synod appointed committee looking at rector training; and
- (b) that an annual/regular 'mental health check-up and debrief' with a qualified counsellor or psychologist be required for all ministers as part of the professional development program.

6. At its meeting on 25 July 2016 the Standing Committee, reflecting the fact that professional development and reflective practice were being discussed by multiple working groups around the diocese, encouraged the LIRC to liaise with the Pastoral Supervision Working Party and the Rector Training Review Group.

7. At its session in October 2016, Synod (resolution 10/16) –

- (a) welcomed the interim report on "Licensing of incumbents"; and
- (b) encouraged the Committee to continue to meet and provide a final report with recommendations and proposed ordinances for consideration by the Synod in 2017.

8. Since Synod 2016 the LIRC has received a presentation from representatives of the Pastoral Supervision Working Party and reviewed its report to Standing Committee. The LIRC also received and evaluated a professional development proposal from the Rector Training Review group and co-opted Mr Peter Mayrick from the group to the LIRC. The LIRC has been in ongoing conversation with Mr O'Brien and the Archdeacon of Women's Ministry, the Venerable Kara Hartley, during the development of the LMD guidelines, both in reviewing and giving feedback.

Professional development as a common secular practice

9. Professional development is now common practice in many different professions and is required for people to continue to practise, for example NSW school teachers need to maintain their Proficient Teacher Accreditation, which includes doing 100 hours of professional development over five years. Through the Psychology Board of Australia, annual renewal of registration as a psychologist is dependent on completion of Continuing Professional Development (CPD) standards involving 30 hours of professional development each year. Through the Medical Board of Australia, medical practitioners with specialist registration must meet the requirements set out by their relevant college.

10. Most professional bodies will state that the purpose of their professional development programs are to safeguard the public, the employer, the professional and the profession itself.

11. Writing from the UK and focusing on human resources professionals, Margaret Mackay (2015) found that these individuals appreciate the impact of development in confidence, self-efficacy and resilience. She concludes that "professional development can sustain individual growth, sustain optimism and empower individuals to fulfil their potential in contributing to society".

12. Building a culture that supports increased professional development opportunities with nurses has been shown to affect nurse retention and satisfaction (Cooper, 2009).

13. Dr Paul Brock AM (2015), reporting on professional development of teachers in NSW and quoting New Zealand's Helen Timperley (2008), identifies that in order to sustainably improve student outcomes, teachers must develop professional, self-regulatory, inquiry skills, and that they must have organisational support to do this.

Benefits of professional development to clergy

14. Grant Bickerton et al (2013) have completed some important Australian research into "Well-being in Ministry". His research of 1018 people in Christian ministry focused on identifying the key factors that lead people to 'burnout' marked by exhaustion, cynicism and low personal accomplishment, as well as the key factors that lead people to 'work engagement' marked by vigour, dedication and absorption. Two of the key factors leading to 'work engagement' are development opportunities and supervisory support. Both of these are key components of the LMD proposal.

15. Elizabeth Jackson-Jordan (2015), reviewing the extant research on clergy burnout and resilience, recommends that clergy be supported by peer groups and mentors and that they participate in leadership development (including conflict resolution, interpersonal skills etc.) in order to promote clergy resilience.

16. NCLS data indicates that nearly 75% of clergy are near to burnout and 50% say they have experienced burnout. Pastoral supervision (a key component of the LMD process) has been proven to be preventative of burnout.

17. The take-up of the Clergy Assistance Program (CAP) and use of the Clergy Contact Persons (CCP) highlight that our clergy face significant challenges and sometimes need assistance. Following on from the Grant Bickerton research (mentioned above) the goal is that the LMD process will be a proactive way to help our clergy continue to develop and grow so that they maintain their vigour, dedication and absorption in gospel ministry and are less likely to need this assistance.

18. Through the Lifelong Ministry Development Guidelines, MT&D is seeking to create an intentional, self-directed and accountable approach to help ministers maintain their zeal and fervour in serving the Lord for the whole of their ministry so that they might stay fresh, find joy and be of great use to the people entrusted to their care. The guidelines are attached as Annexure 1.

19. These guidelines provide a mechanism by which Anglican ministers in the Diocese of Sydney can intentionally develop in conviction, character and competency throughout the course of their ministry.

20. The 2016 Synod survey, reported by the LIRC, highlighted that the majority of rectors had done some professional development in the previous 12 months. The Lifelong Ministry Development Guidelines seek to enhance this development by providing an intentional structure to this development, more resources and a recognition through receiving an annual Certificate of Completion.

21. The LMD provides a structure to incorporate some of the key recommendations of two diocesan groups, the Pastoral Supervision Working Group and the Rector Training Review Group by providing an approach to professional development that encourages:

- using good diagnostic tools
- accountability (mentor/coach/pastoral supervisor)
- creating a Ministry Development Plan (MDP)
- online journalling of progress.

For and on behalf of Ministry Training and Development

GARY O'BRIEN
Director

14 August 2017



Lifelong Ministry Development Guidelines

August 2017

Table of Contents

Lifelong Ministry Development Guidelines

Table of Contents	106
Introduction	107
Lifelong Ministry Development (LMD) Guidelines	108
1. Ministry Development Plan (MDP)	108
2. LMD Activity Types	109
2.1 'Peer Consultation'	109
2.2 'Active Learning'	109
3. LMD Journal	110
LMD Recognition Process	110
4. Recording LMD Activities	110
5. Recognising LMD	110
6. Access and Confidentiality	110
Appendix A: Some Current NSW Professional Development Models	111
Appendix B: Creating a Ministry Development Plan (MDP)	112
Appendix C: Providers for LMD Activity	115

Introduction

Never be lacking in zeal, but keep your spiritual fervour, serving the Lord (Romans 12:11).

Ministry Training & Development (MT&D) exists to recruit, select, train and develop Anglican ministers for the Diocese of Sydney. Through the use of these guidelines, MT&D aims to provide a mechanism by which Anglican ministers in the Diocese of Sydney can intentionally develop in conviction, character and competency throughout the course of their ministry.

MT&D hopes to create an intentional, self-directed and accountable approach to help ministers maintain their zeal and fervour in serving the Lord for the whole of their ministry so that they might stay fresh, find joy and be of great use to the people entrusted to their care.

These guidelines are designed to help ministers “finish well”: when they look back on their ministry to be able to say with the apostle Paul, *I have fought the good fight, I have finished the race, I have kept the faith (2 Tim 4:7).*

MT&D recognises that many ministers are proactive, take initiative and are fully committed to continue their ministry development. These Guidelines seek to provide an intentionality to that development by providing structure (using a Ministry Development Plan and assessment tools), accountability (through peer consultation) and self-reflection (using online journalling).

These guidelines are based on the now widespread practice of ‘self-directed learning’, where practitioners identify areas for development based on their ministry situation and personal circumstances.

Increasingly our communities expect that leaders will participate in some form of ‘professional development’ (Refer to Appendix A – Some Current NSW Professional Development Models). It is all the more incumbent on us as leaders of Christ’s Church, to fulfil the high standards expected of ordained leaders. In fact, it is sometimes the high expectations placed on clergy that demand that we find better ways of developing as people in ministry.

Lifelong Ministry Development (LMD) Guidelines

MT&D will recognise those ministers who are able to demonstrate their desire to actively develop in ministry; closely watching their life and doctrine. Each year, those ministers meeting three components of activity will be recognised for their commitment to Lifelong Ministry Development. These components include the following:

1. Ministry Development Plan - the minister identifies a focus area(s) for the year and activities for development towards their goal in this area.
2. 30 hours of LMD Activities - the minister participates in learning activities, including a minimum of 10 hours reflecting on their own ministry.
3. Journal entry for each hour of LMD - the minister documents how a LMD activity has contributed to their development and their focus area(s).

Ministers must register on the MT&D website in order to participate. The annual registration fee is minimal (approx. \$120).

1. Ministry Development Plan (MDP)

The purpose of the Ministry Development Plan (MDP) is to provide ministers with some structure to consider deliberately and prayerfully how they might develop and grow in God's service over the course of a year (or annual cycle).

For their MDP, ministers are asked to identify one or two focus areas to work on through the annual cycle. It is recommended that only one or two areas of focus are selected, as it is difficult to keep track of them in the busyness of ministry. These areas might be issues that need some development or they might be areas of strength that the minister would like to continue to grow in. Either way, they should relate to the type of ministry they will undertake in the near future. Ministers are asked to consider the domains of conviction, character and competence to determine what requires their attention.

Ministers might determine a focus area by gaining feedback and input from:

- the Bible (particularly considering character and conviction);
- those around them (through formal or informal questioning); and
- by accessing tools focused on their development (eg., psychometric assessment, 360-degree feedback or other surveys). Ideally this form of assessment will be completed once every three years.

The MDP should be created at the beginning of the cycle and reviewed towards the end of the cycle. It may be modified throughout the course of the cycle year. The review should include an assessment of progress and reflection on future development needs. It is recommended that the minister discuss the creation, modification and review of development needs with a peer or mentor as part of their 'Peer Consultation' development activity.

An MDP template and example is included in the MT&D LMD site*. See also Appendix B.

2. LMD Activity Types

MT&D recognises that a minimum of 30 hours of LMD activities each year represents a commitment to ministry development. To achieve recognition, a minimum of 10 of these 30 hours must be undertaken as 'Peer Consultation'. Activities and examples are outlined below.

2.1 'Peer Consultation' (minimum of 10 hours)

- ❖ The minister engages in activities to reflect critically on their own ministry and how God is working through them. Examples include:
 - Individual consultation with a peer, senior minister or other professional person (where this advances the focus area(s) identified in the MDP);
 - Pastoral Supervision, coaching or mentoring (where this advances the focus area(s) identified in the MDP);
 - Network group discussion (In this instance, only the time spent focused on the individual's ministry is counted), e.g., Focus on Ministry Retreat Group activity.

2.2 'Active Learning'

- ❖ The minister engages in active learning by participating in activities designed to engage them and enhance their development. Examples include:
 - Participating in postgraduate study, e.g., MA or DMin;
 - Participating in a Ministry-focused Workshop e.g., Youthworks, Centre for Ministry Development;
 - Participating in skills-based training, e.g., Cornhill, PeaceWise;
 - Visiting another ministry for consultation and learning;
 - Reading a structured series of articles, applying learnings to own ministry, and sharing this with a peer(s), e.g., Arrow Leadership.

This also includes activities that support others in ministry. Examples include:

- Giving a presentation to peers on a topic relating to ministry;
- Providing peer consultation for other ministers;
- Acting as a trainer to a ministry apprentice or student minister.

A wide range of activities are recognised by MT&D in fulfilling the requisite hours, providing that they develop the minister's convictions, character or competencies. Selection of activities should be based on the individual minister's focus area for development, as identified in their MDP.

Activities ministers participate in should enable them to keep up to date with ministry practice, e.g., theology, preaching skills, relational skills including leadership and team building, communication, conflict resolution, ethics and administration.

Ministers can choose the provider of activities that they undertake. MT&D will not certify providers or activities in advance. Some activities relevant to a minister's development needs, as per their MDP, might be offered by secular bodies or individuals. Each minister needs to make their own judgment about the relevance and quality of activities and document how each contributes to their development. See Appendix C for possible providers.

3. LMD Journal

Ministers are asked to keep a documented reflection of the content and relevance to their MDP of each LMD activity.

The MT&D website is currently being developed to allow journalling to be recorded online*.

LMD Recognition Process

4. Recording LMD Activities

A minister's MDP, LMD activities, hours spent, type and journalling can be recorded on the MT&D site. This will require registration on the site.

5. Recognising LMD

The MT&D LMD cycle will begin in November and end in October the following year. At the beginning of each cycle, MT&D staff will review each registrant's activities and formally recognise those who have met the LMD guidelines for the previous cycle.

6. Access and Confidentiality

Each registered minister will have access to their own LMD details, MDP, recorded activities and journal entries for each cycle. They will also be able to access certificates for each cycle of completed LMD should a minister wish to provide this information to others (eg., nominators).

MT&D staff will have access to run the end-of-cycle report providing information on registrants and those completing the LMD requirements. They will have view-only access to registrants' MDPs. They will not access journals unless first requesting written permission of the minister eg., in the case of conducting an audit.

Ministers can contact MT&D staff at any time if they would like to ask questions or discuss their Lifelong Ministry Development.

Appendix A: Current NSW professional development models

Through the NSW Education Standards Authority (NESA), school teachers in NSW are required to maintain their Proficient Teacher Accreditation over a five year period for full time and seven years for part time or casual teachers. This involves continuing to demonstrate competent teaching practice, participating in at least 100 hours of professional development, meeting Standard Descriptors, paying fees, and submitting a report each cycle. Maintaining this accreditation is a condition of employment in any NSW school.

Through the Psychology Board of Australia, annual renewal of registration as a psychologist is dependent on completion of Continuing Professional Development (CPD) standards. These involve: a learning plan based on objective self-assessment; 30 hours of development activities including at least 10 hours in supervision or consultation focused on **the psychologist's own practice**; and maintenance of a CPD portfolio that includes the plan, activity log and reflection.

Through the Medical Board of Australia, medical practitioners with specialist registration must meet the requirements set out by their relevant college. Medical practitioners with general registration (who do not have specialist registration) must complete a minimum of 50 hours Continuing Professional Development per year.

04/04/17 www.nswteachers.nsw.edu.au/current-teachers/maintain-proficient-teacher-accreditation/how-it-works/

04/04/17 www.psychologyboard.gov.au/Standards-and-Guidelines/FAQ/CPD-resources.aspx

04/04/17 ama.com.au/careers/continuing-professional-development

Appendix B: Creating a Ministry Development Plan (MDP)

Creating a Ministry Development Plan consists of six steps:

1. Identify your priorities: Consider the domains of conviction, character and competence. Think about the ministry role you're now in – which competencies, skills, knowledge or behaviours are most important in that role. Is the role largely tactical, strategic or a bit of both? Is it largely one-on-one ministry, equipping others (staff or lay leaders), teaching large groups, or more behind the scenes?

It is important to consider different aspects of your role as well as your own growth as a Christian person. For example:



It's also worth thinking about where you might be in 2, 5 and 10 years' time.

2. Do some diagnostic work - collect some data: Once you've settled on a few priorities within your role, now assess yourself. There are several avenues you can go down.

- ❖ Areas you've been convicted of as you read the Bible
- ❖ Information from psychometric assessments – these are authenticated tools to help you understand yourself, your personal behavioural preferences and your predominant strengths and weaknesses
- ❖ Any 360-degree information you might have – could include a formal 360-degree tool (e.g., CMD online tool) or more informal approach (e.g., personal engagement / interview with people within your ministry environment)
- ❖ Church assessment (or audit) – conduct an assessment of the various ministries and functions of the church e.g., a minister assessed online survey (e.g., CMD church diagnostic survey), invite a number of church members (staff / lay) to conduct surveys, interview a number of people from church etc
- ❖ Ministry assessment (or audit) – if you have identified a specific ministry or activity to focus on why not conduct an assessment (formal or informal) to identify key opportunities, e.g., minister assessed online survey (e.g., CMD online ministry assessments), invite leaders or participants in ministry (staff / lay)

to conduct surveys or do a review, interview a number of people involved in the ministry, conduct a workshop on a specific ministry etc

- ❖ Informal feedback from your mentor(s), rector, teammates, congregation, friends and family.

3. Identify your strengths and areas for development: From the data, identify some of your strengths. Identify one or two key areas for development that relate back to your priorities. How can you use your strengths to build on your areas for development?

4. Complete your Ministry Development Plan: Fill in the table (example below) for your development area(s) with ideas for activities, dates for completion, and **outcomes you expect to see when you've shown development in that area**. Remember to keep it SMART: Specific, Measurable, Achievable, Realistic, Time-framed.

Example MDP

Development focus (diagnostic data)	Activities proposed to address focus	Proposed dates	Expected outcomes (measurement)
<p><i>Competence Operational: management</i></p> <p><i>Data: psych tools; 360 feedback from parishioners; informal feedback from team</i></p>	<ul style="list-style-type: none"> • <i>Attend a time management workshop</i> 	<p><i>By mid-June</i></p>	<p><i>Improvement in others' perceptions of my 'busyness':</i></p> <ul style="list-style-type: none"> • <i>congregation and team members feel comfortable to approach me without interrupting me (via 1:1 feedback)</i> <p><i>Lower anxiety for me:</i></p> <ul style="list-style-type: none"> • <i>being on top of each term's events and not having to do things myself at last moment (achieve tasks & timeframes in Plan)</i>
	<ul style="list-style-type: none"> • <i>Find and use a good "to do" app</i> 	<p><i>By end Feb</i></p>	
	<ul style="list-style-type: none"> • <i>Schedule planning time in diary at beginning of week</i> 	<p><i>Weekly</i></p>	
	<ul style="list-style-type: none"> • <i>Write my job description with wardens (or with rector if assistant minister)</i> 	<p><i>By end March</i></p>	
	<ul style="list-style-type: none"> • <i>Prepare and use a project plan for the term incl. tasks, timeframes, responsibilities. Share with the team</i> 	<p><i>By mid-April</i></p>	

5. Reflection / evaluation of your Ministry Development Plan: Take the time to reflect on your MDP regularly, and particularly towards the end of each cycle – specifically:

- How far have you progressed towards your objective?
- How well have you done? (What went well? What could you have done better?) It is well established that taking time to reflect on our work helps us to learn and develop for the future.

6. **Make sure you're accountable:** With many demands on a minister's time, it is well understood that personal accountability greatly improves the likelihood of completion of tasks and personal evaluation. We encourage you to make yourself accountable to someone you trust to review your MDP from time to time (e.g., quarterly or six monthly). This person needs to be someone you trust with your personal goals and achievements (confidentiality) as well as being able and willing to hold you accountable for your commitments. Examples might include a coach, mentor, pastoral supervisor, bishop, lay leader, peer or other person.

Appendix C: Providers for LMD Activity

While each minister is required to make their own judgment about the relevance and quality of activities they undertake, the following is a list of some providers known to MT&D.

- Arrow Leadership (<http://www.arrowleadership.org.au/>)
Leadership programs for Emerging and Executive Christian leaders, with modules on leading teams, transforming organisations and character & integrity in the Christian leader.
- Centre for Biblical Preaching (<http://www.cbp.org.au/>)
Workshops, conferences, seminars and mentoring aimed at encouraging expository preaching and teaching for preachers at all levels of experience.
- Centre for Ministry Development (<https://cmd.moore.edu.au/>)
A Centre of Moore College providing workshops, conferences and personalised coaching aimed at the personal and ministry development of ministers, with modules including strategic planning, resilience, delegation and time management. CMD also provides a 360 review and psychometric testing.
- City to City (<http://www.citytocityaustralia.org.au/>)
A resource to support and encourage church planting and renewal in Australian cities, offering programs in gospel coaching, leadership, preaching and coach training.
- Clergy Assistance Program (<https://www.anglicare.org.au/clergy-assistance-program>)
Professional, confidential counselling for clergy licensed to a Sydney parish and their spouses, funded by the Synod.
- Cornhill (<http://www.cornhillsydney.com.au/>)
Training by experienced preachers in biblical teaching and preaching with lectures on biblical theology; principles of exposition; and genres of biblical literature, as well as a focus on the practice of speaking rather than the practice of writing sermons.
- Ministry Training & Development (<http://www.mtd.org.au/home>)
Includes a three year Ministry Development program to support ministers entering full-time ministry with 21 workshop topics including pastoral care, handling conflict, strategic planning and healthy sexuality in ministry. Ministry marriage courses, Prepare/Enrich training and staff teams conferences are also offered.
- Moore Theological College (<https://www.moore.edu.au/>)
Offers courses in postgraduate study as well as the Annual Moore College Lectures which deal with an aspect of the Reformed and Evangelical faith, and the annual School of Theology designed to resource those in ministry.
- Oilstone (<http://www.oilstone.com.au/>)
A residential leadership conference offering practical skills and tools to pastors in leadership, as well as coaching sessions and on the job mentoring.
- PeaceWise (<http://peacewise.org.au/>)
Training in practical and biblical conflict resolution strategies, with courses in personal peacemaking, conflict coaching, mediation, reconciling marital conflict and advanced mediation training.

- Priscilla and Aquila Centre (<https://paa.moore.edu.au/>)
Offers conferences, seminars and online resources to encourage the ministries of women, in partnership with men.
- St Marks National Theological Centre, Canberra (<https://www.stmarks.edu.au/>)
Delivers courses in theology, personal and relationship counselling, pastoral and clinical supervision, pastoral care, and Anglican ministry formation, with online and Sydney based teaching options.
- Sydney Missionary and Bible College (<https://www.smbc.edu.au/>)
Offers a range of postgraduate study options; preaching conferences and workshops; and intensives in Global Church planting, Cross Cultural Teaching and Learning, Ministry in a Multicultural context and Muslims and the Message: Bridging the Gap, which are particularly useful to church leaders ministering in multicultural Australian society.
- Two Ways Ministries (<https://www.twowaysministries.com/>)
Training in equipping pastors to evangelise and evangelists to pastor; church planting; and reaching different groups with the gospel.
- Vinegrowers (<https://www.vinegrowers.com/>)
Uses the theological vision of *The Trellis and the Vine* by Col Marshall to train and equip pastors to lead their churches through cultural change, and offers coaching and online resources to do this.
- Youthworks (<https://www.youthworks.net/>)
Aims at supporting and training children's and youth ministers by creating support networks, training events, coaching services and a consultancy process to assist leaders create a Personal Leadership Plan and Ministry Plan.

Please contact MT&D with further suggestions.

Ordinances passed by the Standing Committee

(A report from the Standing Committee.)

Christ Church St Laurence Trust Ordinance No 45, 2016
Dural District Land Sale Ordinance No 46, 2016
Liverpool Trust Ordinance No 47, 2016
Brighton/Rockdale Trust Ordinance No 48, 2016
Brighton/Rockdale Land Sale Ordinance No 49, 2016
Centennial Park Trust Ordinance No 50, 2016
Hunters Hill (Woolwich Sale Proceeds) Variation of Trust Ordinance No 51, 2016
Oakhurst Trust Ordinance 2005 Amendment Ordinance No 52, 2016
Randwick Vesting of Land Ordinance No 53, 2016
Rosemeadow (Hodkinson Estate) Variation of Trusts Ordinance No 54, 2016
Synod Appropriations and Allocations Ordinance No 55, 2016
Wollongong Trust Ordinance No 56, 2016
Wollongong (Cemetery) Transfer Ordinance No 57, 2016
Diocesan Cash Investment Fund Ordinance 2016 Amendment Ordinance No 01, 2017
Huskisson Trust Ordinance No 02, 2017
Huskisson Land Sale Ordinance No 03, 2017
Watsons Bay Land Sale Ordinance No 04, 2017
Kensington Eastlakes Trust Ordinance No 05, 2017
St Ives Land Sale Ordinance No 06, 2017
Investment of Church Trust Property Ordinance Amendment Ordinance No 07, 2017
Camden Trust Ordinance No 08, 2017
Camden Land Sale Ordinance No 09, 2017
Hunters Hill Trust Ordinance 2014 Amendment Ordinance No 10, 2017
Evangelism and New Churches Incorporation Ordinance No 11, 2017
Synod Appropriations Allocations Ordinance 2015 Amendment Ordinance No 12, 2017
Regions Ordinance 1995 Amendment Ordinance No 13, 2017
Parramatta Trust Ordinance No 14, 2017
Anglican Youth and Education Diocese of Sydney Ordinance 1919 Amendment Ordinance No 15, 2017
St Andrew's Cathedral Land Sale Ordinance No 16, 2017
Newtown with Erskineville Trust Ordinance No 17, 2017
Sydney Diocesan Secretariat Ordinance 1973 Amendment Ordinance No 18, 2017 (assent withheld)
Sydney Diocesan Secretariat Ordinance 1973 Amendment Ordinance No 19, 2017
St Andrew's House Trust (Variation of Trusts) Ordinance No 20, 2017
Cathedral Ordinance 1969 Amendment Ordinance No 21, 2017
Finance and Loans Board Ordinance 1957 Amendment Ordinance No 22, 2017
Synod Appropriations and Allocations Ordinance No 23, 2017
Killara Trust Ordinance No 24, 2017

For and on behalf of the Standing Committee.

ROBERT WICKS
Diocesan Secretary

30 August 2017

Parochial Cost Recovery Charges for 2018

(A report of the Standing Committee.)

Key Points

- The parochial network costs for 2018 are unchanged from the estimate provided to Synod in 2015 and will be recovered from parishes by means of a variable PCR charge estimated at approximately 5.1% of each parish's net operating receipts for 2016.
- In aggregate the ministry costs for 2018 are expected to be almost unchanged from the estimate provided to Synod in 2015, although the amount of each individual component varies slightly.
- The 3 elements of the clergy care component of the ministry costs – Stipend Continuance Insurance, Clergy Assistance Program and the new Clergy Contact Person program are now itemised separately.

Purpose

1. The purpose of this report is to inform Synod of the nature and amount of the proposed parochial cost recovery charges payable by parishes in 2018.

Recommendation

2. That Synod receive this report.

Background

3. Under clause 3(4) of the *Parochial Cost Recoveries and Church Land Acquisitions Ordinance 2015* ("the Ordinance") Standing Committee is to report to Synod in 2017 about the nature and estimated amount of the ministry costs and parochial network costs payable in 2018, and the estimated amount of cost recoveries charge payable by each parochial unit and details of how that charge is calculated.

4. The nature and amount of the costs to be incurred and therefore the charge payable by parochial units is largely unchanged from the estimates provided in the Ordinance.

Parochial network costs

5. It is anticipated that the amount of each of the 7 components of the parochial network costs to be recovered from parishes will be unchanged from the estimates provided to Synod in 2015. The ACPT has confirmed its estimate of the cost of the 2018 Parish Insurance Program is unchanged from the \$4.1m previously advised. There are no other elements of the parochial network costs for 2018 which are expected to vary from the estimates approved by Synod in 2015, so the total cost to be recovered remains at \$5,535,000 (see Attachment 1).

6. It appears at this stage the total of the 2016 net operating receipts across all parochial units is likely to be about \$110 million (compared with the estimate provided to Synod in 2015 of \$107.4 million). As a result, the variable charge percentage payable by parochial units in 2018 is expected to be approximately 5.05%, which is a little lower than the estimate of 5.15% provided in 2015.

7. Later this year Standing Committee will be asked to approve the actual variable charge percentage to be charged to parishes in 2018, once the actual 2016 net operating receipts for all parishes have been finalised.

Ministry costs

8. There are a number of components of the ministry costs for 2018 which will not be finalised until after the Synod meets in October 2017.

9. The superannuation contribution is known, as it is derived directly from the recommended minimum stipend which Standing Committee has determined will be unchanged from 2017. As a result this element, which is the largest component of the ministry costs, will be less than the estimate provided to Synod in 2015 (see Attachment 2).

10. The long service leave ("LSL") contribution will not be known until set by the General Synod LSL Fund in late 2017. Given the weighting afforded to synod in the calculation of the national average stipend, the estimate is for a modest 2% increase in the likely LSL contribution, resulting in a figure somewhat below the estimate provided to Synod in 2015.

11. For 2018 it is proposed to separately identify the 3 distinct elements now making up Clergy Care – Stipend Continuance Insurance (“SCI”), Clergy Assistance Program (“CAP”) and Clergy Contact Person Program (“CCP”).

12. In 2017 there was a significant rise in the cost of the income protection cover provided through the SCI component. Initial indications are that the market is expecting a further, but more modest, increase in premiums in 2018, although the actual cost will not be known until the cover is renewed in December 2017. We are confident the 2 new initiatives (the CAP and CCP), which are designed to help clergy better deal with the pressures of parish ministry, will help minimise future SCI claims. Moreover, these programs complement the active back-to-work initiatives which have resulted in a reduction in the projected future cost of SCI claims and together serve to maintain maximum downward pressure on the SCI premium.

13. Standing Committee has previously approved an addition to the SCI component of the ministry costs of \$133 per licensed clergy person in 2016 and 2017 to cover the estimated cost of the CAP. The estimate of the cost to be recovered for the CAP in 2018 is slightly lower than for 2017, reflecting the fact that the number of new cases per month appears to have now stabilised at a rate a little below that experienced when the program was first launched.

14. During 2017 the CCP is being funded for a 12 month trial from the reserves of the SCI fund. Provision has now been made to recover the estimated cost of the CCP in 2018 assuming Standing Committee agrees to extend the program beyond its initial 12 months trial, although that decision is not due to be made until the first half of 2018.

15. Included in the cost of each the LSL, SCI, CAP, CCP and Sickness and Accident programs is a modest fee charged by SDS for administering these programs.

16. In aggregate the fixed ministry costs are expected to be almost unchanged from the estimate provided to Synod in 2015 (see Attachment 1), although the amount represents an increase of approximately 2.1% over the 2017 cost.

Finally

17. While the estimates are the best figures currently available, the Ordinance allows Standing Committee to report an estimate of the amounts payable to Synod in October this year and then set the actual charge for 2018 based on the formula in the Schedule to the Ordinance, some elements of which may not be finalised until later in the year.

18. The Ordinance also specifies that in addition to the cost recoveries charge, in 2018 each parochial unit is to pay a church land acquisition levy calculated at 2% of the net operating receipts of that parochial unit for 2016.

For and on behalf of the Standing Committee.

BISHOP PETER HAYWARD
Chair, Diocesan Resources Committee

28 August 2017

Parochial Cost Recovery Charges & Church Land Acquisitions Levy for 2018

	Synod's estimate (in 2015) for 2018	DRC's proposal for 2018
Parochial Network Costs		
Parish property and liability insurance program	4,100,000	4,100,000
Parish risk management program	230,000	230,000
Professional Standards Unit -		
Parish related costs	781,000	781,000
Reimbursing Synod Risk Reserve for non-standard expenses	-	-
Safe ministry training program	145,000	145,000
Provision for relief and remission of PCR charges	10,000	10,000
Parish contribution to the cost of Diocesan archives	68,000	68,000
Support for Sydney Anglican Parish Accounting System (SAPAS)	-	-
Fee for managing the PCR Fund 951	201,000	201,000
	5,535,000	5,535,000
Total Net Operating Receipts 2016 - estimate October 2015	107,386,000	
Total Net Operating Receipts 2016 - estimate August 2017		110,022,965
Variable PCR charge percentage (average all parochial units)	5.15%	5.03%
Ministry costs (per F/T minister)		
Ministers, Assistant Ministers (7+ years, Senior Assistant Ministers)		
Superannuation contribution	11,459	11,171
Long service leave contribution	1,796	1,654
Clergy Care -	-	-
Stipend Continuance Insurance	1,827	2,161
Clergy Assistance Program		120
Clergy Contact Person Program		62
Sickness & accident fund	125	125
Cost per minister	15,207	15,294
Assistant Ministers		
Superannuation contribution	10,313	10,054
Long service leave contribution	1,796	1,654
Clergy Care -	-	-
Stipend Continuance Insurance	1,827	2,161
Clergy Assistance Program		120
Clergy Contact Person Program		62
Sickness & accident fund	125	125
Cost per minister	14,061	14,177
Church Land Acquisitions Levy		
Contribution to the acquisition of land for future church sites	2,147,720	2,200,459
Parish levy percentage	2.00%	2.00%

Attachment 2

Variable PCR Charge and Church Land Acquisitions Levy for 2018

	\$	Parishes with property	Parishes without property
Parochial Network Costs to be recovered in 2018	5,535,000	5.05467%	3.03280%
Contribution to the acquisition of land for future church sites	2,200,459	2.00%	2.00%
Total Net Operating Receipts for 2016 <i>(estimate August 2017)</i>	110,022,965		

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
1	PP	S	Abbotsford	161,148	8,145	3,223
2	P	W	Albion Park	286,689	14,491	5,734
3	P	S	Annandale	430,213	21,746	8,604
4	PP	G	Arncliffe	239,646	12,113	4,793
5	P	N	Artarmon	187,890	9,497	3,758
6	P	S	Ashbury	250,697	12,672	5,014
7	P	S	Ashfield Five Dock and Haberfield	865,366	43,741	17,307
8	P	N	Asquith/Mt Colah/Mt Kuring-gai	399,203	20,178	7,984
9	P	WS	Auburn - St Philip	180,513	9,124	3,610
10	PP	WS	Auburn - St Thomas	158,345	8,004	3,167
11	P	W	Austinmer	408,162	20,631	8,163
12	P	N	Balgowlah	395,914	20,012	7,918
13	P	S	Balmain	134,400	6,793	2,688
14	P	G	Bankstown	127,464	6,443	2,549
15	P	N	Barrenjoey	352,340	17,810	7,047
16	P	WS	Baulkham Hills	260,678	13,176	5,214
17	P	N	Beacon Hill	110,560	5,588	2,211
18	P	N	Beecroft	458,056	23,153	9,161
19	P	S	Bellevue Hill	202,931	10,257	4,059
20	P	G	Belmore with McCallums Hill & Clemton Park	157,841	7,978	3,157
21	P	N	Belrose	422,514	21,357	8,450
22	PP	WS	Berala	178,956	9,046	3,579
23	P	N	Berowra	384,381	19,429	7,688
24	P	W	Berry	113,289	5,726	2,266
25	P	G	Beverly Hills with Kingsgrove	428,837	21,676	8,577
26	P	WS	Blackheath	172,984	8,744	3,460
27	P	WS	Blacktown	517,447	26,155	10,349
28	P	G	Blakehurst	155,316	7,851	3,106
29	P	W	Bomaderry	227,895	11,519	4,558
30	PP	S	Bondi	226,668	11,457	4,533

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
31	P	W	Bowral	605,615	30,612	12,112
32	P	G	Brighton/Rockdale	165,136	8,347	3,303
33	P	S	Broadway	1,417,907	71,671	28,358
34	P	W	Bulli	372,929	18,850	7,459
35	P	S	Burwood	223,407	11,292	4,468
36	PP	G	Cabramatta	402,978	20,369	8,060
37	P	WS	Cambridge Park	142,622	7,209	2,852
38	P	W	Camden	639,509	32,325	12,790
39	P	W	Campbelltown	625,549	31,619	12,511
40	P	G	Campsie	244,803	12,374	4,896
41	P	G	Canterbury with Hurlstone Park	120,810	6,107	2,416
42	P	W	Caringbah	679,307	34,337	13,586
43	P	WS	Carlingford and North Rocks	1,763,006	89,114	35,260
44	P	WS	Castle Hill	2,588,590	130,845	51,772
45	P	S	Centennial Park	622,922	31,487	12,458
46	P	N	Chatswood	586,105	29,626	11,722
47	RC(np)	WS	Cherrybrook #	283,399	8,595	5,668
48	PP	G	Chester Hill with Sefton	244,404	12,354	4,888
49	P	S	Clovelly	373,491	18,879	7,470
50	PP	W	Cobbitty	222,439	11,244	4,449
51	P	S	Concord & Burwood	114,730	5,799	2,295
52	PP	S	Concord North	306,734	15,504	6,135
53	P	S	Concord West	154,206	7,795	3,084
54	P	S	Coogee	119,464	6,039	2,389
55	P	S	Cooks River	143,530	7,255	2,871
56	P	W	Corrimal	200,662	10,143	4,013
57	P	WS	Cranebrook with Castlereagh	350,682	17,726	7,014
58	P	N	Cremorne	595,557	30,103	11,911
59	P	W	Cronulla	234,837	11,870	4,697
60	P	S	Croydon	813,400	41,115	16,268
61	PP	W	Culburra Beach	79,106	3,999	1,582
62	P	W	Dapto	993,558	50,221	19,871
63	P	S	Darling Point	777,649	39,308	15,553
64	P	S	Darling Street	628,589	31,773	12,572
65	P	S	Darlinghurst	694,977	35,129	13,900
66	P	N	Dee Why	467,417	23,626	9,348
67	PP	W	Denham Court	119,059	6,018	2,381
68	PP	WS	Doonside	72,791	3,679	1,456
69	P	S	Drummoyne	164,650	8,323	3,293
70	PP	G	Dulwich Hill	202,308	10,226	4,046
71	P	WS	Dundas/Telopea	280,740	14,190	5,615
72	P	WS	Dural District	484,413	24,485	9,688
73	P	W	Eagle Vale	234,947	11,876	4,699

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
74	P	G	Earlwood	272,396	13,769	5,448
75	P	N	East Lindfield	287,169	14,515	5,743
76	P	S	Eastgardens	440,599	22,271	8,812
77	P	N	Eastwood	599,937	30,325	11,999
78	P	WS	Emu Plains	378,115	19,112	7,562
79	P	S	Enfield and Strathfield	663,773	33,552	13,275
80	P	W	Engadine	688,322	34,792	13,766
81	P	S	Enmore/Stammore	192,042	9,707	3,841
82	P	N	Epping	348,306	17,606	6,966
83	PP	N	Ermington	111,666	5,644	2,233
84	PP	G	Fairfield with Bossley Park	500,446	25,296	10,009
85	P	W	Fairy Meadow	237,074	11,983	4,741
86	P	W	Figtree	1,315,312	66,485	26,306
87	P	N	Forestville	441,896	22,336	8,838
88	P	N	Frenchs Forest	326,241	16,490	6,525
89	P	N	Freshwater	302,277	15,279	6,046
90	P	G	Georges Hall	148,316	7,497	2,966
91	P	W	Gerrigong	272,289	13,763	5,446
92	P	N	Gladesville	950,946	48,067	19,019
93	P	S	Glebe	369,547	18,679	7,391
94	PP	WS	Glenhaven	483,927	24,461	9,679
95	PP(np)	WS	Glenmore Park #	756,021	38,214	15,120
96	P	W	Glenquarie	115,432	5,835	2,309
97	P	N	Gordon	441,442	22,313	8,829
98	P	WS	Granville	132,916	6,718	2,658
99	PP	G	Greenacre	99,201	5,014	1,984
100	P	N	Greenwich	173,883	8,789	3,478
101	P	WS	Greystanes - Merrylands West	121,307	6,132	2,426
102	PP	WS	Guildford with Villawood	247,551	12,513	4,951
103	P	W	Gymea	460,981	23,301	9,220
104	RC(np)	W	Harbour Church #	158,188	4,798	3,164
105	P	W	Helensburgh and Stanwell Park	309,184	15,628	6,184
106	P	N	Hornsby	171,747	8,681	3,435
107	PRC(np)	N	Hornsby Anglican Chinese #	220,877	6,699	4,418
108	P	N	Hornsby Heights	134,928	6,820	2,699
109	P	G	Hoxton Park	303,224	15,327	6,064
110	P	N	Hunters Hill	320,437	16,197	6,409
111	P	G	Hurstville	633,092	32,001	12,662
112	P	G	Hurstville Grove	461,703	23,338	9,234
113	P	W	Huskisson	149,332	7,548	2,987
114	P	W	Ingleburn	232,435	11,749	4,649
115	PP	W	Jamberoo	61,148	3,091	1,223
116	P	W	Jannali	807,260	40,804	16,145

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
117	PP	W	Kangaroo Valley	94,918	4,798	1,898
118	P	WS	Katoomba	297,541	15,040	5,951
119	P	W	Keiraville	181,221	9,160	3,624
120	P	WS	Kellyville	644,738	32,589	12,895
121	P	S	Kensington Eastlakes	197,383	9,977	3,948
122	P	W	Kiama	495,434	25,043	9,909
123	P	N	Killara	339,533	17,162	6,791
124	P	S	Kingsford	220,848	11,163	4,417
125	P	WS	Kingswood	372,077	18,807	7,442
126	P	N	Kirribilli	1,338,417	67,653	26,768
127	P	WS	Kurrajong	292,285	14,774	5,846
128	PP	G	Lakemba	59,712	3,018	1,194
129	P	WS	Lalor Park and Kings Langley	209,868	10,608	4,197
130	P	N	Lane Cove and Mowbray	606,879	30,676	12,138
131	P	N	Lavender Bay	245,495	12,409	4,910
132	P	WS	Lawson	91,357	4,618	1,827
133	P	S	Leichhardt	336,467	17,007	6,729
134	P	WS	Leura	139,331	7,043	2,787
135	P	WS	Lidcombe	261,184	13,202	5,224
136	P	N	Lindfield	620,456	31,362	12,409
137	P	WS	Lithgow	397,509	20,093	7,950
138	P	G	Liverpool	386,606	19,542	7,732
139	PP	G	Liverpool South	132,894	6,717	2,658
140	P	N	Longueville	165,313	8,356	3,306
141	PP	S	Lord Howe Island	19,787	1,000	396
142	P	WS	Lower Mountains	539,684	27,279	10,794
143	P	G	Lugarno	137,243	6,937	2,745
144	P	N	Macquarie	491,228	24,830	9,825
145	P	S	Malabar	339,693	17,170	6,794
146	P	N	Manly	1,420,357	71,794	28,407
147	P	S	Maroubra	314,286	15,886	6,286
148	P	G	Marrickville	348,542	17,618	6,971
149	P	W	Menai	870,968	44,025	17,419
150	P	W	Menangle	158,400	8,007	3,168
151	P	WS	Merrylands	256,821	12,981	5,136
152	P	WS	Minchinbury	313,766	15,860	6,275
153	P	W	Minto	305,968	15,466	6,119
154	P	W	Miranda	999,163	50,504	19,983
155	P	W	Mittagong	475,451	24,032	9,509
156	P	N	Mona Vale	311,337	15,737	6,227
157	P	G	Moorebank	422,640	21,363	8,453
158	P	N	Mosman - St Clement's	780,900	39,472	15,618
159	P	N	Mosman - St Luke's	621,252	31,402	12,425

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
160	P	W	Moss Vale	163,357	8,257	3,267
161	P	WS	Mt Druitt	129,069	6,524	2,581
162	P	WS	Mulgoa	95,949	4,850	1,919
163	P	W	Narellan	309,308	15,634	6,186
164	P	N	Naremburn/Cammeray	1,066,592	53,913	21,332
165	P	N	Narrabeen	806,207	40,751	16,124
166	P	N	Neutral Bay	404,769	20,460	8,095
167	P	N	Newport	175,708	8,881	3,514
168	P	S	Newtown with Erskineville	660,772	33,400	13,215
169	P	N	Normanhurst	610,924	30,880	12,218
170	P	N	North Epping	517,571	26,162	10,351
171	P	N	North Ryde	187,056	9,455	3,741
172	P	N	North Sydney	1,809,611	91,470	36,192
173	P	N	Northbridge	451,065	22,800	9,021
174	P	N	Northern Beaches	258,513	13,067	5,170
175	P	WS	Northmead and Winston Hills	744,764	37,645	14,895
176	P	WS	Norwest	916,630	46,333	18,333
177	P	W	Nowra	399,308	20,184	7,986
178	P	W	Oak Flats	278,973	14,101	5,579
179	P	WS	Oakhurst	256,977	12,989	5,140
180	P	G	Oatley	175,577	8,875	3,512
181	P	G	Oatley West	164,327	8,306	3,287
182	PP(np)	W	Oran Park #	164,352	8,307	3,287
183	P	S	Paddington	180,133	9,105	3,603
184	P	G	Padstow	110,906	5,606	2,218
185	P	G	Panania	409,191	20,683	8,184
186	P	WS	Parramatta	1,534,956	77,587	30,699
187	P	WS	Parramatta North with Harris Park	279,977	14,152	5,600
188	P	G	Peakhurst/Mortdale	293,200	14,820	5,864
189	P	WS	Penrith	302,974	15,314	6,059
190	P	G	Penshurst	243,622	12,314	4,872
191	P	S	Petersham	250,301	12,652	5,006
192	PRC(np)	N	Philadelphia Anglican Church #	129,072	3,914	2,581
193	P	W	Picton	138,435	6,997	2,769
194	PP	WS	Pitt Town	549,335	27,767	10,987
195	PP	W	Port Kembla	99,087	5,009	1,982
196	P	N	Pymble	645,893	32,648	12,918
197	P	WS	Quakers Hill	953,294	48,186	19,066
198	P	S	Randwick	788,258	39,844	15,765
199	PP	G	Regents Park	34,828	1,760	697
200	PP	G	Revesby	66,798	3,376	1,336
201	P	WS	Richmond	199,733	10,096	3,995
202	PP	WS	Riverstone	74,632	3,772	1,493

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
203	P	G	Riverwood - Punchbowl	249,565	12,615	4,991
204	P	W	Robertson	143,912	7,274	2,878
205	P	WS	Rooty Hill	1,121,671	56,697	22,433
206	PP	W	Rosemeadow	205,154	10,370	4,103
207	P	N	Roseville	934,541	47,238	18,691
208	P	N	Roseville East	354,989	17,944	7,100
209	PP	WS	Rouse Hill	346,647	17,522	6,933
210	P	N	Ryde	703,245	35,547	14,065
211	PP	G	Sadleir	235,392	11,898	4,708
212	P	G	Sans Souci	151,703	7,668	3,034
213	P	N	Seaforth	294,650	14,894	5,893
214	P	WS	Seven Hills	298,817	15,104	5,976
215	P	W	Shellharbour	175,680	8,880	3,514
216	P	W	Shellharbour City Centre	438,609	22,170	8,772
217	P	W	Shoalhaven Heads	157,471	7,960	3,149
218	P	G	Smithfield Road	278,490	14,077	5,570
219	P	W	Soul Revival	376,999	19,056	7,540
220	P	G	South Carlton	288,596	14,588	5,772
221	P	S	South Coogee	114,354	5,780	2,287
222	P	W	South Creek	366,175	18,509	7,324
223	P	G	South Hurstville	171,553	8,671	3,431
224	P	S	South Sydney	280,952	14,201	5,619
225	P	WS	Springwood	747,045	37,761	14,941
226	PP	WS	St Clair	120,859	6,109	2,417
227	P	G	St George	105,192	5,317	2,104
228	P	G	St George North	883,921	44,679	17,678
229	P	N	St Ives	1,814,448	91,714	36,289
230	P	WS	St Marys	201,793	10,200	4,036
231	P	S	Strathfield and Homebush	249,103	12,591	4,982
232	P	S	Summer Hill	356,000	17,995	7,120
233	PP	S	Surry Hills	391,946	19,812	7,839
234	PP	W	Sussex Inlet	117,739	5,951	2,355
235	P	W	Sutherland	337,218	17,045	6,744
236	P	W	Sutton Forest	248,069	12,539	4,961
237	P	S	Sydney - Christ Church St Laurence	1,473,533	74,482	29,471
238	P	S	Sydney - Church Hill (York Street)	1,454,046	73,497	29,081
239	P	S	Sydney - St Andrew's Cathedral	0	-	-
240	P	S	Sydney - St James, King Street	1,768,309	89,382	35,366
241	P	W	Sylvania	288,585	14,587	5,772
242	P	W	The Oaks	136,238	6,886	2,725
243	P	N	Thornleigh - Pennant Hills	487,818	24,658	9,756
244	P	WS	Toongabbie	481,946	24,361	9,639

	Parish, Prov.P, R.Church, Prov.R.C.	Region	Parochial Unit	Net Operating Receipts for 2016	Variable PCR charge for 2018	Church Land Acquisition Levy for 2018
245	P	N	Turrumurra	1,212,220	61,274	24,244
246	P	N	Turrumurra South	469,022	23,708	9,380
247	P	W	Ulladulla	262,420	13,264	5,248
248	RC(np)	S	Unichurch (Uni. NSW) #	509,130	15,441	10,183
249	P	S	Vaucluse and Rose Bay	290,593	14,689	5,812
250	P	N	Wahroonga - St Andrew's	352,082	17,797	7,042
251	P	N	Wahroonga - St Paul's	221,640	11,203	4,433
252	P	N	Waitara	256,498	12,965	5,130
253	P	S	Watsons Bay	295,199	14,921	5,904
254	P	S	Waverley	288,689	14,592	5,774
255	P	WS	Wentworth Falls	282,293	14,269	5,646
256	P	WS	Wentworthville	125,987	6,368	2,520
257	P	N	West Lindfield	226,677	11,458	4,534
258	P	WS	West Pennant Hills	899,352	45,459	17,987
259	P	N	West Pymble	760,656	38,449	15,213
260	P	N	West Ryde	592,813	29,965	11,856
261	P	W	West Wollongong	416,479	21,052	8,330
262	PP	WS	Westmead	166,225	8,402	3,325
263	P	WS	Wilberforce	293,556	14,838	5,871
264	P	N	Willoughby	406,234	20,534	8,125
265	P	N	Willoughby Park	254,980	12,888	5,100
266	P	WS	Windsor	145,166	7,338	2,903
267	P	W	Wollondilly	<i>219,915</i>	11,116	4,398
268	P	W	Wollongong	974,977	49,282	19,500
269	P	S	Woollahra	171,847	8,686	3,437
270	P	G	Yagoona	290,224	14,670	5,804
				110,022,965	5,535,000	2,200,459

Notes

The 7 parochial units without property (shown marked with #) are charged a lower rate of variable PCR reflecting the absence of the component for the property insurance premium, except that Glenmore Park and Oran Park have volunteered to pay the variable charge percentage applicable to parishes with property.

Where a parish's 2016 financial statements have not yet been received, or have been received recently and the figure for net operating receipts either has not yet been reviewed or has been reviewed and is still subject to an outstanding query, the estimate shown in the table above (in italics, with shading) is the actual net operating receipts for 2015.

Safe Ministry Board and Professional Standards Unit Annual Report 2016-2017

(A report from the Safe Ministry Board and Professional Standards Unit.)

Introduction

1. This report is provided under the *Safe Ministry Ordinance 2001* (cl 17) and the *Discipline Ordinance 2006* (cl 114) for the period 1 July 2016 to 30 June 2017 (reporting period).
2. The Diocese of Sydney has taken a multi-faceted approach to the issue of safe ministry and child protection. Broadly speaking the policy objectives are –
 - (a) to exercise careful selection and screening of all clergy and church workers;
 - (b) to provide clear requirements and expectations of behaviour through the Diocesan Code of Conduct, *Faithfulness in Service*;
 - (c) to provide regular and comprehensive training and support of all clergy and church workers;
 - (d) to make a timely and caring response to all who are affected by abuse; and
 - (e) to enact just procedures to deal with respondents and persons of risk.

Safe Ministry Board

3. The Safe Ministry Board (SMB) was established under the *Safe Ministry Ordinance 2001*. The SMB is tasked with ensuring that safe ministry, child protection and child abuse issues are properly dealt with throughout the Diocese. This includes development and review of practices and policies in these areas. The functions of the Board are defined in clauses 5 and 6 of the Ordinance.
4. The members of the SMB over the reporting period were: the Rev. Dr Keith Condie (Chair), Mrs Juliet Buckley, Dr Tim Channon, Ms Stephanie Cole, the Rev. Steven Layson, the Rev. David Mears, the Rev. Gary O'Brien, the Rev. Janine Steele, Dr Ruth Shatford AM, the Rev. Jon Thorpe (resigned May 2017), and Mr Alex Trevena.
5. The SMB has met 8 times in the reporting period.

Professional Standards Unit (PSU)

6. There have been some changes to the PSU team over the reporting period and subsequently.
7. Brenda Sheppard joined the team in mid-March 2017 to provide administrative support, particularly for Safe Ministry Training.
8. Kylie Williams joined the team on 1 April 2017 as Training Consultant for Safe Ministry Training, bringing much experience to the role after having worked in this area for Anglican Youthworks over the past seventeen years.
9. The Rev. Catherine Wynn Jones continues to serve as PSU Chaplain (Manager, Pastoral Support and Education), The Rev. Neil Atwood as Parish Consultant for Safe Ministry, Mrs Annelie Singh as Personal Assistant and the Unit's Administrator and Lachlan Bryant as Director.
10. Stephanie Menear resigned from her position as Manager, Legal Support just after the end of the reporting period, in early July 2017. We are sorry to see Stephanie go and are very thankful for her diligent and faithful service in the role since 2014. Stephanie will be taking up a role with the NSW Ombudsman's Office. We will be looking to fill this position in due course.
11. In practice much of the work of the PSU derives from the Safe Ministry Board, which has the overall responsibility to encourage all parishes and other units of the Diocese to be safe ministry and child protection aware, compliant and responsive.
12. The Director has overall responsibility for the PSU and is responsible for the day-to-day administration of the complaints and discipline procedure for clergy and church workers (*Discipline Ordinance 2006*) and the National Register (*National Register Canon 2007 Adopting Ordinance 2008*).
13. When the PSU receives a complaint alleging abuse by a member of the clergy or church worker, the Chaplain follows up and provides a caring response to complainants and victims of abuse. The Chaplain provides pastoral support and coordinates the provision of counselling in each case. The Chaplain works closely with the PSU Contact Persons.
14. The PSU undertakes screening of all clergy appointments on behalf of the Archbishop. The screening includes a Working With Children Check through the Office of the Children's Guardian (**OCG**) and a National Register check. The PSU provides ongoing support and advice to office holders, parishes and organisations in this regard.

15. Anglicare's Case Manager for Pastoral Care and Assistance for Care Leavers provides a pastoral and caring response to former residents of the Church of England Homes and Sydney Anglican Mission Society Homes, who have complained of abuse or mistreatment during their time at the Homes. The Case Manager, Ms Angela Ferguson, currently works from Anglicare's Telopea offices, under the management of the Rev. Dr Andrew Ford, General Manager Mission and Partnerships.

The Royal Commission into Institutional Responses to Child Sexual Abuse (Royal Commission)

16. This is the subject of a separate report to the Synod from the Royal Commission Steering Committee. Only limited information will be provided in this Report.

17. The Royal Commission commenced in 2013 and has been charged with examining institutional responses to the sexual abuse of children in the context of institutions throughout Australia including churches and their agencies.

18. The Royal Commission presents an important opportunity for the Diocese to review both past and current practices from a 'best practice' perspective.

19. A Steering Committee was appointed by Standing Committee in December 2012 to oversee the response of the Diocese to the Royal Commission and to provide the Director of the PSU with a point of reference for undertaking this work.

20. Additional funding for resources to respond to the Royal Commission has been allocated by the Standing Committee which is being administered by the Steering Committee. Significant work has been done in all PSU files relevant to the Royal Commission and a major revision of PSU policies.

21. In March 2017 the Diocese was involved in Case Study 52, a public hearing of the Royal Commission to inquire into the current policies and procedures of Anglican Church authorities in Australia in relation to child protection and child safety standards, including responding to allegations of child sexual abuse.

22. The Royal Commission completed its public hearings schedule in March 2017 and the work of the Commission will be completed when the Commission's final report is provided to the Governor-General on 15 December 2017.

Review of the Safe Ministry Ordinance 2001

23. In 2014 the SMB considered the *Safe Ministry Ordinance 2001* and formed the view that that some parts of the Ordinance have either never been used or have become outdated. The Ordinance has been referred to the Standing Committee for review, and a review Committee has been appointed. The work of the review Committee is ongoing.

Safe Ministry Policy Resolution 24/15

24. The SafeMinistry.org.au website and the Safe Ministry Journey policy model were launched at Synod in 2015. Synod passed the following motion at that time (Resolution 24/15):

Synod –

- (a) affirms the following diocesan Safe Ministry Policy Statement adopted by the Synod in Motion 18/04 –

"The Anglican Church of Australia is committed to the physical, emotional and spiritual welfare and safety of all people, particularly within its own community. To ensure the safety of children and vulnerable people in our communities, the Church will –

- carefully recruit and train its clergy and church workers
- adopt and encourage safe ministry practices by its clergy and church workers
- respond promptly to each concern raised about the behaviour of its clergy and church workers
- offer pastoral support to any person who has suffered abuse, and
- provide supervision of and pastoral accountability to any person known to have abused a child or another vulnerable person.";

- (b) encourages all parishes and organisations that have not adopted the diocesan Safe Ministry Policy Statement to do so;
- (c) recognises the SafeMinistry.org.au website as an important access point for survivors of abuse in the Diocese of Sydney for seeking information and support and for reporting abuse;

- (d) commends the SafeMinistry.org.au website to parishes in the Diocese of Sydney for safe ministry support, information and resources; and
- (e) recommends each parish adopt the Safe Ministry Journey policies for Parishes, and specifically the policy documents for those serving in the following roles –
 - Ministers
 - Safe Ministry Representatives
 - Head of Youth Ministry
 - Youth Ministry Leaders
 - Head of Children's Ministry
 - Children's Ministry Leaders

25. Both SafeMinistry.org.au website and the Safe Ministry Journey policy documents have been well received and are being fairly well utilised. A circular was sent to all parishes (Rectors, Wardens and Safe Ministry Representatives) on 26 February 2016 bringing the Synod motion to their attention and encouraging them to adopt the new Safe Ministry Journey policy documents: <http://safeministry.org.au/safe-ministry-policies-website-circular-february-2016/>.

26. In terms of the SafeMinistry.org.au website, over the reporting period there were 41,245 unique website visits. The most visited page is the Resources page for parishes. The visits from other parts of Australia and other countries are also increasing.

27. The SMB encourages all parishes that have not yet accessed the SafeMinistry.org.au website and utilised the Safe Ministry Journey policy documents to do so as soon as possible.

Archbishop's Meetings with Survivors

28. Throughout the reporting period the Archbishop has continued to make himself available to listen to complainants and relate to them pastorally. This usually includes the making of an appropriate apology on behalf of the Church. During the reporting period there were six apology meetings with survivors and their family members in PSU matters and one apology meeting with a Care Leaver.

29. These meetings are of immense value in almost all cases and survivors are appreciative of the effort taken by the Archbishop and the PSU Chaplain to arrange them.

Screening of Lay Workers

30. All paid lay church workers in the Diocese are required to apply for the Archbishop's authority. This involves their completing a comprehensive screening and disclosure Lifestyle Questionnaire with the applicable Regional Bishop or his representative.

31. All workers in 'child-related' employment (including licensed or authorised ministers and unpaid volunteers) must undertake a Working With Children Check. In addition, it is recommended that parishes seek full disclosure of any relevant history and fully complete reference checks with prior supervisors or employers.

32. Persons with a criminal conviction for an offence listed in Schedule 2 of the Child Protection (Working with Children) Act 2012 (including serious sexual offences and certain other offences involving children) cannot be appointed or elected as wardens, parish councilors, parish nominators or Safe Ministry Representatives.

The Working With Children Check

33. In 2013 the NSW Government introduced laws that require all clergy and each person involved in child-related work in parishes (or organisations), to obtain a Working With Children Check (WWCC) number and to have this number verified online by the relevant parish or church authority. The *Parish Administration Ordinance 2008* was amended to authorise the Registrar to collect relevant details of persons involved in child-related work in parishes. In the course of the last year the Registrar has been undertaking a progressive collection of this data from parishes and then verifying the WWCC number for each person.

34. At the date of this report the WWCC details have been collected and verified from approximately 70 per cent of parishes and a total of 11,051 people. Based on the numbers to date, it seems almost 20,000 people in the Diocese of Sydney are involved in parish ministry to children or have a WWCC number verified for other reasons. The collection of WWCC details from the remaining parishes will continue throughout the next year.

35. The term of a person's WWCC number generally expires 5 years after it was issued which means WWCC numbers will need to be renewed and re-verified starting in mid-2018. The government has not yet released full details of what will be required but parishes will be notified as information becomes available.

36. Some exemptions to the WWCC apply. In many cases careful thought is required before an exemption is relied upon. Penalties apply for non-compliance with the requirements of the WWCC legislation.

Screening of Ministry/Ordination Candidates, Clergy and Paid Lay Ministers

37. All candidates for ordination by the Archbishop are required to complete a comprehensive screening and disclosure questionnaire. This is administered by Ministry Training and Development (**MT&D**) in consultation with the PSU.

38. Ordination/ministry candidates undergo extensive assessment and screening by way of reference-checking, general psychological testing, interviews, chaplaincy supervision reports and Moore College reports. A PSU record check and National Register check are also undertaken. The *Discipline Ordinance 2006* provides a mechanism for pre-ordination disclosure and consideration of prior sexual misconduct or abuse.

Training of Volunteer Lay Children's and Youth Workers – Safe Ministry Essentials/Refresher

39. The Diocese is a member of the National Council of Churches' Safe Church Training Agreement. There are 37 independent churches and other dioceses who are members of the Safe Church Training Agreement across Australia.

40. The Safe Ministry Essentials course remains the mandated safe ministry training for the Diocese followed by *Safe Ministry Refresher* every 3 years.

41. The PSU took on full responsibility for the delivery of Safe Ministry Training across the Diocese from 1 April 2017. This had previously been outsourced to Youthworks since 1999. The key reason for this change was that the SMB approved of the development of online safe ministry training for the Diocese in late 2016, and it was therefore ideal for the PSU to assume this responsibility to manage more effectively the transition from face-to-face training to online training as the primary mode of safe ministry training across the Diocese. The SMB and PSU are grateful for the work of Youthworks in safe ministry training over the past 18 years which has ensured that the Diocese is well placed in this area for the years ahead.

42. In anticipation of taking on this responsibility the PSU set up a new website in February 2017 as the place to go for all safe ministry training needs in the Diocese (<https://safeministry.training>). The safe ministry training website has gone well since its soft launch in February 2017 and there were 11,801 unique visits to the site before the end of the reporting period. Apart from the website, the key contacts for safe ministry training inquiries are:

- Brenda Sheppard, Safe Ministry Training Administrator; email: brenda@safeministry.org.au, phone: (02) 9265 1588.
- Kylie Williams, Safe Ministry Training Consultant; email: kylie@safeministry.org.au, phone: 0416 158 075.

The development of online safe ministry training

43. Online safe ministry training is being developed for implementation over the next reporting period. The main points to note about the training are as follows:

- All the current safe ministry training courses will be available online. The Refresher course will be launched in October 2017, and the Essentials course will be available in early 2018. Both have been thoroughly re-worked and adapted for the different modes of learning that online courses involve including online self-directed modules and a webinar. The Junior Leaders course for under 18 year olds will also be available in early 2018.
- Additional optional modules are planned to focus on equipping people for safe ministry when working with a variety of ministry groups, such as seniors, intellectually and physically disabled people, refugees, people with English as a second language. These modules will be made available over time once the foundational courses are online.
- Complete translations into other languages are also planned.
- With the online system making safe ministry training much more accessible, the local trainer system will conclude in early 2018. Face-to-face training will still be available at regional events run by the PSU at various times throughout the year.
- A number of new roles have been created with the new training system including Webinar Presenters, Webinar Producers (managed by the PSU) and Local Safe Ministry Online Assistant (managed by the local church to assist their members with accessing online training).

44. The key messages for parishes at this stage are:
- The PSU continues to aim for accessible, affordable, quality training for leaders in our churches no matter what the platform.
 - The online training platform will help equip people in our churches better than ever before to undertake ministry safely with a wide range of individuals and groups.
45. For more information please visit <https://safeministry.training>.

Training of Ministry/Ordination Candidates and Clergy

46. Eight Safe Ministry Modules have been developed and are being taught through Moore College, Ministry Training and Development, and Youthworks College as part of their courses and programs.

47. Following the change to the *Parish Administration Ordinance 2008* in 2013 requiring ministers in the Diocese to complete Safe Ministry Training once every three years, the SMB decided to include this training as part of the Diocesan triennial *Faithfulness in Service* Seminars conducted in June 2014. This allowed those ministers and licensed church workers who came to the *Faithfulness in Service* Seminars in 2014 to fulfil all safe ministry training requirements for the next three years by attending the one day.

48. The SMB decided that there would be no Safe Ministry Training component at the 2017 *Faithfulness in Service* Seminars. Therefore all clergy and other workers who relied upon attendance at the Safe Ministry Training component at the 2014 Conference, to maintain Safe Ministry Training currency, were required to undertake the Refresher course through the normal channels (run by a Local Safe Ministry Trainer at their local parish or a regional training event) before the Conference week in June 2017 in order to remain up to date in their training requirements.

49. The *Faithfulness in Service* Seminars were held in five locations across the five regions of the Diocese from 19 to 23 June 2017 from 9:00 am to 4:30 pm each day. The seminars were promoted with the theme of 'Core Strength,' focusing on building resilience of attendees in their lives and ministry and protective behaviours to keep families and churches safe. Archbishop Glenn Davies preached on 1 Tim 4:1-16 at the start of each seminar. During the morning sessions the Rev. Dr Keith Condie and Mrs Sarah Condie, Co-Directors of the Institute for Mental Health & Pastoral Care with Anglican Deaconess Ministries, presented on Core Strength with a focus on building resilience. For the afternoon sessions Mrs Andrea Musulin, Director of the WA Child Protection Society, presented on domestic violence and how protective behaviours education can help to build resilience to prevent domestic violence from occurring and to break the cycle.

50. Attendance at each of the sessions was as follows:

Date	Venue	Attendees
19 June	Ryde	330
20 June	UTS, Broadway	321
21 June	Figtree	198
22 June	Rooty Hill	278
23 June	Hoxton Park	142
	Total	1,269

51. A URL with video recordings of the presentations on the day will be provided to 73 people who received an exemption prior to the Conferences being presented.

52. We have received 689 feedback surveys from attendees to date. Generally the seminars appear to have been very well-received although suggestions for how the seminars can be improved were also received. We are continuing to consider the feedback received which will help to inform the content and format of our next conference.

Safe Ministry Representatives (SMRs)

53. The role of SMRs in parishes continues to be pivotal in ensuring parishes comply with safe ministry requirements. Neil Atwood, Parish Consultant for Safe Ministry plays an invaluable role in supporting, resourcing and equipping SMRs in their role.

54. The PSU provides support and assistance to SMRs by telephone and email. There continues to be a significant level of direct enquiry from parishes and support given to them, particularly around the requirements of the WWCC.

55. Since 2008 it has been mandatory for each parish to nominate an SMR.
56. As at time of writing, almost all parishes have provided current SMR details to the Registry. That leaves several parishes as not having an SMR according to the Registry. Parishes should ensure that the appropriate paperwork has been returned notifying the Registry of the appointment of their SMR.
57. During the reporting period:
- (a) training sessions were held for SMRs at Hoxton Park on 27 August 2016 and on 15 October 2016 at Seven Hills on vulnerable adults and Safe Ministry;
 - (b) 14 parish-based audit/training sessions were undertaken with SMR's and their Rectors; and
 - (c) the PSU's safe ministry database record keeping software was made available to parishes through the SafeMinistry.org.au website from early 2016. The centralised database is referred to as Safe Ministry Records Online (SaMRO), (based on a modified open source church management system called 'Jethro') and 35 parishes are now using it.

Protective Behaviours

58. The PSU has been keenly interested in the topic of Protective Behaviours education for parents, children, teachers, church workers and others for some time. Over the first half of 2017 significant headway has been made towards making Protective Behaviours training in the Diocese a reality.

59. The PSU facilitated Suzanne Bocking to run a 1.5 hour workshop on Protective Behaviours called 'Safeguarding Children and Young People' at Moore Theological College on 9 May 2017. It was compulsory for all the faculty to attend and an invitation was also made to the student body comprising a total attendance of 67. Cath Wynn Jones attended to introduce Suzanne and provide any pastoral support and answer PSU related questions that might be required. Topics included prevalence of abuse in Australia, why children are vulnerable, who are the offenders, where abuse occurs, indications of abuse, prevention tools, receiving a disclosure and online safety. Feedback was received from a number of attendees saying that this information is greatly needed and that the content was much better than they expected. There was also great interest shown towards safe ministry training going online.

60. On the morning of 22 June 2017 the PSU organised a workshop called "Empowering Children to Protect Themselves" which was open to the staff of Anglican and independent schools. Andrea Musulin presented at the workshop on how schools can contribute significantly to the personal safety of children by empowering them to disclose abuse when it occurs by proactively teaching them Protective Behaviours. Andrea stressed why this is especially important following our learnings from the Royal Commission and the 10 principles of safe organisations published by the Royal Commission. It was acknowledged that this may be mandated following the end of the Royal Commission. Andrea went through some of the resources and materials that have been developed by the Child Protection Society of WA and sketched what is covered in the protective behaviours training curriculum for the different school age groups. The event was publicised through EdComm and the Heads of Independent Schools Association. Attendees were able to claim 3 hours of QTC Registered PD addressing 6.2.2 and 6.3.2 from the Australian Professional Standards for Teachers towards maintaining Proficient Teacher Accreditation in NSW. Forty participants attended and excellent feedback was received following the workshop with many schools interested in contributing towards the costs of having Andrea present further on this topic in future. We are thankful to Dr John Collier, Head of St Andrew's Cathedral School, for partnering with us to host the event at the School.

61. Such interest was shown by the participants in these recent opportunities for some Protective Behaviours training that the Director has arranged a meeting with a number of his Catholic counterparts in Sydney with a view to partnering to adapt the Protective Behaviours materials developed in WA by the Child Protection Society (and used in the Catholic Archdiocese of Perth) for the NSW context. The PSU is also undertaking significant work to develop an online Protective Behaviours training module for those in our parishes which should be available later this year.

The Taskforce on Resisting Pornography

62. The PSU called together a Taskforce on Resisting Pornography in early 2013 to begin looking at the impact pornography has on the church and what can be done about this.

63. In June 2016 the Standing Committee encouraged the Archbishop to set up a three year Taskforce on Resisting Pornography to address this important issue.

64. The Rev. Marshall Ballantine-Jones has been appointed the Chairman of the Archbishop's Taskforce. The other members of the Taskforce are Mr Lachlan Bryant (PSU Director), Ms Marilyn Buckley (social worker and educator), Mr John Burns (Senior School Counsellor and psychologist, Shore School), the Rev. Dr Keith Condie (Co-Director of the Institute for Mental Health & Pastoral Care with Anglican Deaconess Ministries), the Rev. Gary O'Brien (MT&D), Mr Greg Powell (psychologist), Ms Karen Triggs (counsellor and psychotherapist) and Dr Patricia Weerakoon (sexologist).

65. The main work that the Taskforce has been undertaking over the last 6 months or so is the development of a website to help equip and resource parishes, schools, individuals and others in dealing with and responding to the issue of pornography, its use, and the challenges we face in the church, schools and our other organisations as a result. It is hoped that the website will be ready to be launched at Synod in October this year.

Safe Ministry Guidelines and Other Advice

66. The PSU continues to receive inquiries about child protection and safe ministry issues from clergy and church workers in parishes. Such calls or emails are received on a daily basis with each staff member receiving at least half a dozen inquiries per week and sometimes many more than this.

Care of Survivors of Abuse and Complainants

67. It is the role of the PSU Chaplain to care for complainants and survivors of abuse by clergy and church workers. The complaints process can be long and difficult for survivors and the Chaplain provides pastoral care and support to them throughout. This important role supplements counselling and other emergency assistance which are provided to survivors from PSU funds. A caring response is the first important step along the road of healing for survivors of abuse.

Tears and Hope Service

68. Tears and Hope is a church service held each year for survivors of abuse, hosted by the Rev. Ed Vaughan (Rector of St John's Darlinghurst) with the assistance of the PSU Chaplain. In 2016 it was held on 21 November and was well attended.

Pastoral Care and Assistance Scheme

69. The Diocesan Pastoral Care and Assistance Scheme has been established to provide financial assistance to survivors of abuse to meet their needs which arise from abuse or misconduct by clergy or church workers. The Scheme is an alternative to litigation which can be a protracted and harrowing process for survivors. The Scheme includes a mechanism for external assessment if necessary.

70. Currently there are two identical schemes, one for matters that fall largely within the responsibility of parishes and one for Care Leavers matters that are the responsibility of the Sydney Anglican Home Mission Society (**SAHMS**).

71. Between 1 July 2015 and 30 June 2016 there were 5 payments under the Diocesan scheme and 9 payments were funded under the SAHMS scheme.

72. The Diocesan Pastoral Care and Assistance Scheme was reviewed following the release of the Royal Commission's Report on Redress and Civil Litigation on 14 September 2015 and an increased cap and updated assessment matrix have now been incorporated into the Scheme.

Abuse and Sexual Misconduct Complaints Protocol

73. Since 1996 the Diocese has used an established protocol for receiving complaints and allegations of child abuse or sexual misconduct by clergy or church workers. All Contact Persons are trained counsellors who may be contacted through an abuse report line (1800 774 945 or reportabuse@sydney.anglican.asn.au). The Contact Persons provide information and support to callers as they consider their options. The Contact Persons can then assist in the documenting and reporting of allegations or complaints of abuse or misconduct.

74. Any complainant identifying possible criminal behaviour is encouraged to make a report to the NSW Police. The Contact Person or another appropriate person from the PSU is able to assist the complainant in reporting the matter to the Police.

75. The five Contact Persons are Mrs Margaret Fuller (Illawarra), Ms Nicky Lock (Northern Beaches), Ms Rosemary Royer (Northern Suburbs), Mr Richard Elms (Western Suburbs) and Mr Rob Carroll (Southern Suburbs).

76. The Contact Persons meet four times a year with the Director and Chaplain for training and coordination of their roles.

Discipline Ordinance

77. The process for complaints regarding misconduct or child abuse by clergy or church workers is governed by the *Discipline Ordinance 2006*. The specific offences covered in the Ordinance are: child abuse, sexual abuse, unchastity, drunkenness, neglect of ministerial duty, non-payment of just debts, disgraceful conduct, conviction of a serious criminal offence, failure to report suspected child abuse, grooming, inappropriate pastoral conduct involving a child, and possession, production or distribution of child exploitation material.

78. Where a complaint is received by the PSU that includes an allegation of criminal behaviour a report is made to the NSW Police if the complainant is not able to make that report.

79. The Director receives complaints against clergy and church workers of the Diocese and administers the complaints process under the *Discipline Ordinance 2006*. Primarily complaints involve child sexual abuse or adult sexual misconduct. Each matter usually involves a Contact Person taking an initial report and complaint and if applicable offering counselling to the alleged victim. The PSU then receives the report and a file is opened. The Chaplain contacts the complainant and remains in touch with them throughout the process. If the complaint is properly made under the Ordinance, the Director serves the complaint on the Respondent.

80. If the Respondent is a member of clergy or paid church worker they are offered counselling, a support person and payment of pre-approved legal costs should they require advice in responding. Depending on the response an investigation is conducted and the matter then proceeds to the Professional Standards Committee for review and recommendations. Unresolved matters regarding clergy can be referred to a Tribunal.

81. If the Respondent is an unpaid lay church worker they are offered counselling and a support person. Depending on the response, an investigation is conducted and it is then referred to an Adjudicator for recommendations and final determination. Unpaid lay respondents are responsible for their own legal costs if they require legal advice or representation.

82. The strongest sanction available for lay persons is a prohibition order that prevents a respondent from engaging in ministry or being appointed to any role in the church. A member of the clergy may be deposed from Holy Orders. There are also conciliation provisions, lesser sanctions and other recommendations available in appropriate circumstances. The Archbishop or relevant church authority (in the case of an unlicensed lay person) considers the final recommendations and takes action as may be required. The Archbishop is entitled to enquire as to progress of matters and the Director is obliged to keep him informed.

Complaints

83. The Director received seven new complaints under the Discipline Ordinance during the reporting period.

84. The Director made two complaints under the Discipline Ordinance (clause 10) during the reporting period.

85. The Professional Standards Committee met five times and considered 28 matters in the reporting period.

86. No matters were referred to a Tribunal during the reporting period.

The Professional Standards Committee

87. There are five members of the Professional Standards Committee. Under the provisions of the *Discipline Ordinance 2006*, the Committee's function is to consider complaints and make recommendations to the Archbishop concerning these matters.

88. This Committee meets as required and is currently scheduled to meet every second month.

Adjudicator

89. Nine matters concerning unpaid lay respondents were referred to an Adjudicator for determination during the reporting period.

Parish Recovery Teams

90. Parish Recovery Teams (PRTs) are generally available to assist parishes where allegations of abuse or misconduct by clergy or church workers have arisen. A PRT works in a parish to deal with the complex pastoral issues that arise once these matters come to light. PRTs aid those members of the parish who are affected and work towards the healing of the parish as a whole.

91. In 2007 a group of nine volunteers for our PRTs was trained by Pastor Tim Dyer of John Mark Ministries. From 2010 to 2012 a new team of nine volunteers was trained.

92. Due to numbers of Parish Recovery Team consultants being unable to continue with PRT work, due to health and other reasons, a new team of 14 was trained throughout 2014 and 2015.

93. Two PRTs were deployed during the reporting period for new matters. One of these PRTs involved two secondary teams of four consultants each to run congregational meetings.

The Professional Standards Unit Oversight Committee

94. The Standing Committee approved of the establishment of a Professional Standards Unit Oversight Committee (PSUOC) in November 2015 that monitors the finances and operations of the PSU and receives and considers complaints made about the PSU, among other things.

95. There are five members of PSUOC, and the Chair of the Committee is Bishop Peter Lin.

96. PSUOC is required to meet a minimum of four times a year and has considered one complaint in the reporting period.

Cooperation with NSW Government Agencies and Other Churches

97. The Director of the PSU continues to be a member of the NSW Police Child Protection and Joint Investigation Squad Advisory Council.

98. The National Network of Directors of Professional Standards from Anglican Dioceses across Australia meets together each quarter. The Director of the PSU attends these meetings regularly. The Network meetings are crucial for continuing cooperation and communication between Professional Standards Directors across the nation. The value of the Network is the depth of experience concerning professional standards matters across the group as a whole. This also means the Network is well positioned to make important contributions to developments and initiatives in these areas and to work towards maintaining best practice in processes across Dioceses.

Finance

99. PSUOC receives and monitors accounting reports for the PSU. PSU accounts are reported in the Synod Funds reports provided to members of Synod.

100. The Standing Committee, on the recommendation of the Diocesan Resources Committee, approved the allocation of a start up grant to the PSU for the development of online safe ministry training in late 2016. Since 1 April 2017 the PSU has retained the Parish Cost Recovery Charge for safe ministry training cognisant with its assumption of responsibility for delivery of safe ministry training across the Diocese.

101. Following detailed submissions to the Diocesan Resources Committee from the Chair of the Safe Ministry Board and Director of Professional Standards in 2015, it was recommended to Standing Committee that PSU costs be fully recoverable under the Parish Cost Recovery charge.

102. The implementation of this recommendation by the Standing Committee with the approval of Synod has resulted in the PSU slowly continuing to find itself on more a sustainable financial footing towards the end of the reporting period.

Conclusion

103. As we approach the end of the fifth and final year since the Royal Commission was established, we look forward to receiving its final recommendations and reviewing our practices further in the light of those recommendations. To that end it is vital for the PSU to be fully and adequately resourced for the years to come.

On behalf of the Safe Ministry Board and Professional Standards Unit.

THE REV. DR KEITH CONDIE
Chair

Safe Ministry Board
14 July 2017

LACHLAN BRYANT
Director

Professional Standards Unit
14 July 2017

Statement of Funding Principles and Priorities 2019 – 2021

1. Background

Our Vision is to see Christ honoured as Lord and Saviour in every community.

As a Diocese we have committed ourselves afresh, in prayerful dependence on the Holy Spirit, to glorify God and love our neighbour by proclaiming the Lord Jesus Christ, calling people to repent and living lives worthy of him.

In that light, we have identified several key factors in each of the 4 priorities at this point in our mission –

1. Reach all the lost in our Diocese with the life-giving gospel of Christ
 - 1.1. Engaging with our local community and creating opportunities for evangelism at the local and diocesan level
 - 1.2. Mobilising more people to share Christ's love in word and deed
 - 1.3. Strengthening our invitation, welcoming and integration
2. Deepen spiritual maturity among our members –
 - 2.1. Ensuring congregational gatherings are significant places for spiritual growth
 - 2.2. Enriching Christian fellowship through small groups
 - 2.3. Strengthening personal and family devotions through prayer and Bible reading
3. Equip our members to exercise their gifts –
 - 3.1. Strengthening leadership skills of clergy, especially rectors
 - 3.2. Identifying and unleashing the gifts of church members
 - 3.3. Encouraging risk-taking and new initiatives in outreach and discipleship
4. Respond to the changing face of our society –
 - 4.1. Loving our neighbours in local and cultural communities
 - 4.2. Reaching children and youth
 - 4.3. Connecting with people over 60 years of age
 - 4.4. Planting new churches in rapid growth areas

The nature of most of the priorities and key factors identified in our Mission 2020 statement above mean that action to pursue those objectives will primarily involve initiatives at the local parish level. Furthermore, many of the key factors identified above are part of an individual's response to the grace and mercy shown by God when we surrender to his Lordship. As such they fundamentally shape the way we live and spend our time, the way we relate to others and the way we gather, but they do not necessarily require financial resources from the Synod.

As a Synod we want to allocate and distribute money to various ministries and organisations which provide support to those particular priorities and key factors which need financial resources and are best organised, delivered and supported at a diocesan level.

The Glebe Administration Board, as manager of the Diocesan Endowment, and St Andrew's House Corporation, as manager of St Andrew's House, continue to provide the bulk of the funds available each year for distribution by Synod. A small number of parishes with very substantial lease and other property income provide a significant further source of Synod funds.

A fundamental principle that shapes the document is that significant weighting is given to the long-term nature of diocesan life. There are always many current opportunities but Synod should give particular priority to the long term in the use of funds.

In this document some funding expressions are used that have the following meanings –

“Parish Cost Recovery charge (“PCR”) is a recovery of direct (e.g., minister's superannuation) and indirect (e.g., Professional Standards Unit) costs incurred centrally on behalf of all parishes.

“Levy” is a charge to raise funds from parishes for specific purposes.

“Assessment” is a charge to raise funds from parishes for the general purposes of Synod.

2. A framework for the strategic use of our money

We are an organisation that exists for the long term – till Christ returns.

Our budgets should reflect this, and contain long term goals as well as short term expenditures.

Long term spending provides for the infrastructure needs for the future – for example for the acquisition of land for church sites and investment in the recruiting, training and equipping of people for long term ministry.

We continue to support the work of the Mission Property Committee which was set up in 2002 to plan and oversee the work of acquiring land for future church sites in areas of population growth. Since 2013 we have funded this work through a levy on parishes.

It is proposed that we will continue to give priority in our budgeting process for the recruiting, training and equipping, principally through the work of Moore Theological College (“MTC”) but also through Youthworks College and Ministry Training and Development (“MT&D”).

Should further funds become available to Synod in this triennium we would consider options such as –

- increasing the funding provided for training and equipping of people
- providing for the long term property needs of the Cathedral
- providing support for church buildings in greenfield areas through New Churches for New Communities
- providing funding for urban renewal (brownfields development)
- providing support for ministry in socially disadvantaged areas.

3. Diocesan funding principles

Arising out of the above sections, there are both general principles and specific funding principles that should guide our preparation of diocesan budgets.

A. General principles

- (a) We are a network of Christian churches and other associated Christian ministries working in a particular geographical area that is parish based, episcopally led and synodically governed under an Anglican constitution.
- (b) We are a long term organisation that seeks to grow. Wherever possible we seek to resource growth that is both immediate and long term, especially by investing in growing ministries of the gospel and/or those activities which will enhance and promote its growth.
- (c) We need to invest strategically in long term infrastructure, both in people and property.
- (d) The different parts of the Diocese must be appropriately accountable –
 - (i) Synod funding provided for organisations should recognise their delegated authority and –
 - (1) give appropriate responsibility and authority to the elected board,
 - (2) consider outcomes, conducting review and evaluation primarily through periodic discussion with the elected representatives on the board, and
 - (3) be based on information supplied in an appropriate way (a statement as to the suggested procedure is contained in Appendix 3 to this paper) and
 - (ii) wherever possible program outcomes should be measured, either quantitatively or qualitatively.
- (e) We shall endeavour to meet all contractual commitments under secular legislation and Anglican structures.

B. Specific funding principles

- (a) As part of the network of Christian ministries in the Diocese, Synod needs to –
- (i) fund the selection, appointment and ordination of Christian workers,
 - (ii) contribute to funding the recruitment, training and equipping of people for ministry,
 - (iii) support the ministry of the Dean and diocesan events at the Cathedral,
 - (iv) contribute to our representation in the wider Anglican Church, to government and in the public sphere, and
 - (v) ensure the affairs of the Province are appropriately governed.
- In this light, and recognising the scarcity of resources, it is our intention to give priority in this triennium to funding initiatives that strengthen leadership skills of clergy, especially rectors (priority 3.1).
- (b) The Diocesan network also needs to pay for Synod-determined costs –
- (i) annual meetings of Synod,
 - (ii) Standing Committee costs,
 - (iii) Secretariat (according to a service level agreement),
 - (iv) representatives to attend General Synod, and
 - (v) whatever Synod by ordinance establishes.
- (c) Among parish-related costs the Diocesan network has chosen to collectively administer funding for the following –
- (i) employment related on-costs for clergy – superannuation, long service leave, clergy care (stipend continuance insurance premiums and Clergy Assistance Program), and sickness and accident fund contributions,
 - (ii) property and liability insurance program,
 - (iii) risk management program,
 - (iv) Professional Standards Unit,
 - (v) safe ministry program, and
 - (vi) contribution to Diocesan Archives.
- (d) The Diocese needs to fund any Synod-determined discretionary spending for specified ministry initiatives.
- (e) A levy on parishes of 2% of their net operating receipts should continue to be raised to assist the Mission Property Committee to fund the acquisition of land for future church sites.
- (f) Any financial support for buildings in brownfield or greenfield areas should be by way of funds raised through the Large Receipts Policy or proposed Property Receipts Levy, rather than as an allocation of capital or income from the Diocesan Endowment or distributions from St Andrew's House Corporation.

Biblical and theological background

Important principles can be drawn from a biblical and theological background to Christians' use of money and the relationship between churches.

- (a) The material world and its wealth are part of God's good creation for our stewardship and sufficient for our need (Genesis 1:28-31; Matthew 6:19-34; Philippians 4:19; 2 Corinthians 9:8-11; 1 Timothy 4:1-6; 6:17-19).
- (b) We should avoid covetousness, learn contentment, be generous, provide for the disadvantaged and seek to act justly (Exodus 20:17; Matthew 23:23; Luke 3:14; Acts 20:33f; 2 Corinthians 8:8-15; 9:6-14; Ephesians 4:28; Philippians 4:12-13; Colossians 3:5).
- (c) Christians are to provide for their own needs and the needs of their families in order not to burden others or the church, so that the church can help those who are genuinely in need (2 Thessalonians 3:6ff; 1 Timothy 5:3-16).
- (d) Those who benefit from the ministry of the word should support those who, principally or otherwise, provide that ministry (1 Corinthians 9:4-14; Galatians 6:6; 1 Timothy 5:17-18).
- (e) The New Testament values the work of Christians and churches who voluntarily support gospel ministry and social concerns beyond their local community (Acts 11:27-30; 18:3-5; Philippians 4:10-20; 2 Corinthians 8).
- (f) We should have a concern for transparent honesty and faithfulness in financial dealings (2 Corinthians 8:18-24).
- (g) There is a relationship among Christian congregations. The New Testament does not mandate any constituted structures like "parish" or "diocese". However, congregational independence was not the first century church pattern either. Apostles maintained pastoral oversight of congregations they no longer attended (Acts 14:23; 1 Corinthians 5:3-5; 2 Corinthians 10:7-13; 11:28; 1 Timothy 3:1-13; Titus 1:5-9), and they appointed elders to exercise governance (Acts 14:23). Churches "appointed" a brother to transport money (2 Corinthians 8:19); and there were rules and common practices that individual churches were not free to vary (1 Corinthians 4:17; 7:17; 11:16; 14:33).
- (h) The church is the fruit of the Lord's activity through the ministry of the gospel. This gospel ministry continues inside the church as well as outside. It is as people hear the word of life that they are regenerated by the Spirit and baptised into the one body (Ephesians 2:1-10; 4:1-6; 1 Corinthians 12:12-13; 1 Peter 1:22-2:5).

What is the Diocese?

For the purpose of thinking holistically, a description that captures the Diocese is –

We are a network of Christian churches and other associated Christian ministries working in a particular geographical area that is parish based, episcopally led and synodically governed under an Anglican constitution.

The fundamental activity of each part of the diocese is **Christian ministry**. That is what unites everything else that we are or do. The church, unlike a parish or diocese, is the fruit of the Lord's activity through the ministry of the gospel. The ministry of the gospel precedes, empowers and governs the church. The church further promotes, supports and extends the ministry of the gospel.

The Diocese as a whole is **a network** of Christian ministries, for Christians are called into fellowship not only with God but also with one another. Such fellowship is not limited to congregational life but also among congregations. All ministries, churches, organisations and institutions are part of this network of people ministering the gospel.

This network of Christian ministries occurs in **a particular geographical area** because the primary focus and responsibility of Sydney Anglicans is to minister the gospel of salvation primarily to all people living within the diocesan boundaries.

This network of Christian ministries is **parish based**. A parish is a defined geographical area in which ministry is led by a rector and assisted by a parish council with responsibility to minister the gospel to every person living in that geographical area.

While the parish is central to the responsibility of bringing salvation to all people, not all Christian ministry of the Diocesan network happens within the parish system.

Some ministries targeted to particular people groups are the responsibility of particular Diocesan organisations, for example Anglican schools minister primarily to children and youth and Anglicare provides aged care services both at home and in retirement villages. Some areas are nominated as "extra-parochial" because of the specialised ministry conducted within them. Some ministries such as chaplaincies are not church based. Furthermore, many ministries in the Diocese support and supplement other gospel ministries such as those of the parish or chaplaincies (e.g., Moore Theological College and Youthworks College train our future gospel workers, the Secretariat provides legal support and the Professional Standards Unit deals with allegations of misconduct).

Though parish ministries operate with considerable independence, they do not function in isolation – nor should they. They are formally linked into the Diocesan network because it is **episcopally led**. It is appropriate that the network as a whole, being a network of Christian ministry, should be led by ministers of the gospel.

The network as a whole is **synodically governed** under an Anglican constitution. The government of the Diocese is constituted by State legislation and implemented by ordinances and elections of the Synod. The Synod governs for the good order of the network and the long term promotion of the ministry of the gospel in the Diocese as a whole.

Supporting information

One of the principles found in scripture (Appendix 1(f)) is transparent honesty and faithfulness in financial dealings. It follows that all funding recipients should be prepared to give an account of their use of Synod funds as well as identify any other sources of funding that contribute to the resources they have to deliver ministry outcomes. Moreover, proper accountability requires an ongoing assessment of the outcomes achieved as well as the resources consumed to produce those outcomes.

The Synod funding schedule has been arranged under 4 headings – long term requirements, immediate requirements, long term Mission commitments and current Mission activities. The concept of financial accountability is particularly important when assessing current Mission activities. With limited financial resources there will always be more ‘good’ things that could be funded, or which could receive more funding than at present. Part of the exercise therefore is not just to ensure that only ‘good’ things receive the funding, but to try and assess whether the present distribution of funding is helping to produce the ‘best’ outcomes for Mission 2020. This will necessarily involve an assessment of the effect on outcomes of both an increase and a decrease in the level of funding in order to facilitate a comparison between different programs.

It is possible some funding may be provided directly to a particular project the Standing Committee and Synod consider a high priority Mission 2020 activity, notwithstanding that no particular organisation has sought funds for this purpose. In other cases funding may be proposed for an organisation on an agreed fee-for-service basis. Furthermore, for some organisations the funding provided by Synod represents their only source of income, they have no reserves and they only undertake one activity whereas in other cases the Synod funding may represent only a small part of the recipient organisation’s overall budget and activities.

Standing Committee intends to hold a series of meetings with the recipients of Synod funding as a Mission 2020 commitment. Where it considers accountability and transparency would be improved by the provision of the following information Standing Committee intends to ask organisations seeking funds to provide the following –

1. A detailed proposal identifying –
 - (a) the purpose for which the funds are sought,
 - (b) attempts that have or can be made to raise funds from other sources,
 - (c) the likely timing of any expenditure,
 - (d) the outcomes expected, and
 - (e) the reporting and other accountability measures by which those outcomes will be assessed.
2. A statement of any reserves held by the organisation –
 - (a) specifically for the purpose for which funds are being sought, or
 - (b) that could be made available for that purpose.

2/05 Stipends, Allowances and Benefits for 2018

(A report on behalf of the Standing Committee.)

Key Points

- Recommended minimum stipends remain unchanged for 2018
- Standing Committee suspended operation of the policy adopted in August 2016
- Structure of remuneration package remains unchanged

Introduction

1. By resolution 2/05, the Synod requested that the Standing Committee report its findings about stipends and allowances to the Synod each year.

2. The circular to ministers and wardens entitled "Guidelines for the Remuneration of Parish Ministry Staff for 2018" (the "Guidelines") was published in August this year and provides details of the recommended stipends, allowances and benefits for ministers, assistant ministers and lay ministers for 2018.

Recommended Minimum Stipends

3. The policy adopted in August 2016 which indicated the 2018 stipend would be set at 76% of Average Weekly Earnings would have required a decrease in the stipend from the level applying in 2017.

4. Accordingly, Standing Committee suspended operation of the policy and agreed to set the recommended minimum stipend for 2018 at \$65,714, which is unchanged from the recommended minimum stipend for 2017 –

	% of Minister's Minimum Stipend	2018 Minimum Stipend \$ pa
Minister	100	65,714
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma) –		
5 th and subsequent years	95	62,428
3 rd and 4 th year	90	59,143
1 st and 2 nd year	85	55,857
Youth and Children's Ministers (Diploma) –		
7 th and subsequent years	85	55,857
4 th to 6 th year	75	49,286
1 st to 3 rd year	65	42,714

Remuneration Packaging

5. The maximum level of stipend sacrificed to a minister's expense account ("MEA") remains set at 40%, with the member of the ministry staff able to set a lower percentage. Ministry staff may sacrifice an additional amount of stipend (over and above the 40%) to increase superannuation savings. Certain expenditure can be reimbursed to the minister from the MEA. Benefits received in this way are exempt from fringe benefits tax and income tax.

Superannuation Contributions

6. Contributions on account of superannuation for ministers and assistant ministers are part of the parish ministry costs and will be funded through the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2015*. Superannuation for lay ministers is paid separately. As for 2017, the amount of the superannuation contribution is generally set at 17% of the applicable minimum stipend, accordingly the annual contributions proposed for 2018 are –

	2018
Minister	11,171
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma)–	
7 th and subsequent years	11,171
1 st to 6 th year	10,054
Youth and Children's Ministers (Diploma) –	
7 th and subsequent years	9,496
1 st to 6 th year	8,379

Travelling Allowances/Benefits

7. The diocesan scale for the travelling allowance to be paid to ministers, assistant ministers, lay ministers and youth and children's ministers for 2018 is calculated in accordance with the following scale –

- (a) a fixed component of \$8,047 (2017 – \$8,047) per annum to cover depreciation, registration, insurance etc, plus
- (b) a reimbursement at the rate of \$246 (2017 – \$246) for every 1,000 kilometres travelled by the person concerned on behalf of the church or organisation which he or she serves.

8. Travel benefits may be provided through an MEA in lieu of a travel allowance in accordance with the guidelines published in the Guidelines.

Remuneration for Occasional Services

9. The recommended rates for clergy who take occasional services are –

	2018 \$
For 1 service	90
For 2 or more services in a half day	120
For a whole day	180

10. The following guidelines also apply in relation to remuneration for occasional services –

- (a) If the total return journey of the person taking the occasional service is 75 kilometres or less, a travelling allowance of 80 cents per kilometre should be paid (2017 – 80 cents). If further kilometres are travelled, the travel allowance should be negotiated.
- (b) Meals should be provided where necessary.
- (c) As pension benefits may be reduced according to other income received, the recommended rates are open to negotiation.
- (d) Where a minister is invited to take, or assist in, services in a church outside their parochial unit, any payment for services should be made to the parochial unit to which the minister is licensed, rather than to the minister.

Acting Ministers, Locum Tenens and part time pastoral workers

11. Acting Ministers, Locum Tenens and part time pastoral workers should be remunerated with reference to the relevant full time stipend and benefits on a pro-rata basis (based on a 6 day working week). The worker should also be paid a travelling allowance at the rate of 80 cents per kilometre to cover any travel costs incurred while performing their duties (2017 – 80 cents).

12. Provision for ministry related expenses, superannuation, sick, annual and long service leave (on a pro-rata basis) should be provided where appropriate and agreed upon by the worker and parish council.

13. Part time pastoral workers must generally be included under the parish's workers compensation insurance policy.

Male and Female Student Ministers

14. The recommended assistance for student ministers working one full day per week for 2018 is –

	% of Minister's Minimum Stipend	2018 \$ pa
Studying for a degree	12.5	8,214
Studying for a diploma	10.0	6,571

If a student minister works more than one full day then the rate payable is a pro-rata amount of the full day rate.

15. The following guidelines also apply in relation to the remuneration of student ministers –

- (a) Transport costs (whether private vehicle or public) should be paid by the parochial unit. Where extensive travel is involved consideration should be given to paying for the travel time.
- (b) Where a student minister serves for a half day in addition to a full day, account should be taken of the additional time and cost in travelling and care taken to ensure that the student minister is not disadvantaged by the additional expense.
- (c) Under the Fair Work Act 2009, since 1 July 2017 the national minimum wage for adults has been \$18.29 per hour. This means that the recommended stipend allows for no more than 8.6 hours work per week if studying for a degree, and 6.9 hours if studying for a diploma. The minimum wage will be reviewed next on 1 July 2018.

- (d) Arrangements should be made to ensure student ministers are provided with appropriate hospitality. For example, appropriate breaks should be provided especially in a long working day.
- (e) Preparation time adds to the total time incurred in service for the parochial unit and should be allowed for when the amount of payment is considered.
- (f) Superannuation contributions are payable if the remuneration exceeds \$450 per month.
- (g) Workers compensation insurance cover must be arranged by the parish.
- (h) By arrangement with the student minister the parish may agree to pay college fees (tuition, boarding, etc) on behalf of the student minister in lieu of part of the normal remuneration. If such fees are paid they should be considered an exempt fringe benefit provided –
 - (i) the student is a ministry candidate, and/or holds the Archbishop's licence, or is an independent candidate undertaking the same course of study as required for a ministry candidate, and
 - (ii) the benefit is only applied to paying fees and the provision of accommodation/board.

For and on behalf of the Standing Committee.

JAMES FLAVIN

Chair, Stipends and Allowances Committee

29 August 2017

Mission Property Committee

(A progress report from the Mission Property Committee.)

Key Points

- A strategically located site in Bringelly has been acquired by the Mission Property Committee in July 2017
- The new Leppington Church was officially opened in March 2017

Purpose

1. To report progress in the work of the Mission Property Committee (“MPC”) in acquiring land and constructing ministry buildings in areas of the Diocese which are experiencing or are likely to experience a rapid increase in population.

Recommendation

2. That Synod receive this report.

Background

3. Under the *Mission Property Ordinance 2002*, the MPC is required to undertake a number of functions including the acquisition of land and the construction of ministry buildings in areas of the Diocese which are experiencing or are likely to experience a rapid increase in population.

Strategic Land acquired in Western Sydney

4. The MPC acquired 162 Badgerys Creek Rd, Bringelly in July 2017.

5. The cost of \$4.65 million was materially funded by all parishes across the Diocese through the Synod approved greenfields land acquisition levy ordinance (the “Ordinance”). The Ordinance commenced in 2013 and promotes the *Diocesan Mission 2020*. This enables all parishes to support the establishment of church sites in new growth areas.

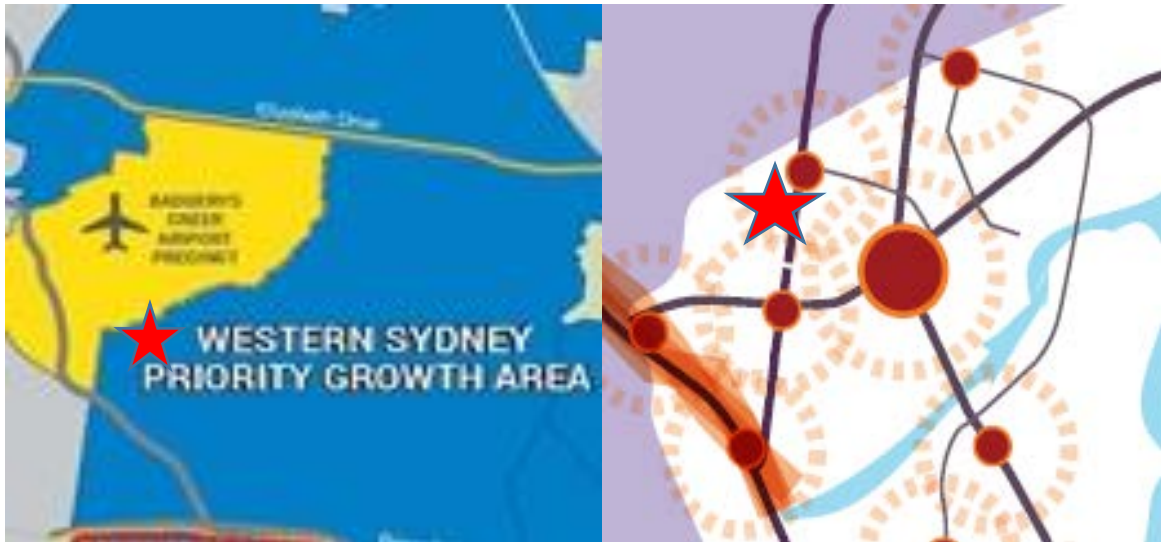


From a paddock to a church:

MPC Bringelly site

6. The 3-hectare site has sufficient land area on which to construct a new church building with car parking areas and room for future expansion in the coming decades.

7. With a forecast population of over 50,000, the land adjoins the future town centre. It is likely to be rezoned from rural to urban purposes in the next 5 years. The site will benefit from new road and rail infrastructure for the Badgerys Creek Airport.



 **Strategic location - Infrastructure and future town centre:**
MPC Bringelly site

Opening of Leppington Church building

8. The Leppington church building involved refurbishment of an existing building with capacity of 100 persons for the growing church and community. Opened in March 2017, the project features a kitchen, Sunday school rooms and car parking area. A nearby ministry residence provided by MPC was completed in November 2016.



Leppington church building

9. The Hope Leppington church plant is now well situated to continue to grow in numbers, under God, in line with the growing community forecast to reach 50,000 people. Funds are currently being raised by the Archbishop's New Churches for New Communities for a larger 250 seat auditorium.

10. MPC continues to address priority property issues in support of the *Diocesan Mission 2020* and our 5 strategic objectives:



For and on behalf of the Mission Property Committee

GEOFF KYNGDON

Chair

19 August 2017

Review of the Mission Property Committee

21/16 Membership structure of Mission Property Committee

33/16 Resourcing the management and development of parish property

(A report from the Standing Committee.)

Key Points

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

Purpose

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

Recommendations

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

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

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

Background

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

21/16 Membership structure of Mission Property Committee

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

33/16 Resourcing the management and development of parish property

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

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

responsibilities of Mission Property Committee under clause 9(1)(e) in conducting its review, and

- (c) requested the committee to conduct a review to determine the resources that would be necessary to allow the MPC to –
 - (i) develop some generic guidelines to assist parishes in determining the priorities for facilities development, and
 - (ii) be more proactive with regards to the development of the facilities of existing parishes.

7. Since we began our review there have been several additional events which intersect with our work, and we respond to them in the course of this report –

- (a) an Anglican Church Growth Trust (ACGT) has been proposed. Under this proposal a Trust would be established, with its own Board and an executive director. It would coordinate the work of fund raising by NCNC, church planting by ENC, and the property acquisition and development work of the MPC. It is anticipated that a proposal will be presented to Standing Committee in September,
- (b) MPC have presented a report to Standing Committee in July 2017 with a proposal for funding early stages of re-developments in brownfield areas,
- (c) an Appendix to the same MPC report set out “*Generic Guidelines – Overarching principles to assist parishes in determining the priorities for facilities development*”, and
- (d) in a brief report to the same July meeting the Strategic Resource Group declared its preliminary support for the funding concept from the MPC, and indicated it would bring a further report in August.

Consultation

8. The Committee has conducted its work by seeking the views of a wide range of people who have varying levels of contact or involvement with the MPC. We invited them to respond to a survey, and we met with some of them. The survey was initially on paper and then online. The questions in the survey are shown in Appendix 1.

9. Those interviewed or invited to respond to the survey included –

- representatives of parishes in both greenfield and brownfield areas;
- regional bishops;
- members of the MPC;
- ACPT members;
- members of SDS, who carry out much of the work for the MPC;
- some members of Standing Committee;
- NCNC members; and
- consultants or professional services providers to the MPC.

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

Current Composition

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

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

Current Resourcing

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

14. The funds available to the MPC for acquisition of properties and construction of ministry facilities are:

- funds raised by the land levy paid by parishes;

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

A Brief History of the MPC

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

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

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

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

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

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

Achievements

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

Land in greenfield areas

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

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

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

Buildings in greenfield areas

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

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

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

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

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

Brownfield properties

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

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

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

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

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

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

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

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

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

Resourcing

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

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

Governance

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

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

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

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

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

Commendations

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

Recommendations

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

45. We recommend –

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

For and on behalf of the Standing Committee

CLIVE ELLIS
Chair, MPC Review Committee

18 August 2017

Appendix 1

Survey questions

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

Appendix 2

Current membership of the MPC

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

Mission Property Committee proposal to provide guidance to parishes undertaking development projects

(A report from the Mission Property Committee.)

Key Points

- The MPC estimates that additional funding of \$500,000 p.a. is required to meet demand for advising consultants to progress up to 10 parish projects to the feasibility / Development Application stage
- It is recommended that the Standing Committee MPC review sub-committee support the MPC proposal to provide guidance to parishes and prioritise adequate resourcing of \$500,000 p.a. from various sources in 2018 and include this initiative in the funding principles for the triennium period 2019-2021

Purpose

1. To propose that Standing Committee adequately resource parishes by funding the MPC with \$500,000 p.a. to provide professional and strategic guidance to parishes undertaking development on existing church sites.
2. To provide recommendations on the role of the various diocesan stakeholders (parishes, SDS management, Regional Bishops, MPC, NCNC, ENC, and Standing Committee/Synod) in parish projects. MPC will advise on property development options on parish sites, and be responsible for providing recommendations to Standing Committee.

Recommendations

3. That the Synod receive this report.

Background

Demand for resourcing new church facilities in existing parish locations

4. The ACPT owns approximately 1,100 property titles on trust for parishes. Each parish typically comprises a church, hall and rectory. Many are well located to transport infrastructure which have been up zoned to permit multi-level residential or mixed use development.
5. The number of church buildings across the Diocese has reduced from approximately 400 in 1980 to approximately 350 in 2017. This is due to a pattern of parishes selling off a portion of land holdings to primarily fund building projects. This is an unsustainable practice especially in light of the population growth envisaged in existing urban areas.
6. There has been a structural shift in housing choice across Sydney with greater acceptance of family living in medium and high density housing. Sydney now has more than 100 suburbs where at least half the population lives in a flat or apartment. The 2016 census, released last month, found 42.1 per cent of all dwellings in Greater Sydney are now medium or high-density, representing a 3.5% increase over 2011, a trend set to continue with about 70 to 80 per cent of dwellings constructed in Sydney in 2016 being medium and high density. In Q2, 2017 NSW Government announcement of construction of 5 new inner city medium to high density schools. Ministry to the increasing number of those living in apartments provides both challenges and opportunities. Given that we have approximately 350 church buildings across 270 parishes in these areas opportunities for development on existing sites need to be explored.
7. The NSW Department of Planning reports the population of Greater Sydney is set to increase by 1.74 million people in the 20 years to 2036, with 75%, or 1.3 million, forecast in existing urban areas. There is significant population growth and underlying demand to warrant consideration of the development of existing church sites. Many of these are located within the catchments of the urban renewal corridors and medium density infill locations.
8. Regional bishops have identified 31 parishes that are proposing existing church redevelopment projects. This represents over 10% of existing parishes. These are all at different stages (Refer annexure 2). However the majority of parishes are in need of seed funding to progress the planning, including the testing of project feasibility.
9. Adjoining apartment developments often create pressure for parishes. The parish may either form a consolidated development site or will need to respond to the new built form and vehicular access arrangements. This means that parishes must deal with the property development issues as a priority and perhaps earlier than they would have otherwise envisaged.

10. Accordingly, the MPC recognises that there is a need for resourcing new church facilities in existing parish locations, but parishes are inadequately resourced to advance the opportunities to do so.

Learning from previous property development ventures

11. SDS management has observed well-meaning parish volunteers, many of whom may not have expertise in dealing with property projects, be commercially taken advantage of by developers who see the church as a “soft touch”.

12. Historically organisations within the Diocese have been unsuccessful in self managing Brownfield property development. The Moore West (1995) and Bishopscourt – Greenoaks apartments (2005) developments, where the diocese acted as a property developer, failed chiefly due to a lack of management expertise. This method of the diocese taking on development risks to construct and sell whilst high return is also high risk. An alternative method of obtaining development approval for higher density development in conjunction with a suitable development partner is of relatively lower risk.

13. Appointment of trusted expert advisors will address the aforementioned past failures. Such advisors have the appropriate skills and track record of delivering successful projects. They would conduct a risk assessment with appropriate mitigants (refer annexure 5). They would negotiate with developers and owners of adjoining sites.

14. Lessons learnt from the 2005 / 2006 Synod New Capital Project (NCP) include –

- (a) The significant development constraints on church sites due to heritage listings (27 state listed and approximately 100 local listed heritage items). Restrictive church land zoning issues were also highlighted. There is an inconsistent zoning approach between local government areas. As a result, any proposal to unlock the value in these sites is likely to require expert advice and a period of 3 to 5 years to completion,
- (b) Church trust property is underutilised. There is a total seating capacity of 62,000 across some 350 church buildings in the Diocese. An average Sunday attendance in 2016 is approximately 50,000 adults. Assuming potential for 2 congregations per church building each week utilisation is only 40%. Church buildings are particularly underutilised during most days of the week. Proposals to develop land and encourage mixed uses that are compatible with the church and assist in outreach and connection with the local community are to be encouraged. Wisdom is required in balancing the potential for encouraging other uses such as an income producing lease which should not be pursued if it prohibits new ministry initiatives.
- (c) There is a reluctance from church members to consider the sale of surplus land given the significant emotional attachment of members to church buildings, and
- (d) Any “top down” approach is a poor fit for the parochial culture of the Diocese. The Diocese exists for the parishes not vice versa.

15. SDS management has held meetings with a significant number of parishes over the last decade and anecdotal evidence is that parishes do not have funds sufficient to embark on property redevelopment projects given that seed funding to conduct project feasibility analysis in excess of \$25,000+ is required. Those parishes which do have sufficient funds often appoint the wrong type of consultants. There are a significant number of parishes each year expending significant funds and efforts in requesting architects to prepare detailed projects that are not economically feasible.

16. The charter of the Diocesan Regional Architectural panels is to provide architectural and site master planning advice to parishes. However there is currently a gap in addressing development feasibility, authority approvals or project funding. If appropriately resourced, SDS management could assist parishes in appointment of an advising consultant to conduct an initial economic development feasibility advice first.

17. There is no one size fits all model, with each parish project having a unique brief reflecting the diverse church sites and also the parish: history; ministry strategy, and growth/ life cycle stage. As such, a purely commercially driven approach whereby only external consultants are appointed to deliver parish projects is not considered appropriate.

18. Under the *Mission Property Ordinance 2002*, the MPC has been tasked, among other things, to provide advice and support to parishes which seek to develop their land. However the Parish Property Services team of SDS management does not currently have the capacity to serve the forecast level of service required to provide guidance to these parishes proposing projects. In response to this demand for advice, in June 2017 the MPC and ACPT have partnered to jointly allocate ongoing funding of an additional Manager, Parish Property. This position will assist parishes and the work of MPC with recruitment underway in the second half of 2017.

Possible structural changes to address problems

19. While the MPC and ACPT have provided funding for an additional manager, Parish Property; there is ongoing opportunity for structural reform of diocesan organisations in order to better support parishes who are seeking property development.

Roles and responsibilities of Diocesan Stakeholders

20. Based on the lessons learnt from the above experiences, the recommended roles and responsibilities for existing church building and redevelopment projects follows.

- (a) Parishes should –
 - (i) articulate the parish ministry strategy and initiate property projects at the parish grassroots level, and
 - (ii) agree to match dollar for dollar any Diocesan funding for the first \$25,000, such investment typically improving the ownership of the project by the parish (who has “skin in the game”) and its prospects for success.
- (b) Regional bishops should –
 - (i) endorse the parish ministry strategy,
 - (ii) provide detailed comments by involving his Architectural Panel at the appropriate time, and
 - (iii) rank parish ministry priorities across each region for seed funding to be brought to the MPC/Standing Committee.
- (c) Evangelism and New Churches (ENC) should provide ministry overlay and priorities for new church plants/repotting as appropriate in conjunction with the regional bishop,
- (d) External property consultants should be appointed to provide independent professional/commercial advice as required,
- (e) Standing Committee should provide –
 - (i) appropriate funding and approval of priority ranking of funding allocations (in accordance with Synod directions), and
 - (ii) follow a staged gateway approval process for a parish project to provide clarity on the process of binding approvals prior to a parish investing significant resources into a project.
- (f) MPC should provide –
 - (i) high level strategic guidance to parishes and Regional Bishops including –
 - (a) use of Graphical Information System (GIS) to identify location of population growth corridors and development potential of parish sites, and
 - (b) considering and proposing alternative and innovative land uses, delivery models and strategic partnerships to ensure the ongoing sustainability of the subject parish and the asset, and
 - (ii) recommended priority ranking of funding of parish projects to Standing Committee for consideration according to the following criteria –
 - (a) urgency in relation to responding to the timing of adjoining development sites,
 - (b) ministry priority determined by regional bishop/ENC,
 - (c) relative forecast dwelling and population growth within the parish (refer annexure 1),
 - (d) suitability of land for church use in line with parish ministry strategy,
 - (e) potential for harvest from development proceeds/income generation based on complementary development of the site, and
 - (f) project feasibility/prospects of delivery where MPC will give priority to harvesting the low hanging fruit, i.e., those sites with a high chance of success on full or partial redevelopment, and
 - (iii) quarterly reporting to the Standing Committee on the progress of each project the recipient of funding.
- (g) SDS management should –
 - (i) provide guidance to the aforementioned diocesan stakeholders throughout the development process, regular communication and manage expectations, and

- (ii) recommend practitioners whom the parish can engage (subject to a competitive tendering process) based on references from other parishes within each diocesan region based on shared parish experiences and input from other Christian churches within that geographical area. The type of expertise required may include (in chronological order: property advisor/land economist; development manager; lawyer; town planner; commercial negotiator; architect; heritage, project manager; quantity surveyor; hydrologist; traffic expert; ecologist; engineer; acoustic; contamination etc. It is not recommended that the parish choose its own practitioners without first consulting SDS management. It is the past experience of the ACPT that parishes, with the best will in the world, have unfortunately been misled by less than optimal advice. The Diocese is viewed as a soft target by the market, and the Diocese needs to prove the market is wrong. This will also mean we can engage these consultants on proper commercial terms, ensuring the ACPT is not exposed to unnecessary liability.

Funding a proposal to provide guidance to Parishes undertaking development projects

21. The Synod 2016 debate regarding the Funding Urban Redevelopment (FUR) proposal had the potential to inform these initiatives. There was a general consensus that the issue of church facilities in growth areas is of strategic importance for Mission 2020 and needs to be addressed.

22. During 2016/2017 regional bishops have requested SDS management, on behalf of the MPC, to provide assistance to 31 parishes (approximately 10% of all parishes) considering harvest type redevelopment projects (refer annexure 2). It is envisaged that upon announcement of such an initiative a significantly greater number of parishes will come forward. There is a demand for greater resourcing to enable a coordinated approach.

23. In response there is merit in a smaller scale seed funding of parishes (to be refunded upon project completion) to enable the testing of the feasibility of projects and enable some to proceed to the development approval stage. This has the potential to unlock the site value through redevelopment in the short to medium term (3-5 years) with the ability to produce a (sometimes significant) income stream, thereby effectively recycling funds and multiplying the impact to a significantly larger number of parishes in the longer term (5+ years). While parishes are typically "cash poor," many have significant land assets.

24. It is noted such a scheme could be self-funding over the medium term. In comparison to land sales, lease income provides predictable income streams suited to Synod distribution whilst retaining an appreciating asset. This is demonstrated by the following four parish properties' distributed lease income of \$1,240,075 for Synod distribution in 2017 –

(a) Ryde (Kirkby Gardens 96 apartments)	\$529,877
(b) Manly (Corso Shops)	\$257,742
(c) Church Hill (1 York Street office tower)	\$247,964
(d) St James King Street (St James Hall)	\$204,492

25. The changing nature of the Sydney property market currently has real opportunities for us to expand the number of parishes contributing significantly to diocesan initiatives.

Conclusion

26. The MPC has identified a bottleneck that impacts large projects (and potential projects) across the Diocese, often preventing them from ever reaching their initial planning approval stage. The bottleneck is that most parishes hesitate to commit any funds for professional consulting to a project which may not reach fruition, but cannot confirm the viability of a project without engaging consultants. In the absence of confident support, most projects falter and stall.

27. The MPC's contention is that this bottleneck will be removed if, in the course of advising parishes at an early stage, the MPC could access a fund from which to provide a significant portion of the initial consulting fees. If those projects that the MPC identify as most worthy of investment could be financially supported at the initial stages (where the majority currently falter), it should result in a significant increase of investment in development of urban areas among parishes.

28. Any of these projects that are intended to produce an income could then repay the initial consulting fees from the proceeds of the development.

29. It is recommended that the Standing Committee support in principle the funding of \$500,000 p.a. over the 4 year period 2018-2021 for parishes in undertaking development on church sites within non-Greenfield locations to be allocated in accordance with the priorities as outlined in paragraph 20(f)(ii).

Next steps

30. The MPC requests that the Standing Committee considers how best to adequately resource the MPC to fund the subject parishes including the following options –

- (a) allocation of the first \$500,000 pa of additional funds arising from the proposed Property Receipts Levy (PRL),
- (b) a 0.5% Parish Development Levy applied to all parish income to raise \$500,000 pa over the next triennium funding period (2019-2021),
- (c) approaching all potential supporters including -
 - (i) Individual Christian investors/companies, and
 - (ii) the Diocesan Endowment,
- (d) inclusion of consultant costs associated with parish projects in the PCR,
- (e) allocation of a portion of the sale/lease proceeds from parish projects to a parish development fund to cover the MPC costs and be recycled towards further brownfield projects.

31. The expectation is that not all parish projects (say 50%) will proceed beyond the feasibility stage. For those projects which do proceed, the application of the large receipts policy by Standing Committee may be used to effectively recycle any windfall gains to be paid into a fund held exclusively for future parish projects.

32. Consideration may be given to funding parish projects having regard to –

- (a) the approval of priority funding for each project being endorsed by the Standing Committee,
- (b) parishes matching funding dollar for dollar for the first \$25,000, and
- (c) parishes agreeing that potential windfall gains at the project completion will be subject to the allocation of development proceeds in accordance with the large receipts policy, if applicable.

33. Endorses the establishment of a future parish property development fund with the objective of becoming financially sustainable over the longer term. Such a fund to be available to progressively work through the various property priorities of each parish including -

- (a) Harvest (site redevelopment),
- (b) Invest (capital expenditure for expansion),
- (c) Hold (current facilities acceptable – regular maintenance only required),
- (d) Funding allocations to allow parishes to –
 - (i) respond to developments on land adjoining church sites. This may include submissions to local council, expert advice, feasibility, joint developments, and
 - (ii) Acquire strategic sites adjacent to parish land or in identified in-fill locations, the MPC has funds to move quickly and purchase that land for the particular parish or the establishment of a new church, and/or consider the development potential by purchasing that land. (For Example Anglican Schools Corporation and Anglicare campus masterplans typically include strategies to act swiftly to acquire adjoining sites as they become available).

For and on behalf of the Mission Property Committee.

GEOFF KYNGDON
Chair

29 August 2017

Annexure 1 Dwellings forecast (2017-21) by Sydney Metropolitan LGA (Source: NSW Department of Planning)

Annexure 2 List of parishes where the Regional Bishop requested assistance for harvest projects 2016-17

Annexure 3 Generic guidelines - Overarching principles to assist parishes in determining the priorities for facilities development,

Annexure 4 Church Property Development Procedure

Annexure 5 Managing Project Risks

Dwellings proposed (2017-21) by LGA (Source: NSW Department of Planning)

Local Government Area	2016-17 to 2020-21	Ranking	Additional Population (3 persons per dwg)
PARRAMATTA	21,450	High	64,350
SYDNEY	18,250	High	54,750
BLACKTOWN*	13,600	High	40,800
CANTERBURY - BANKSTOWN	12,200	High	36,600
CAMDEN*	11,800	High	35,400
BAYSIDE	10,000	High	30,000
CUMBERLAND	8,850	High	26,550
THE HILLS*	8,350	High	25,050
LIVERPOOL*	8,050	High	24,150
RYDE	7,550	High	22,650
WOLLONGONG*	7,400	High	22,200
CAMPBELLTOWN*	6,700	High	20,100
PENRITH*	6,600	Medium	19,800
INNER WEST	5,750	Medium	17,250
SUTHERLAND*	5,150	Medium	15,450
GEORGES RIVER	4,600	Medium	13,800
SHELLHARBOUR*	4,550	Medium	13,650
HORNSBY	4,200	Medium	12,600
KU-RING-GAI	4,000	Medium	12,000
STRATHFIELD	3,650	Medium	10,950
NORTHERN BEACHES*	3,200	Medium	9,600
NORTH SYDNEY	2,950	Medium	8,850
SHOALHAVEN*	2,750	Medium	8,250
BURWOOD	2,550	Medium	7,650
FAIRFIELD	2,250	Medium	6,750
RANDWICK	2,200	Low	6,600
CANADA BAY	2,150	Low	6,450
LANE COVE	1,850	Low	5,550
WOLLONDILLY*	1,450	Low	4,350
WAVERLEY	1,250	Low	3,750
WILLOUGHBY	1,200	Low	3,600
HAWKESBURY*	1,100	Low	3,300
BLUE MOUNTAINS	650	Low	1,950
MOSMAN	300	Low	900
WOOLLAHRA	300	Low	900
HUNTERS HILL	150	Low	450
Sydney Metropolitan Area	199,000		

* Denotes LGA also has greenfields locations

** Forecasts have been rounded to the nearest 50 dwellings

List of parishes where the Regional Bishop requested assistance for harvest projects 2016-17

	Parish	Region
1	Appin	Wollongong
2	Arncliffe	Georges River
3	Bankstown	Georges River
4	Berala	Western
5	Bondi	South Sydney
6	Brighton-Rockdale	Georges River
7	Campsie	Georges River
8	Concord - Burwood	South Sydney
9	Darlinghurst	South Sydney
10	Drummoyne	South Sydney
11	Dulwich Hill	South Sydney
12	Epping	Northern
13	Forestville	Northern
14	Frenchs Forest	Northern
15	Gerrigong	Wollongong
16	Granville	Western
17	Hurstville	Georges River
18	Huskisson	Wollongong
19	Leichhardt	South Sydney
20	Lidcombe	Western
21	Menangle	Wollongong
22	Newtown-Erskineville	South Sydney
23	Northbridge	North Sydney
24	North Ryde	Western
25	Oakhurst	Western
26	Penrith	Western
27	Redfern	South Sydney
28	Riverwood-Punchbowl	Georges River
29	Ryde	Northern
30	Surry Hills	South Sydney
31	Toongabbie	Western

Notes:

1. List is not comprehensive
2. Only includes projects where harvest/site redevelopment opportunities are proposed. Does not include build or hold projects.

Generic guidelines - Overarching principles to assist parishes in determining the priorities for facilities development

1. There are two strategic objectives for church property developments.

Firstly to provide contemporary church buildings in support of the parish ministry strategy for community outreach.

Secondly to unlock the value in underdeveloped property assets to fund the mission in the parish and beyond (allocation of proceeds as determined by the Standing Committee).

The following actions should be considered on a case by case basis –

- (a) project feasibility allows the parish to know the highest and best use, and then measure this against the ministry outcomes which may not necessarily be the highest commercial use of the asset, prior to commencing negotiations with third parties,
- (b) fund proposal to authority approval stage, this results in a significant uplift,
- (c) consider allowing church land to be mortgaged,
- (d) retention of land ownership where feasible (refer above principles),
- (e) selection of appropriate development partners/builders/purchasers in a competitive environment following appropriate due diligence, and
- (f) Once construction is underway, the value of the church asset is being increased by the developer, and subject to controls in place, in the event of builder failure the ACPT would have the right to step in and nominate a third party to complete the project.

2. Summary Actions by Parish

Step 1

Parish analysis

- A. Hold

(built form meets ministry needs – Capex for maintenance and repair).

It is desirable to allocate a minimum of 1% of the replacement value of a building towards building maintenance. Parish budgets and spending are generally less than 0.1%. This leads to higher maintenance costs over the longer term. A long term maintenance plan is required. Funding sources may include grants programs. For example over 450 parish projects have received \$10+million in grant funding under the 2010-16 CBP grants program.

- B. Invest/build

(built form does not meet ministry needs – define need → future builds - Capex for new buildings, repair and maintenance).

- C. Harvest

Partly or completely redevelop the site to meet ministry needs achieving, if possible:

- income stream for parish.
- income stream for future ministry in other brownfield sites as determined by SC on recommendations by MPC.
- hold title to the land.

Step 2

Refer parish recommendations to MPC for consideration.

Step 3

MPC to provide seed funding for site investigation.

Step 4

Proceed with the intention of achieving the proposed redevelopment utilising the experts recommended by ACPT.

3. Further detailed matters.
4. Parish to prepare a CAPEX which leads to determination of –
 - (a) hold (capex for maintenance),
 - (b) Invest/build (apply cap ex to get property up to appropriate facility plus repair/essential maintenance), or
 - (c) harvest (completely redevelop the site; or a combination of invest and harvest on the site).
5. Principles to be applied in this order for harvesting –
 - (a) **MINISTRY CANNOT BE COMPROMISED.** Property projects purpose is to support ministry strategy. Parish to determine how ministry requirements translate to a property strategy and any compatible / complimentary uses.
 - (b) Maintain ownership of contiguous land as first priority, and of separated land such as separate rectory site.
 - (c) Maintain underlying ownership of land, or maintain it by e.g., by long term leasing rather than outright sale.
 - (d) Competitive process managed by a consultant independent of the parish with potential builders/developers/joint venture partners who are credit worthy, have a good track record and are a good fit with the Diocese will be invited to tender. Only in a competitive environment is the highest and best value to be obtained.
 - (e) Anglican entities, such as Anglicare, Anglican Schools Corporation etc. to be invited to submit expressions of interest by way of a coordinated consultation through the ACPT (not ad hoc direct approaches with each parish). The parish will then be in a position to make an informed decision as to the relative merits of each submission e.g., commercial versus missional value of proceeding with Anglican entities. It is important to note that while Anglican entities have a shared gospel mission, the property strategy may not always be compatible.
 - (f) Joint venture may include leasing part or all of the land for 50 years (the average useful life of buildings is 50 years, e.g., 60 Martin Place is being demolished and rebuilt at present).
 - (g) For church sites which have a large enough site area, consider designs in which the church facilities are separate to compatible non-church uses. This has the advantage of a completely separate ground lease, with ACPT able to separate its risks from the developer's interest.
 - (h) From a practical point of view, multi storey development will largely consist of the upper storeys being residential. If feasible the ACPT retains 100% but not less than 76% overall controlling ownership in a strata subdivision. This concept needs to be explored as it may mean that the parish/ ACPT will need to raise funds for the development. Before any decision made in this regard, the usual procedure for developments of this type is to lodge the development application, obtaining development consent, then sell the required number of proposed dwellings/ floor space off the plan thus giving the ACPT the basis for obtaining funds for the development from a bank. Standing Committee is unlikely to support a development that has significant debt at the end of the construction period regardless of ongoing income stream.
 - (i) Historically, church building programs have required the parish to raise a portion of funds from 3 sources: 1 Fundraising by church members 2 Capital injection (property sale, bequest) 3 Loan (must also cover any pledges). Where feasible, it is proposed to minimise the sale of assets, with the principle of focussing on retention of the value of the asset for future ministry expansion and potential rental income as opposed to a cash sum.

6. Types of development models

The parish needs to understand the possibilities of development so that the parish can maximise the benefit of the development for its ministry. These include the following models in order of priority –

- (a) Boundary adjustment and/or subdivision. It depends on the facts of the site. It may be possible to reconfigure the site via a boundary adjustment to retain part of the site for ministry and have part of the site for harvesting. If a boundary adjustment is possible it may not be necessary to obtain development consent. Alternatively, subdivision for excess land where a development consent is required.
- (b) Development with long term lease. ACPT retains ownership.
- (c) Joint venture whereby the land is developed and ACPT retains a majority interest in the stratum – with an aspiration goal / preference to hold 75% of stratum as set out above.
- (d) Land swap: land swap with either Council (which usually has large land holdings) or a private developer. The land swap would need to include the building of new facilities.

Church property development procedure

There are 6 stages of a project –

Stage 1: Concept to initial proposal

1.1 Ministry Strategy document

- (a) Potential development can be wrapped around the future Ministry (prepared by parish leadership (and wider congregation consulted at appropriate milestones in consultation) with Regional Bishop).
- (b) The ministry strategy helps members to understand, support and be accountable to the common purpose. The more detail the better and typically includes –
 - (i) purpose statement, vision, Mission, core values, SMART (Strategic, Measurable, Attainable, Realistic, Time Bound) goals, action plans for each ministry,
 - (ii) a summary of key demographics of target community and church members including forecast growth, ages,
 - (iii) plan for outreach to the community and discipling members,
 - (iv) desired future state in 10 years (under God, what does success look like?), then contrast with current reality (be open to question the status quo), identify gaps and how to address them,
 - (v) what church and the community will look like at 2, 5 and 10 year patterns,
 - (vi) plan to address what lies ahead.
- (c) Only once the ministry strategy is clearly articulated can the property strategy be considered.

1.2 Property Strategy/Masterplan

- (a) Parish determines how the ministry strategy translates to the property strategy. Determine accommodation brief, interaction of various ministry spaces, best location on the church property when considering the planning controls.
- (b) A new church building may support, but not attract, ministry growth.
- (c) Summarise good qualities and inadequacies of current buildings and property.
- (d) Determine the problem to be addressed/issue to be overcome by the property masterplan. This may include building, property, staff capacity obstacles.
- (e) Write down all the current and future church needs for each property/building. Consider the following questions: Will the current site accommodate the ministry objectives? Can a major building project be avoided? Can the parish relocate to a property owned by others for certain ministries? How do we maximise the ministry and development potential of the property? Can the existing buildings be altered internally to address issue? For example, removal of large stage area, multipurpose flat flooring with portable staging, dividing walls for small group ministry etc. Can additions to the existing building be made? Can a relocatable building temporarily address the needs? Can the parish relocate staff housing or offices off-site and use the vacated space for expansion? Can the parish use a staged approach to demolish older single storey building with more efficient multilevel buildings? Can the parish buy up adjoining properties for ministry expansion? Should the parish sell existing facilities to acquire a more appropriate property with an existing building? Has the parish sought expert advice independent of the church membership?

- 1.3 Development feasibility study prepared by an independent property advisor.
 - (a) SDS management can provide a Graphical Information System (GIS) analysis to inform the site feasibility study, and then advise the parish on next steps with recommended experts. There is no generic guidance. Each ministry and site is site specific.
 - (b) The feasibility study will identify highest and best land use, requirements of the mission/parish property strategy. Parish then can make an informed decision. For example to forego certain profit margins of the highest commercial use to meet ministry objectives.
 - (c) We have observed that the most common mistake is parishes appoint an architect at the beginning of the process prior to determining the ministry strategy and project feasibility and leading to significant costs. The property advisor is to manage the process which will include sub consultants of town planner, valuer and architect (sketch plans only as informed by the advisor – the architect does not drive this process).
- 1.4 SDS management assists in seeking in principle approval from Standing Committee / MPC

Stage 2: Initial proposal to final proposal

Stage 3: Development approval

Stage 4: Documentation and finance

Stage 5: Contracts to completion (building construction)

5.1 Compliance with Building Works Kit and Major Project Kit

Stage 6: Post completion

6.1 Defects period

6.2 Fire Safety Certificate

6.3 Ongoing CAPEX requirements

Risk management

1. On the risk spectrum, the Diocese has a low risk appetite/tolerance.
2. SDS management has a significant partnership role with the parish and other diocesan stakeholders to ensure that the risks associated with a proposed project are addressed and appropriately managed. These risks include key objective, stakeholder (internal and external), key person, design, feasibility, financing, consultant, builder, contract, project management, communication and reputational (refer Annexure 4).
3. In addition to the negative risks being appropriately mitigated, positive risks are required to take hold of opportunities. The proposed brownfield initiative will address the risk that the pattern of brownfield land sales will be continued in well-developed submissions to Standing Committee without parishes being adequately resourced to develop their lands in accordance with the aforementioned principles. By not appropriately responding to the continued rapid population growth and being proactive in resourcing parishes at the earliest/feasibility stages, the Diocese risks having no permanent presence that is considered critical to the success of the mission. Acquiring new brownfield sites is cost prohibitive. Alternative church plant models on land owned by others, chiefly public schools, will be increasingly uncertain in our post Christian society.
4. So as to properly mitigate the finance risk, the Standing Committee has historically not favoured the servicing of significant borrowings from any rental income, rather the preferred approach has been that the entire construction debt is paid at project completion by way of the sale of a majority of the development floor space. However, where a site is identified as one from which significant rental returns are possible, a business case could be developed. This would involve selling a relatively lower proportion of floor space and taking on a greater portion of debt, with the loan and interest to be funded from the rental proceeds received. Such a strategy would require agreements for lease to be in place and the approval of bank finance. This issue will need to be considered further on a case by case basis.
5. Identify the risk profile applicable to the proposed development.
 - Minimal risk: lease for 50-99 years and take a ground rent.
 - Minimal risk: Project Delivery Agreement (PDA): provides the land and a guaranteed amount delivered to the ACPT on realisation of the sale with profit share above the minimum amount, plus leasing the land which eventually returns to the ACPT.
 - Moderate/higher risk: joint venture with levels of strata being delivered to ACPT and levels of strata being delivered to the joint venture partner.
 - High risk: take total risk on the development, where ACPT/parish takes the whole risk, and receives the whole benefit. This option should not be discarded out of hand before it is explored.

The current view of the Standing Committee is to sell that proportion of air space in the development so as to be debt free. Typically this will require at least 75% of the floor space in any development project to be pre-sold with 20% deposits held. Such a proposal will require an assessment of the project risks as identified above, in order to consider the potential to fund a development from a minority proportion of debt funding from an ongoing rental income stream.

A decision cannot be made about which option is applicable without exploring the risk and benefit of each option.
6. Key Risks - Property projects commonly lead to the following key risks arising:
 - (a) Key objective

The key objectives need to be articulated and understood by all stakeholders. They will usually flow from the underlying ministry strategy of the parish. If the key objectives are not clearly articulated and understood the project may fail to adequately support and may even detract from the ministry strategy of the parish.

(b) Stakeholder

The parish and the ACPT are not the only key stakeholders. They may also include other internal stakeholders such as the Standing Committee of Synod, the regional bishops and regional council, and a financier (such as the Finance & Loans Board).

There are also external stakeholders such as the local council, heritage authorities, external financiers and the local community (particularly neighbours of the church site). Consultation with these stakeholders will be required to varying degrees and at different stages of a project.

A failure to understand the perspectives and procedures of all key stakeholders may mean that necessary approvals are not obtained, or are delayed, adding to the time taken to undertake the project. A failure to manage stakeholder risk may also impact adversely on the reputation of the Diocese, the parish, or an agency within the Diocese or parish or their relationship with the community.

(c) Key Person

It is important that key persons, both clergy and laity, are able to be involved in the project until completion and that - where appropriate - succession planning is carried out. If key persons are removed, there is a risk that the project objectives may not be met.

(d) Design

Where a proposed project involves the construction of a building, the project brief and the design both need to allow the key objectives of the project to be attained in a cost effective and functional manner.

Issues such as environmental sustainable design and the need for ease of ongoing repairs and maintenance are also part of the design risk. The design of the proposed building needs to be appropriately documented by way of plans and specifications.

(e) Feasibility

A rigorous feasibility study will identify and address the significant issues raised (both financial and non-financial) which go to the heart of whether the project can be successfully implemented. The feasibility study will identify what needs to be done to undertake a project to attain the key objectives, the projected project revenues, the projected expenses and the projected time frame.

Not only must the revenues and expenses be understood, but also the time at which the revenues are to be received and the expenses incurred. Projected cash flows (both inflows and outflows) are an important part of the feasibility.

The feasibility will contain assumptions, which must be tested to determine if they are realistic. Important issues of a non-financial nature will also need to be examined. Such issues might include local government planning rules, and whether the project complies with those rules and, if not, whether the matters of non-compliance make it difficult to obtain approval or meet the project budget.

The feasibility should contain a sensitivity analysis which allows the impact on revenues, expenses and cash flows to be measured should any of the assumptions (including assumptions about non-financial matters) turn out to be incorrect in a material respect. A feasibility study may show that a proposed project needs to be revised or that there are other alternatives for achieving the key objectives for which the project is being undertaken.

In an extreme case, the study may show that a project is not feasible. Even if a project is feasible, the feasibility study will need to be reviewed and updated if there is delay in obtaining approvals for the project.

(f) Financing

The method by which the project is to be financed needs to be well understood. Is sufficient finance available to meet any cost overruns? If funds are to be borrowed to meet the costs of the project, is the proposed loan on appropriate terms? Does the parish have the capacity to pay the interest on the loan facility? Does it have the capacity to service the loan if the project expenses increase, or if completion of the project is delayed?

(g) Consultant

Consultants need to be appointed who have the expertise and experience to provide advice about the proposed project. There may be a range of consultants who need to be appointed – including architects, project managers, town planning experts, quantity surveyors, land surveyors, engineers and valuers.

(h) Builder

An appropriate builder must be appointed (by the ACPT on behalf of the Parish) to undertake the project. The builder must have demonstrated an ability to undertake the proposed project, and also have proven financial capacity.

(i) Contract

Contracts, particularly building contracts, need to be on appropriate terms. For example a building contract needs to contain the detailed plans and specifications about the work to be undertaken. It needs to make clear the rights and responsibilities of the parties on matters such as payments, withholdings, insurance, project supervision, variations and weather delays.

(j) Project Management

The project must be properly managed throughout its various stages. A failure to ensure appropriate management can add significantly to the cost of a project or detract from its quality or increase the time it takes to complete it.

The parish will frequently want to have a “hands-on” role in managing its project. Does the parish have the capacity and expertise to do this? Specialist management skills may be especially needed during the construction or development stage. Are such skills available for the project? Please note that the ACPT may require the appointment of an independent project manager (at the parish’s expense).

(k) Communication

There needs to be adequate and timely communication between the stakeholders during the course of the project to ensure that expectations about roles, responsibilities and outcomes are managed. Communication is also necessary to maintain relationships between the stakeholders and the reputations of those involved in the transaction.

Proposal for a Property Receipts Levy

(A report of the Standing Committee.)

Key Points

- There is a Scriptural basis for the sharing of parish property income: where there are churches who are in circumstances of “plenty”, it is appropriate to encourage them to share this blessing with those who are in need elsewhere.
- A Property Receipts Levy is considered preferable to the existing Large Receipts Policy with regard to property income because of its inherent transparency and equity. If the proposed levy is adopted by Synod, the Standing Committee intends adopting a revised form of the Large Property Receipts Policy contemplated by Synod in 2015 (shown in Appendix 3) with regard to proceeds from the sale of parish property.
- In line with the theological foundation of the levy being found in “sharing out of surplus”, the proposed levy applies to property income **net** of property expenses related to that income-producing property. This ensures that parishes with income-producing properties that are more expensive to maintain are not unduly levied, while all parishes are able to steward their income-producing properties using the income from those properties prior to the levy being applied.
- It is desirable to ensure that any proposal to shift monies away from well-endowed parishes is accompanied by a compelling vision as to how those monies will be applied to gospel purposes.

Purpose

1. The purpose of this report is to provide relevant information regarding a proposal to implement a Property Receipts Levy in place of the current Large Receipts Policy of the Standing Committee.

Recommendations

2. That Synod receive this report.
3. That Synod consider the following motion to be moved “by request of Standing Committee” – ‘Synod, noting the report “Proposal for a Property Receipts Levy” –
 - (a) affirms the principle that the proposed levy should apply only to parish property income,
 - (b) agrees that a property levy should be applied against net, rather than gross, property income because of the theological principle of “a sharing out of surplus”,
 - (c) agrees in principle, that –
 - (i) offertory income (including regular giving, donations, bequests etc) should be used to meet the stipend, allowances and benefits of the minister of the parish and, to the extent possible, other recurrent ministry expenditure of the parish (including maintenance of non-income producing property),
 - (ii) property income should first be used to meet property expenditure, including the maintenance of buildings and adequate provision for future capital expenditure on commercial property before it is used to support recurrent ministry expenditure, and
 - (iii) a proportion of a parish’s surplus property income (i.e., non-offertory income) should be shared with the wider Diocese,
 - (d) supports in principle a Property Receipts Levy (“PRL”) as outlined in the report and attached schedule, and
 - (e) requests the Standing Committee to pass an ordinance to implement a PRL with respect to property income from 2018.’
4. That Synod not consider any amendments which are likely to give rise to material changes to the structure of the proposed Property Receipts Levy unless modelling is available to show the effect of the proposed amendment.

Background

Historical background

5. This Diocese has had a policy relating to large receipts since 1960, when it established a “Special Receipts Committee” in response to the following recommendation of the Property Trust –

“That in cases where parishes are to have greatly enhanced receipts and such amounts are, in fact beyond the reasonable needs of the parish, then the surplus should be allocated for other parishes etc and/or diocesan objectives.”

6. This policy position was ultimately reflected in regulations made by the Standing Committee and became known as the Large Receipts Policy (“LRP”). The sale threshold, beyond which the policy applied, was set at \$100,000 in 1975, which was gradually increased to its current level of \$500,000 in 2004. Similarly, a threshold for lease income was set at \$20,000 pa in 1997 and has been increased over time to its current threshold of \$50,000 pa (set in 2012). At its meeting on 19 September 2016, the Standing Committee modified the LRP so that the LRP would also be triggered by a bill for an ordinance with the expectation of investment income exceeding \$50,000 pa.

7. The rationale for the LRP arises from the character of the trusts on which all property is held for every parish: church trusts are not private trusts for the benefit of individual beneficiaries or even for the group of persons who meet and exercise ministry on that property at a particular time. Rather, they are charitable trusts under which the property is devoted to designated purposes of the Diocese in perpetuity, subject to a power to vary those trusts under section 32 of the Anglican Church of Australia Trust Property Act 1917.

Characteristics of the current Large Receipts Policy

8. The current LRP broadly provides that where the expected sale proceeds from parish property will exceed \$500,000 or where the expected lease or investment proceeds will exceed \$50,000 pa, the normal expectation is that 15% of the proceeds will be made available for the broader ministry needs of the Diocese. The policy also provides that a higher percentage may be appropriate if the large receipt from a sale exceeds \$1,000,000.

9. As an indication of the volume of funds generated through the LRP, sale contributions under the LRP each year generates in the order of \$450,000, although this fluctuates dramatically. Lease contributions under the LRP have contributed –

- (a) an average \$1,131,000 per annum over the last six years to the Synod budget (between 20% and 25% of the income in the Synod budget), and
- (b) in the order of \$250,000 per annum directly to other ministries in the Diocese.

10. There are several reasons why the current policy has proved unsatisfactory –

- (a) The sale threshold is set at such a level that almost every property sale triggers the policy.
- (b) The 15% amount is presented as a flat contribution against the whole of the sale, lease or investment proceeds with no provision for offsets or expenses that would reasonably be excluded from the income figure before a contribution is expected.
- (c) It is now common practice for a leasing authority for church trust property to be provided within a trust ordinance, rather than a specific parish leasing ordinance. This raises issues of interpretation of the LRP as to whether these trust ordinances constitute a bill for an ordinance that triggers the LRP.
- (d) There is a similar interpretation issue when a bill for a trust ordinance will authorise multiple leases that in aggregate exceed the LRP. As one ordinance is being presented, one interpretation of the LRP is that the LRP should then apply to the aggregate of the leases.
- (e) Licence income is excluded from the policy, yet many parishes receive licence income that far exceeds the LRP threshold.

11. For various reasons, it has become common when a parish submits a bill for an ordinance for lease or sale of a property to seek a partial or full exemption from the application of the policy. This has led to a perception that the policy is applied inconsistently and therefore is unpredictable in its operation.

LPRP approved in principle at Synod in 2014

12. Out of a desire to address these problems, the Standing Committee promoted to the Synod in October 2014 a proposed Large Property Receipts Policy (“LPRP”). The LPRP specified that contribution amounts should only apply after the “reasonable property needs” of the parish have been met. The concept of “reasonable property needs” was not extensively defined in the LPRP however the LPRP contemplated that further clarity as to the meaning of reasonable property needs would be provided by guidelines prepared by the Standing Committee. The LPRP also introduced progressive contribution bands for sale and lease income, rather than a single contribution percentage.

13. Although the Synod approved the LPRP in principle in October 2014, it requested that the Standing Committee consult with parishes and bring a revised form of the LPRP to the 2015 session of Synod taking into account feedback received during the consultation.

Proposal for a levy requested by Synod in 2015

14. The Standing Committee duly prepared a revised form of policy for Synod in 2015 which if adopted, would among other things, increase the large property receipts thresholds in the policy and provide that the Standing Committee would be guided by the parish in determining its reasonable property needs. However, the Standing Committee also indicated to the Synod that a Property Receipts Levy (“PRL”) may be preferable to a Large Property Receipts Policy. Accordingly, Synod resolution 22/15 was carried in the following terms –

‘Synod –

- (i) noting the Large Property Receipts Policy (“LPRP”) approved in principle at its last session in October 2014,
- (ii) noting its request that the Standing Committee consult with parishes about the LPRP with a view to bringing a revised form to this session,
- (iii) noting the revised form of the LPRP included in the Standing Committee’s report to Synod on this matter (“Report”) together with an outline of a possible Property Receipts Levy as an alternative to the LPRP,
- (iv) noting that during the consultation process some parishes indicated a preference for a form of Property Receipts Levy instead of a LPRP,

agrees that a Property Receipts Levy along the lines described in the Report may be preferable to a LPRP, and therefore requests the Standing Committee to collect the necessary financial data from parishes, and undertake the necessary modelling and further consultation to bring to the Synod no later than its session in 2020 a proposal for a Property Receipts Levy to be considered as an alternative to a LPRP.’

Synod in 2016 requests options for the levy that results in significant additional funding

15. At its ordinary session in 2016, the Synod passed resolution 4/16 in the following terms, giving further guidance regarding the form of levy –

‘Synod, noting the report “Funding church planting in urban areas” –

- (a) recommends that the Regional Bishops and the Department of Evangelism and New Churches (“ENC”) encourage and facilitate inter-parochial partnerships, where needed, to allow larger churches to resource the planting of churches in urban areas,
- (b) requests the Large Property Receipts Policy Committee, when presenting the proposed Property Receipts Levy, to include in its modelling an option that provides significant additional funding for ministry initiatives, and
- (c) agrees that if additional funding were provided through a Property Receipts Levy, additional funding for ENC is worthy of strong consideration in order to support church planting initiatives in urban areas.’

Appointment of a subcommittee

16. The Standing Committee tasked a committee (“the committee”) comprising the Rev Craig Roberts (Chair), Bishop Michael Stead and Mr Geoff Kyngdon to collect financial data from parishes and undertake some financial modelling in order to propose a Property Receipts Levy. In doing so, the committee has considered as its starting point the primary theological principles relevant to consideration of this matter, and produced a brief outline of these principles in the following section of this report.

Theological Principles

17. There are four theological principles that are important to our consideration of the existing Large Receipts Policy and any proposed replacement: Generosity, equality, stewardship, and equity with transparency.

Generosity in fellowship

18. It is sometimes argued that there should not be any compulsory levies on church income, because this goes against the New Testament principle of generosity, as expressed in 2 Cor 9:7 – “Each should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver”.

19. However, the principle of generosity is also a key justification for two existing diocesan financial structures –

- (a) The existing Large Receipts Policy (“LRP”), which encourages generosity within the local congregation, because the local congregation needs to provide the financial support for its

minister, rather than be reliant on non-offertory income to fund its ministries. A large receipts policy encourages a local congregation to give generously to support the work of local ministry, because “the worker is worth his keep” (Matt 10:10, cf. 1 Tim 5:17-18).

- (b) The Greenfield levy, which we as a Diocese, through legislated generosity, bound ourselves to.

20. In both cases, the Diocese committed to these forms of legislated generosity, as a natural outworking of our common identity and mission in Christ.

Equality (Sharing the “plenty”)

21. Paul’s encouragement to the church at Corinth to contribute to a collection for the sake of other churches in need was based on the principle of equality. The “plenty” experienced by one congregation was not something to be hoarded selfishly, but rather something to be recognised as a provision from God to be used for the sake of others in need.

Our desire is not that others might be relieved while you are hard pressed, but that there might be equality. At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need. Then there will be equality, as it is written: “He who gathered much did not have too much, and he who gathered little did not have too little.”(2 Cor 8:13-15)

22. God has blessed us in order for us to be able to be a blessing to others. Where there are churches who are in circumstances of “plenty”, it is appropriate to encourage them to sharing this blessing with those who are in need elsewhere.

Stewardship

23. The New Testament encourages us to be good stewards who consider that “our” material riches are in fact resources entrusted to us by our heavenly master, to be used for his purposes and for which we are accountable to him (Matt 25:14-30; Luke 19:12-27, cf. Luke 16:1-13). For those entrusted or endowed with more, more is expected.

From everyone who has been given much, much will be demanded; and from the one who has been entrusted with much, much more will be asked. (Luke 12:48)

24. Where a parish has significant non-offertory income streams generated by the capital assets entrusted to it, it is appropriate that proportionately more should be expected from the parish to provide for other parishes who have not been entrusted with as much.

Equity with Transparency

25. The three principles above underpin the existing LRP. There is a fourth principle that indicates the need for a modification to the existing policy – that of equity with transparency. There is a degree of inequity in the way that the existing LRP applies to parishes. The LRP is a policy of Standing Committee that applies to property sale and leasing ordinances. It does not apply to income received from licences not subject to an ordinance. This means that Parish A, which receives (say) annual **lease** income of \$90,000 is subject to the LRP, whereas Parish B, which also receives (say) \$90,000 p.a. by way of two **licences** for \$45,000 is not subject to the LRP. This is an inequity in our system that needs to be addressed.

26. Furthermore, the subjective basis of the existing LRP does not always lead to a consistency of outcomes. The current LRP relies on an assessment of a parish’s “reasonable property needs” and what constitutes a “windfall gain”, both of which are open to subjectivity and inconsistent application. The proposed levy is a straight-forward mathematical formula that applies to parishes consistently across the board, and allows each parish to readily determine the impact of the levy on its affairs. This liberates parish leadership from wrestling with definitions and allows everyone to anticipate the precise impact of the policy well in advance.

Considerations of a levy vs a policy

Benefits of a levy vs. a policy

27. One of the principal reasons for considering a levy flowed from the desire to share among more parishes the responsibility for contributing to Synod funded ministry. Currently, four parishes provide 96% of lease contributions to the Synod budget. A levy is able to be administered simply (alongside the parish cost recoveries [“PCR”]) and so allows all parishes with property income to contribute efficiently. It is not expected that the amount contributed by the current four largest contributors would vary significantly, but would be supplemented by contributions from all parishes.

28. As noted above, the practice of parishes seeking a partial or full exemption from the application of the existing policy has resulted in the perception that the policy may be applied inconsistently or may be

unpredictable in its operation. The proposed levy is intended to be a simple application to all non-offertory income, and so consistent and transparent in its operation.

29. The existing policy has created uncertainty, particularly as an increasing number of leases are authorised by a single trust ordinance. The existing policy leaves open for interpretation the question of whether a trust ordinance that provides for multiple leases should trigger the LRP, and creates inequality for parishes who use the preferred vehicle of a trust ordinance, rather than separate leasing ordinances. In contrast, the proposed levy does not discriminate between lease and licence income in a parish, and provides certainty around how parishes will contribute to the wider work of the diocese.

30. The current policy has a single, prescribed contribution amount, which does not address the varying levels of property income among parishes, and has resulted in the situation where it is exceptional that a parish contributes the prescribed amount. The levy incorporates progressive contribution bands which provide opportunity to establish a contribution-free threshold and successive contribution levels that represent the will of the Synod with regard to proportional giving.

31. The process by which parishes seek exemption requires significant discussion and reporting, followed by debate at Standing Committee. Accordingly, the process of administering the policy becomes quite time consuming for all involved, and is still prone to the perception of being inequitable and opaque. By contrast, the proposed levy is administratively simple and is to be applied without variation due to circumstance, so is expected to be equitable as well as efficient.

Property Receipts Levy characteristics

32. There are a number of key issues that have been raised and considered during the consultation process held over a number of years, which have contributed to the design of the proposed levy. These are briefly outlined below.

A levy on property income

33. The proposed levy is intended to apply to recurring income rather than proceeds from the sale of property. In the event that Synod adopts the proposed levy, the Standing Committee intends adopting an amended form of the Large Property Receipts Policy considered by Synod in 2015 as shown in marked form in Appendix 3.

34. There are two types of income that parishes may receive –

- (a) Through the generosity of the current parishioners, all parishes receive offertory (which for the purposes of this paper is defined widely, to include bequests and other donations, including large one-off donations).
- (b) Some parishes receive income from land and buildings, or interest and investments. This is known as “property income” and is available to those parishes as a result of the generosity of previous generations and the advantages of geography. Parishes with property income may have substantial assets and the opportunity to generate significant additional income. The proposed PRL is intended to apply only to property income, as a means of redistributing wealth throughout the diocese.

35. With respect to the PRL, a parish’s “property” includes both its real property (land and building assets) and its personal property (investment assets, e.g., trust funds, term deposits). The levy will apply equally to income generated from both classes of assets. To do otherwise (for example, to exempt investment income as was suggested in feedback sessions) would discourage parishes from investing in their real property. Whether a parish has a property generating lease income, or whether the property is sold and the proceeds invested, the levy will apply regardless. Applying to both forms of property income is also demonstrably more equitable and transparent.

Application to property income net of related expenses

36. A levy could be applied either to the gross property income of a parish, or to a parish’s property income net of related expenses. Applying the levy to the gross amount would have the advantages of being simpler to administer and easier to forecast the amount of funds raised by the levy. However, given that the theological foundation of the levy is found in “sharing out of surplus”, the form of proposed levy recommended by the committee applies to property income **net** of property expenses related to that income-producing property.

37. Applying the levy to net property income rather than gross property income also ensures that parishes with income-producing properties that are more expensive to maintain are not unduly levied. For example, consider two parishes, each with a property generating income of \$100,000 p.a. One parish may have related property expenses (including mortgage repayments) of \$80,000 p.a. which means that the net income to the parish is only \$20,000 p.a. The other parish has relatively few expenses (say \$10,000 p.a.), and receives a net income of \$90,000 p.a. If the levy were applied against gross income, both parishes would be expected to contribute the same amount, with the first parish drawing from net income of only \$20,000 while the second can draw from net income of \$90,000. However, if applied against net income, each parish contributes in proportion to their net income received. This satisfies the principles of "equality" and "equity".

38. Applying the levy to net property income rather than the gross property income allows parishes to steward their income-producing properties using the income from those properties prior to the levy being applied. It was felt appropriate that the maintenance and improvement of income-producing properties should be able to be paid for with the income prior to any levy being applied.

39. Applying the levy to net property income rather than gross also allows the proposed levy to address many of the concerns raised during consultations with parishes. Following consultation with parishes, the Committee identified that the following expenses should be considered as deductible –

- (a) principal and interest portions of mortgage repayments on income-generating properties,
- (b) lease payments for a place of public worship (for example, if a parish uses property income to finance the rent it pays for a leased church meeting place), and
- (c) mortgage repayments, lease payments or housing allowances for a residence for ministry staff where there is a corresponding residential property owned by the parish that is generating lease income (for example, where a ministry residence owned by a parish is unsuitable for its purpose and is rented out in order to fund the leasing of another residence for a minister).

The Standing Committee subsequently added the following further category of deductible expense –

- (d) property insurance component of the Parish Cost Recovery (PCR) charge.

40. It is expected that the deduction for expenses from income producing property is capped at the amount of the total income from that property - i.e., parishes are not allowed to offset "pooled expenses" against "pooled income". For example, consider a parish with a hall and a residence both generating property income. The hall attracts \$10,000 of property income with related property expenses of \$50,000; while the residence generates \$42,000 in income, with related property expenses of \$5,000.

	<u>Hall</u>	<u>Residence</u>
Net property income =	\$10,000 - \$10,000 (Capped) +	\$42,000 - \$5,000 = \$37,000

41. The intention of this aspect of the policy is to ensure equity across parishes in the application of the policy.

42. By allowing reasonable expenses to be offset, parishes are not penalised for appropriate financial decisions or decisions made for the care of their staff. For example, if a parish leased out a residence that was not suitable for their ministry staff and used the income to pay a housing allowance, it would seem unreasonable for any portion of the income that is used towards the housing allowance to attract the levy. Similarly, if a parish does not have a suitable property in which to conduct its public ministry, but uses property income to fund the rental of a suitable place of public worship, it would seem unreasonable to levy any portion of that property income that is needed to fund the rental of the place of worship.

Limiting the amount of expenses that may be offset

43. Consideration was given to applying the levy to property income net of all property related expenses, including expenses for ministry properties. While this may seem attractive in terms of using property income to maintain property, such a mechanism will have a number of unreasonable consequences which render this option unworkable and as such has not been pursued –

- (a) All parishes need to maintain their ministry properties whether they have property income or not. Where a parish is fully utilising its properties for ministry purposes, it has no other income sources to maintain and improve its properties, and this must be fully funded by the congregation. Such a mechanism would give further advantage to parishes that have property income, allowing ministry property expenses to offset levy contributions.
- (b) Such a mechanism would favour parishes with larger property income: consider two parishes with similar property income where the first can afford to use the property income to maintain

the ministry property, while the other parish needs the property income to supplement other ministry costs. In this example the first parish would be able to offset all of their property income and contribute \$0 to the levy; while the parish in greater need will contribute the full portion of the levy.

- (c) There is significant capacity for most parishes to spend on ministry property and totally offset any property income. In 2015, parishes in the Diocese spent in total more than ten times as much on ministry property than on income producing property. One result of this reality is that the number of parishes contributing anything through the levy would be expected to dramatically reduce, meaning that a larger burden will be placed on a smaller number of parishes.
- (d) The purpose of the levy is to share among more parishes the responsibility for contributing to Synod funded ministry. The levy must be by some measure predictable, because ministries funded by the Synod will rely on the proceeds of the levy. Introducing the possibility that parishes may offset ministry property expenses to reduce their contribution to the levy has potential to significantly change spending patterns and ultimately introduces a level of unpredictability that will make the levy unworkable.

Modelling of application of the levy

44. It is anticipated that Synod may be desire to test the application of the levy against gross property income, or in an expanded form of net income that allows expenditure on ministry property to be offset. Accordingly, to outline the possibilities and demonstrate the likely required contribution bands under different models, appendix 4 outlines three different models of levy application, as well as indicative contribution amounts from each parish under each model.

Efficient administration of the levy

45. In order for the proposed levy to be administered efficiently, existing categories of income and expenditure currently used in the Prescribed Financial Statements (“PFS”) have been employed to define net property income and it is intended that the levy contributions be calculated from audited financial statements submitted by parishes each year in a similar fashion to the Parish Cost Recoveries.

46. While total property income can easily be identified from existing categories in the PFS (4-3000 and 4-5000), and “Expenses for property lease income” (6-7000) captures most expenses related to property income, the other expenses identified as deductible in paragraphs 39 are not currently captured by a unique account code in PFS. It is intended that these additional categories will be assigned unique account codes in the PFS so that parishes can report these amounts in their annual financial returns.

Consistent application of levy, with option to remain under ordinance

47. The theological principles of equality and equity with transparency suggest that the proposed levy should apply as uniformly as possible, and involve as simple a calculation as possible. In order to achieve this, the proposed levy avoids any reference to “reasonable property needs” and allows certain deductions to all parishes, with no place for “special case” exemptions. It is expected that this will result in greater efficiency and integrity of administration of the levy.

48. Many parishes have an ordinance that sets out the percentage contribution from existing lease income. These ordinances will continue to operate on their current terms until the expiry date of the ordinance. The PRL would not apply to lease income which is already levied in some manner under ordinances (i.e., there is no “double taxation”). Parishes will have the option to renew their ordinances on expiry, and parishes not currently subject to special arrangements will have the option to seek special arrangements via an ordinance.

49. It is anticipated that Standing Committee would consider such ordinance conditions in light of the contribution that would otherwise be made under the levy, and then to take into account any exceptional circumstances in the parish. The committee expects that this approach will allow a gradual transition to a levy-based approach that will not jeopardise ministries which are currently funded through present ordinance arrangements. At the same time, the option for special arrangements via ordinance allows flexibility for genuinely exceptional circumstances.

Creation of a sinking fund as an allowable property expense in arriving at net property income

50. Consideration was given to treating any funds that a parish sets aside for future expenses (in a sinking fund) related to property income, as an additional form of property expense (and consequently reducing the amount of income upon which the parish is levied). This approach would likely have the benefit of encouraging parishes to set aside funds for their future property needs, but would also add an additional level of complexity, while reducing the predictability of the level of income from the levy.

51. Ultimately, given the desire to apply the levy with equity and transparency, it was felt that this is better achieved with a simple levy applied on the income after actual costs only are taken into consideration. This also has the additional benefit of neither advantaging nor disadvantaging any parishes over others.

52. It was also noted that the PCR does not allow for a sinking fund type offset in calculations for the PCR, and suggested that the levy is best applied on the same principles as the PCR. Consequently, if exemptions for funds added to a sinking fund are worthy of pursuit, it would be more appropriate to consider these in conjunction with the net operating receipts rather than being applied only to this proposed levy.

The effect of a property levy in addition to the PCR and Greenfields Land levy

53. Each parish's property income is already being assessed alongside their offertory income through the Parish Cost Recoveries and the Greenfields Land levy. The proposed contribution rates have been set mindful of this economic reality.

Forecast proceeds of the levy

54. Various modelling has been used to determine the likely income from this proposed levy, with the expectation that this proposal should result in a net increase of at least \$500,000 p.a. available for ministry funding. This arises from the expectation that those parishes who currently contribute will not give substantially less, while many other parishes will provide contributions in addition to the amounts currently received. However, this forecast income cannot be viewed as anything more than an indication, for several reasons –

- (a) The modelling has necessarily relied on data from parishes in 2015, whereas the levy could only reasonably commence using accounts from 2018 at the earliest. Significant changes will have occurred in those intervening years.
- (b) The current PFS accounts provided by parishes do not specify certain types of expenses which will be deductible for the purpose of calculating the levy (e.g., mortgage repayments on income producing properties).
- (c) The proposed levy may encourage parishes to spend more on the maintenance of their income-producing properties, which will reduce the amount to which the levy would apply.

55. By Synod resolution 4/16, the Synod expressed its recognition that additional funds may be generated through the proposed PRL, and asked the Committee to provide an option in its modelling that would generate significant additional funding for ministry initiatives. The resolution went on to identify Evangelism and New Churches as worthy of strong consideration as a recipient of additional funding if additional funding became available through the proposed levy.

Application of funds

56. It is outside the terms of reference of the committee to develop a detailed proposal for the use of the additional funds generated by the proposed PRL. However, the committee recommends that the following principles should be present in any proposal for application of funds generated by the proposed levy –

- (a) Existing Synod commitments should be maintained: The current LPRL and/or ordinance variations currently generates in excess of \$1m per annum, which funds a range of ministry initiatives. This funding should be maintained, and the framework below is only to apply to "additional" funds raised by the PRL above an agreed benchmark figure.
- (b) Funds derived from capital assets should be used to build the capital base of the Diocese: The PRL funds have been derived from capital assets and as a matter of principle, should be used to build the capital base of the Diocese. We therefore do not recommend that the funds used "to support church planting initiatives in urban areas" (as per Synod resolution 4/16).
- (c) Funds derived from the PRL should be used for the benefit of existing urban areas of the Diocese: The PRL funds should be used to stimulate property development for parishes in urban areas. This fills the obvious gap in our Diocesan Property strategy. We currently have a Greenfields levy and NCNC as a strategy for church expansion in the developing areas of Sydney (where 30% of the population growth is projected to occur) but no strategy to support church expansion in the rest of the diocese (where 70% of the growth is projected to occur).

57. The committee has become aware of the proposal of the Mission Property Committee to provide guidance to parishes undertaking Brownfields projects, which will require significant funding. The committee is of the view that such a proposal is consistent with the principles outlined above, and strong consideration should be given to funding that proposal with the proceeds of the PRL.

58. The committee also suggests that any additional funds not required for the Synod budget and beyond the needs (up to a maximum of \$500,000) of the MPC proposal for brownfield development, may be

provided as grants for capital development to fund urban renewal, and suggests the following framework as a mechanism to apply those funds –

- (a) Grants to be administered by the Mission Property Committee (which may need to have its terms of reference and membership augmented accordingly).
- (b) Any parish may apply for a dollar-for-dollar matching grant, on the following basis –
 - (i) The parish must be able to contribute at least \$50,000 from funds that it has raised internally for that project.
 - (ii) There is no maximum project size, but the maximum grant is \$250,000.
 - (iii) Priority will be given to parishes that have not previously received a grant.
 - (iv) Priority will be given to projects that increase ministry capacity (eg. expanded church, new hall) rather than projects which restore or maintain existing capital assets.
 - (v) The Standing Committee may provide further guidelines to the MPC to assist it to assess the priority projects.
 - (vi) The MPC will determine a list of priority projects in a given year.
- (c) If there are insufficient funds for all priority projects, the grants are to be applied in proportion to the matching amount raised by the applicant parishes.

59. The intended effect of these principles is that parishes who have a sufficiently missional and supported project (as demonstrated by an ability to raise \$50,000 or more internally) could expect to have that amount matched by the Diocese for their project.

60. The threshold of a \$50,000 matching amount is intended to ensure that only projects of a certain size are provided grants and the scheme is not overwhelmed with applicants. A parish with a significantly larger project could apply for a grant up to \$250,000 provided the parish could raise \$250,000 internally. It is felt that these measures will be transparent, easy to administer, and should generally ensure that the funds raised go to worthy missional projects that have the backing of the congregations involved.

Commencement, phase in and review

61. If the proposed levy is passed in Synod in 2017, it will apply to income generated in 2018, which will be reported through the PFS in 2019, with the levy being paid in 2020.

62. It is expected that most parishes will contribute to the proposed levy. In order to minimise the impact on ministries, the proposed levy incorporates a phase-in period where –

- (a) in the first year of application (i.e., 2020), contributions would only attract 33% of the normal levy contribution for each parish,
- (b) in the second year (2021), contributions would attract 67% of the normal levy contribution, and
- (c) in the third year, the full levy would apply for the first time.

63. The proposed levy should be reviewed 5 years after commencement, with subsequent review periods being set at that time.

For and on behalf of the Standing Committee.

THE REV CRAIG ROBERTS
Chair, Large Receipts Policy Review Committee

22 August 2017

SCHEDULE

Proposed Property Receipts Levy

Income to which the levy applies

1. A levy is applied at the rate set out in paragraph 4 to each parish's "net property income", unless the property income is already subject to contribution under ordinance.
2. Net property income is the total property income (from licences and leases on commercial and ministry residences, and from dividends, distributions and interest) net of expenses incurred for those income-generating properties, and other named deductions as set out below. The standard diocesan chart of accounts describes the relevant income as follows –

- 4-3000 Property Income (lease rental from commercial and residential properties, licence fees and casual booking fees)
- 4-5000 Finance income (bank interest, investment income and ACPT Client Fund income)
- 6-7000 Expenses for Property lease income*, including costs and payments in relation to –
 - 6-7500 mortgage repayments on leased properties
- 6-9000 Other expenses deductible for the purposes of this levy, including –
 - 6-9### leases for a place of public worship
 - 6-9### mortgage repayments, leases or allowances for a residence for ministry staff where there is a corresponding residential property owned by the parish that is attracting lease income in order to fund the ministry residence in use
 - 6-9### property insurance component of the Parish Cost Recovery ("PCR") charge.

* A deduction for expenses from income producing property is capped at the amount of the total income from that property. i.e., parishes are not to offset "pooled property expenses" against "pooled property income".

3. The levy for each parish is calculated as follows = [4-3000] + [4-5000] – [6-7000] – [6-9000]

Contribution amounts

4. The following table sets out the rate at which the levy is applied –

Net property income	% Levy to be applied (within the income band)	Levy contribution
\$0-10,000	0%	0% of every dollar
\$10,000-50,000	5%	5% of every dollar > \$10K
\$50,000-100,000	15%	\$2,000 + 15% of every dollar > \$50K
\$100,000-200,000	25%	\$9,500 + 25% of every dollar > \$100K
\$200,000-400,000	35%	\$34,500 + 35% of every dollar > \$200K
\$400,000+	45%	\$104,500 + 45% of every dollar > \$400K

Example applications of levy

Example application of various amounts

1. To illustrate the application of the levy, the following are examples of the levy contribution with various amounts of net property income –
 - (a) net property income of \$20K would contribute \$500
 - (b) net property income of \$40K would contribute \$1,500
 - (c) net property income of \$67K would contribute \$4,550
 - (d) net property income of \$170K would contribute \$27,000
 - (e) net property income of \$285K would contribute \$64,250
 - (f) net property income of \$1,000K would contribute \$374,500

Example of parish with funds earning interest

2. A parish may be setting aside funds over many years for the purpose of a new parish hall. In such a situation, there may be \$500,000 in an account earning interest of 3% pa. For this parish, assuming no other income or associated costs, the net income is \$15,000 pa. The contribution arising from that interest amount would be \$250.

Examples of various sources of property income

3. A parish may have investment income of \$10,000. If the parish has no other property income, the parish will contribute \$0 to Synod funds.
4. A parish may have investment income of \$10,000, and a leased property with income of \$23,000 and related expenses of \$3,000. This parish has net property receipts of \$30,000 from which \$1,000 would be contributed to Synod funds via the PRL.
5. A parish may have property income from a leased residential property of \$30,000 p.a., but may be providing a housing allowance to a staff member of 30,000 p.a. This parish will contribute \$0 to Synod funds from the lease income.

Large Receipts Policy of Standing Committee (currently in place)

Church Trust Property

1. Property is "church trust property" if it is subject to any trust for or for the use, benefit or purposes of the Anglican Church in the Diocese of Sydney or any parochial unit or diocesan organisation in the Diocese.
2. All church property in this Diocese has been donated to trustees, or has been acquired with money placed in the hands of trustees, for the purposes of parochial units or diocesan organisations or for specific or general purposes within the Diocese.
3. Church trusts are not private trusts for the benefit of individual beneficiaries but are charitable trusts under which the property (subject to the power to vary those trusts under section 32 of the *Anglican Church of Australia Trust Property Act 1917*) is devoted to designated purposes in perpetuity. It is not held on trust solely for a group of persons who may have the right to use it for the time being and the obligation to maintain it.
4. When an Ordinance is promoted to provide for the sale or lease of church trust property the Standing Committee represents the interest of the Diocese as a whole and has established these guidelines to assist promoters in an appropriate sharing with the Diocese.

Large Receipts

5. The Synod and the Standing Committee have recognised that many sale ordinances (and some leasing ordinances) may contain a "windfall" element.
6. Among several Synod and Standing Committee resolutions on this subject, 3 can be summarised as –
 - (a) Where parishes have greatly enhanced receipts which are beyond their reasonable needs, then the surplus should be shared with the rest of the Diocese.
 - (b) It is not in the interests of any parish to be in a position where free-will offerings of the people are not needed to maintain its work.
 - (c) Parishes should review their resources and incomes to identify any which might be allocated to new housing areas.
7. A bill for an ordinance involves a "Large Receipt" if –
 - (a) expected sale proceeds exceed \$500,000; or
 - (b) expected leasing or investment income exceeds \$50,000 pa.

Sharing with the rest of the Diocese

8. The normal expectation for a large receipt is that 15% of the proceeds will be added to the capital of the Diocesan Endowment and benefit the Diocese generally by helping to increase distributions of income available to the Synod. Notwithstanding this, upon special application, 15% of the proceeds may be allocated to other Diocesan beneficiaries to further the Diocesan Mission.
9. A higher percentage may be appropriate if the large receipt exceeds \$1 million.
10. In addition to any allocation under 10.11 or 10.12 the promoters of an ordinance may recommend specific allocations for parochial or extra-parochial purposes.
11. A bill for an ordinance meeting these guidelines would not normally be referred to an ordinance review panel.
12. The promoters of a bill involving a large receipt may give reasons why these guidelines should not be followed for their bill.

Relationship with proposed property levy

By resolution 52/15, the Synod requested the Standing Committee to adhere to these guidelines for large receipts until such time as a proposal for a levy as an alternative to a large property receipts policy is considered by Synod.

Large Property Receipts Policy

The original form of the Large Property Receipts Policy considered by Synod in 2015, is shown below with amendments in marked form indicating proposed changes to the policy for adoption by the Standing Committee.

Large Property Receipts Policy

Church Trust Property

1. Property is "church trust property" if it is subject to any trust for the use, benefit or purposes of the Anglican Church in the Diocese of Sydney or any parochial unit or diocesan organisation in the Diocese.
2. All church trust property in this Diocese has been donated to trustees, or has been acquired with money placed in the hands of trustees, for the purposes of parochial units or diocesan organisations or for specific or general purposes within the Diocese.
3. Church trusts are not private trusts for the benefit of individual beneficiaries but are charitable trusts under which the property (subject to the power to vary those trusts under section 32 of the Anglican Church of Australia Trust Property Act 1917) is devoted to designated purposes in perpetuity. It is not held on trust solely for a group of persons who may have the right to use it for the time being and the obligation to maintain it.

Rationale for this policy

4. The Standing Committee ~~Synod~~ considers that it is the responsibility of each parish to ensure, as far as possible, that its reasonable property needs for effectively undertaking ministry are met.
5. The Standing Committee ~~Synod~~ recognises that in order to meet a parish's reasonable property needs it is sometimes necessary or desirable to sell ~~or lease~~ church trust property held for the parish.
6. The Standing Committee ~~Synod~~ also recognises that sometimes the sale ~~and leasing~~ of parish property will give rise to a large property receipt which is beyond the reasonable property needs of the parish.
7. In these circumstances, the Standing Committee ~~Synod~~ considers that a portion of the large property receipt in excess of the reasonable property needs of the parish should be shared with the rest of the Diocese.

When does this policy apply?

8. This policy will only apply if there is a large property receipt. For the purposes of this policy, a large property receipt will arise if –
 - (a) the net sale proceeds of parish property is expected to exceed \$1,000,000, ~~or~~
 - (b) ~~the net leasing income from parish property is expected to exceed \$100,000 pa.~~

What are the reasonable property needs of a parish?

9. The reasonable property needs of a parish means that combination of land, buildings and associated infrastructure (and the means to maintain, renovate or replace such property) as is reasonably required by the parish to effectively undertake its ministry both currently and into the foreseeable future.
10. The Standing Committee will be guided by the parish in identifying its reasonable property needs.

Promotion of bills which give rise to a large property receipt

11. The statement of evidence accompanying a bill for the sale ~~or lease~~ of parish property which gives rise to a large property receipt should identify the reasonable property needs of the parish. If those reasonable property needs are currently not met –
 - (a) the statement of evidence should also include a plan to ensure the parish meets those needs, and

- (b) the bill should provide, as a first priority, for the application of the large property receipt in or toward meeting those needs in accordance with that plan and in conformity with any policy of the Standing Committee concerning the application of sale proceeds ~~and property income~~.
12. If a bill for a sale ~~or lease~~ of parish property gives rise to a large property receipt and –
- (a) the reasonable property needs identified by the parish are less than the amount of the large property receipt, or
 - (b) the parish does not adequately identify or plan to meet its reasonable property needs, the amount necessary to meet the reasonable property needs of the parish is, for the purposes of this policy, taken to be \$1,000,000 ~~in the case of a bill to sell parish property and \$100,000 pa in the case of a bill to lease parish property~~.

Sharing with the rest of the Diocese

13. The ~~Standing Committee's~~ Synod's normal expectation for a large property receipt arising from a bill for an ordinance to sell parish property is that the parish should share 15% of any amount in excess of its reasonable property needs with the Mission Property Committee as an addition to the Mission Property Fund. If the excess is expected to be greater than \$500,000, the percentage shared should be higher than 15%.
14. Any preference that the parish wishes to express concerning the application of a large property receipts payment to a particular Mission Property Committee project should be expressed in the Statement of Evidence which accompanies the bill rather than in the bill itself.
- ~~15. The Synod's normal expectation for a large property receipt arising from a bill for an ordinance to lease parish property is that the parish should share 30% of any amount in excess of its reasonable property needs with the Synod for allocation as part of its annual budgeting process or, upon special application, with other Diocesan beneficiaries. If the excess is expected to be greater than \$50,000 pa, the percentage shared should be higher than 30%.~~

Review of bills for large property receipts ordinances

- ~~16.~~ 15. A bill for an ordinance which gives rise to a large property receipt but is promoted on the basis that the reasonable property needs identified by the parish are less than the amount of the large property receipt (under paragraph 12(a) above) will not usually be referred to an Ordinance Review Panel provided the bill makes provision for the sharing of a portion of the large property receipt in accordance with the normal expectations of the Standing Committee Synod under this policy.

Grant of relief from policy

- ~~17.~~ 16. The Standing Committee will consider any request for relief (in part or whole) from the sharing of a portion of a large property receipt in accordance with the normal expectation ~~of the Synod~~ under this policy. Such relief will not be granted unless the promoters of a bill involving a large property receipt give sufficient reasons for an exception.

Reports concerning amounts shared under the policy

- ~~18.~~ 17. A report will be provided to the Synod each year identifying all amounts shared under this policy with the Mission Property Fund and other diocesan beneficiaries in the preceding year ~~and with the Synod for allocation as part of its budget in the following year~~.

Amendment of the policy

- ~~19.~~ 18. The Standing Committee may make amendments to this policy provided such amendments are reported to the next ordinary session of the Synod.

Sunset

- ~~20. This policy ceases to operate on the first day of the ordinary session of the Synod in 2020.~~

Modelling of levy contributions

It is anticipated that Synod may desire to test the application of the levy against gross property income, or in an expanded form of net income that allows expenditure on ministry property to be offset. Accordingly, to outline the possibilities and demonstrate the likely required contribution bands under different models, below are three different models of levy application as well as indicative contribution amounts from each parish under each model.

This modelling uses data directly from the 2015 parish returns (the latest complete data available) and accordingly only takes into account income that has been distributed to a parish. Please note that these models can only be viewed as indicative, as the presence of the levy will likely change spending behaviour.

Model 1: Levy on gross property income

	Contribution bands					Total
From	\$10,000	\$50,000	\$100,000	\$200,000	\$400,000	
to	\$50,000	\$100,000	\$200,000	\$400,000		
% levy	5%	10%	20%	30%	40%	
Total	\$262,478	\$298,082	\$499,451	\$762,053	\$629,739	\$2,451,802
	115	38	26	6	10	195
	<i>(No. of parishes with total property income in this range)</i>					

Model 2: Levy on net property income (recommended)

	Contribution bands					Total
From	\$10,000	\$50,000	\$100,000	\$200,000	\$400,000	
to	\$50,000	\$100,000	\$200,000	\$400,000		
% levy	5%	15%	25%	35%	45%	
Total	\$250,429	\$401,430	\$582,234	\$702,013	\$624,419	\$2,560,525
	118	40	19	9	7	193
	<i>(No. of parishes with total property income in this range)</i>					

Model 3: Levy on net property income (with deduction for ministry property expenses)

	Contribution bands			Total
From	\$0	\$50,000	\$100,000	
to	\$50,000	\$100,000		
% levy	15%	30%	50%	
Total	\$470,551	\$380,437	\$1,515,971	\$2,366,958
	73	17	18	108
	<i>(No. of parishes with total property income in this range)</i>			

Indicative contribution amounts from each parish, under each model

Note: These *indicative* contribution amounts are based on 2015 data provided by each parish in their Prescribed Financial Statements and on the contribution percentages detailed in Appendix 4.

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
Abbotsford	\$62K	\$3K	5%	\$4K	6%	\$7K	12%
Albion Park	\$17K	\$0K	2%	\$0K	2%	\$0K	0%
Annandale	\$86K	\$6K	7%	\$7K	9%	\$14K	17%
Arncliffe	\$38K	\$1K	4%	\$1K	4%	\$4K	10%
Artarmon	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Ashbury	\$25K	\$1K	3%	\$1K	3%	\$0K	0%
Ashfield, Five Dock and Haberfield	\$424K	\$97K	23%	\$114K	27%	\$67K	16%
Asquith / Mt Colah / Mt Kuring-gai	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Auburn - St Philip	\$40K	\$2K	4%	\$1K	2%	\$2K	6%
Auburn - St Thomas	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Austinmer	\$8K	\$0K	0%	\$0K	0%	\$0K	0%
Balgowlah	\$87K	\$6K	7%	\$6K	7%	\$7K	8%
Balmain	\$39K	\$1K	4%	\$1K	4%	\$0K	0%
Bankstown	\$24K	\$1K	3%	\$1K	3%	\$3K	13%
Barrenjoey	\$67K	\$4K	6%	\$3K	4%	\$5K	8%
Baulkham Hills	\$33K	\$1K	3%	\$1K	3%	\$2K	7%
Beacon Hill	\$24K	\$1K	3%	\$1K	3%	\$3K	11%
Beecroft	\$62K	\$3K	5%	\$2K	4%	\$0K	0%
Bellevue Hill	\$152K	\$17K	11%	\$19K	12%	\$14K	9%
Belmore w/ M. Hill & C. Park	\$33K	\$1K	3%	\$1K	3%	\$0K	0%
Belrose	\$71K	\$4K	6%	\$5K	7%	\$6K	8%
Berala	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Berowra	\$4K	\$0K	0%	\$0K	0%	\$0K	0%
Berry	\$11K	\$0K	1%	\$0K	1%	\$0K	0%
Beverly Hills with Kingsgrove	\$40K	\$1K	4%	\$1K	4%	\$0K	0%
Blackheath	\$12K	\$0K	1%	\$0K	1%	\$0K	0%
Blacktown	\$136K	\$14K	10%	\$19K	14%	\$10K	7%
Blakehurst	\$13K	\$0K	1%	\$0K	0%	\$0K	0%
Bomaderry	\$10K	\$0K	0%	\$0K	0%	\$0K	0%
Bondi	\$159K	\$19K	12%	\$24K	15%	\$2K	1%
Bowral	\$26K	\$1K	3%	\$1K	3%	\$0K	0%
Brighton/Rockdale	\$105K	\$8K	8%	\$8K	8%	\$5K	5%
Broadway	\$524K	\$137K	26%	\$35K	7%	\$2K	0%
Bulli	\$31K	\$1K	3%	\$1K	3%	\$0K	0%
Burwood	\$103K	\$8K	7%	\$9K	9%	\$3K	3%
Cabramatta	\$11K	\$0K	0%	\$0K	0%	\$0K	0%
Cambridge Park	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Camden	\$90K	\$6K	7%	\$5K	5%	\$0K	0%
Campbelltown	\$154K	\$18K	12%	\$23K	15%	\$15K	10%
Campsie	\$33K	\$1K	4%	\$1K	4%	\$0K	1%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
Canterbury with Hurlstone Park	\$26K	\$1K	3%	\$1K	3%	\$0K	0%
Caringbah	\$28K	\$1K	3%	\$1K	3%	\$0K	0%
Carlingford and North Rocks	\$4K	\$0K	0%	\$0K	0%	\$1K	15%
Castle Hill	\$16K	\$0K	2%	\$0K	2%	\$0K	0%
Centennial Park	\$18K	\$0K	2%	\$0K	2%	\$0K	0%
Chatswood	\$11K	\$0K	0%	\$0K	0%	\$0K	0%
Cherrybrook	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Chester Hill with Sefton	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Christ Church Northern Beaches	\$68K	\$4K	6%	\$4K	6%	\$0K	0%
Church Hill	\$420K	\$95K	23%	\$114K	27%	\$143K	34%
Clovelly	\$83K	\$5K	6%	\$2K	2%	\$5K	6%
Cobbitty	\$30K	\$1K	3%	\$1K	3%	\$0K	0%
Concord and Burwood	\$45K	\$2K	4%	\$2K	4%	\$5K	11%
Concord North	\$8K	\$0K	0%	\$0K	0%	\$0K	0%
Concord West w/ Concord Nth	\$52K	\$2K	4%	\$2K	4%	\$0K	0%
Coogee	\$55K	\$3K	5%	\$3K	5%	\$7K	12%
Cooks River	\$17K	\$0K	2%	\$0K	2%	\$0K	0%
Corrimal	\$41K	\$2K	4%	\$1K	3%	\$3K	7%
Cranebrook with Castlereagh	\$25K	\$1K	3%	\$1K	3%	\$0K	0%
Cremorne	\$162K	\$19K	12%	\$23K	14%	\$25K	15%
Cronulla	\$37K	\$1K	4%	\$1K	4%	\$2K	6%
Croydon	\$33K	\$1K	3%	\$1K	3%	\$0K	0%
Culburra Beach	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Dapto	\$51K	\$2K	4%	\$2K	4%	\$0K	0%
Darling Point	\$334K	\$67K	20%	\$71K	21%	\$103K	31%
Darling Street	\$328K	\$65K	20%	\$37K	11%	\$0K	0%
Darlinghurst	\$401K	\$88K	22%	\$79K	20%	\$117K	29%
Dee Why	\$14K	\$0K	1%	\$0K	1%	\$0K	0%
Denham Court	\$12K	\$0K	1%	\$0K	1%	\$1K	9%
Doonside	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Drummoyne	\$30K	\$1K	3%	\$1K	3%	\$0K	0%
Dulwich Hill	\$68K	\$4K	6%	\$4K	6%	\$7K	11%
Dundas/Telopea	\$86K	\$6K	7%	\$7K	9%	\$0K	0%
Dural District	\$7K	\$0K	0%	\$0K	0%	\$0K	0%
Eagle Vale	\$8K	\$0K	0%	\$0K	0%	\$0K	0%
Earlwood	\$30K	\$1K	3%	\$1K	3%	\$0K	0%
East Lindfield	\$44K	\$2K	4%	\$2K	4%	\$0K	0%
Eastgardens	\$22K	\$1K	3%	\$1K	3%	\$2K	8%
Eastwood	\$29K	\$1K	3%	\$1K	2%	\$0K	0%
Emu Plains	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Enfield and Strathfield	\$49K	\$2K	4%	\$2K	4%	\$0K	0%
Engadine	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Enmore/Stammore	\$20K	\$0K	2%	\$0K	2%	\$0K	0%
Epping	\$107K	\$8K	8%	\$11K	10%	\$12K	11%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
Ermington	\$6K	\$0K	0%	\$0K	0%	\$0K	0%
Fairfield with Bossley Park	\$39K	\$1K	4%	\$1K	3%	\$0K	0%
Fairy Meadow	\$16K	\$0K	2%	\$0K	2%	\$0K	0%
Figtree	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
Forestville	\$34K	\$1K	4%	\$1K	4%	\$0K	0%
Frenchs Forest	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
Freshwater	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Georges Hall	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Gerringong	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Gladesville	\$239K	\$39K	16%	\$37K	16%	\$43K	18%
Glebe	\$111K	\$9K	8%	\$9K	8%	\$10K	9%
Glenhaven	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Glenmore Park	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Glenquarie	\$46K	\$2K	4%	\$1K	3%	\$3K	6%
Gordon	\$35K	\$1K	4%	\$1K	4%	\$0K	0%
Granville	\$10K	\$0K	0%	\$0K	0%	\$0K	0%
Greenacre	\$53K	\$2K	4%	\$0K	1%	\$1K	2%
Greenwich	\$139K	\$15K	11%	\$19K	14%	\$29K	21%
Greystanes - Merrylands West	\$20K	\$1K	3%	\$0K	0%	\$0K	0%
Guildford with Villawood	\$70K	\$4K	6%	\$1K	2%	\$0K	0%
Gymea	\$18K	\$0K	2%	\$0K	2%	\$0K	0%
Harbour Church	\$0K	\$0K	0%	\$0K	0%	\$0K	15%
Helensburgh and Stanwell Park	\$26K	\$1K	3%	\$1K	2%	\$0K	0%
Hornsby	\$31K	\$1K	3%	\$1K	3%	\$0K	0%
Hornsby Anglican Chinese Church	\$5K	\$0K	0%	\$0K	0%	\$1K	15%
Hornsby Heights	\$6K	\$0K	0%	\$0K	0%	\$0K	0%
Hoxton Park	\$35K	\$1K	4%	\$1K	4%	\$0K	0%
Hunters Hill	\$87K	\$6K	7%	\$8K	9%	\$0K	0%
Hurstville	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Hurstville Grove	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Huskisson	\$4K	\$0K	0%	\$0K	0%	\$0K	0%
Ingleburn	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Jamberoo	\$30K	\$1K	3%	\$1K	3%	\$2K	5%
Jannali	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Kangaroo Valley	\$24K	\$1K	3%	\$0K	1%	\$1K	5%
Katoomba	\$36K	\$1K	4%	\$1K	4%	\$4K	11%
Keiraville	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Kellyville	\$32K	\$1K	3%	\$1K	3%	\$0K	0%
Kensington Eastlakes	\$83K	\$5K	6%	\$7K	8%	\$5K	6%
Kiama	\$34K	\$1K	4%	\$1K	4%	\$0K	0%
Killara	\$38K	\$1K	4%	\$1K	4%	\$0K	0%
Kingsford	\$45K	\$2K	4%	\$2K	4%	\$3K	7%
Kingswood	\$26K	\$1K	3%	\$1K	3%	\$0K	0%
Kirribilli	\$16K	\$0K	2%	\$0K	2%	\$0K	0%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
Kurrajong	\$24K	\$1K	3%	\$1K	3%	\$0K	0%
Lakemba	\$38K	\$1K	4%	\$1K	4%	\$3K	8%
Lalor Park and Kings Langley	\$40K	\$2K	4%	\$2K	4%	\$4K	9%
Lane Cove and Mowbray	\$142K	\$15K	11%	\$19K	14%	\$21K	15%
Lavender Bay	\$87K	\$6K	7%	\$4K	5%	\$0K	0%
Lawson	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Leichhardt	\$253K	\$43K	17%	\$45K	18%	\$67K	26%
Leura	\$25K	\$1K	3%	\$1K	3%	\$0K	0%
Lidcombe	\$12K	\$0K	1%	\$0K	1%	\$0K	0%
Lindfield	\$28K	\$1K	3%	\$1K	3%	\$0K	0%
Lithgow	\$32K	\$1K	3%	\$1K	2%	\$0K	0%
Liverpool	\$110K	\$9K	8%	\$12K	11%	\$8K	7%
Liverpool South	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
Longueville	\$91K	\$6K	7%	\$8K	9%	\$20K	22%
Lord Howe Island	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Lower Mountains	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Lugarno	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Macquarie	\$64K	\$3K	5%	\$4K	6%	\$12K	18%
Malabar	\$108K	\$9K	8%	\$9K	9%	\$16K	15%
Manly	\$411K	\$91K	22%	\$97K	24%	\$113K	28%
Maroubra	\$18K	\$0K	2%	\$0K	2%	\$0K	0%
Marrickville	\$179K	\$23K	13%	\$25K	14%	\$23K	13%
Menai	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
Menangle	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Merrylands	\$87K	\$6K	7%	\$8K	9%	\$10K	12%
Minchinbury	\$10K	\$0K	0%	\$0K	0%	\$0K	0%
Minto	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Miranda	\$101K	\$7K	7%	\$7K	7%	\$1K	1%
Mittagong	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Mona Vale	\$20K	\$0K	2%	\$0K	2%	\$2K	10%
Moorebank	\$17K	\$0K	2%	\$0K	2%	\$0K	0%
Mosman - St Clement	\$149K	\$17K	11%	\$22K	15%	\$6K	4%
Mosman - St Luke	\$151K	\$17K	11%	\$9K	6%	\$0K	0%
Moss Vale	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Mt Druit	\$33K	\$1K	3%	\$1K	3%	\$3K	10%
Mulgoa	\$36K	\$1K	4%	\$1K	3%	\$4K	11%
Narellan	\$16K	\$0K	2%	\$0K	2%	\$0K	0%
Naremburn/Cammeray	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Narrabeen	\$38K	\$1K	4%	\$1K	4%	\$0K	0%
Neutral Bay	\$164K	\$20K	12%	\$26K	16%	\$18K	11%
Newport	\$22K	\$1K	3%	\$1K	3%	\$0K	0%
Newtown with Erskineville	\$128K	\$13K	10%	\$17K	13%	\$15K	12%
Norfolk Island	\$0K	\$0K		\$0K		\$0K	
Normanhurst	\$113K	\$10K	8%	\$13K	11%	\$1K	1%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
North Epping	\$17K	\$0K	2%	\$0K	2%	\$0K	0%
North Ryde	\$39K	\$1K	4%	\$0K	1%	\$2K	6%
North Sydney	\$604K	\$168K	28%	\$184K	30%	\$137K	23%
Northbridge	\$75K	\$5K	6%	\$6K	8%	\$0K	0%
Northmead and Winston Hills	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Norwest	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Nowra	\$28K	\$1K	3%	\$1K	3%	\$0K	0%
Oak Flats	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Oakhurst	\$76K	\$5K	6%	\$6K	8%	\$2K	2%
Oatley	\$43K	\$2K	4%	\$2K	4%	\$0K	0%
Oatley West	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Oran Park	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Paddington	\$105K	\$8K	8%	\$10K	9%	\$13K	12%
Padstow	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Panania	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
Parramatta	\$761K	\$231K	30%	\$265K	35%	\$284K	37%
Parramatta North w/ Harris Park	\$106K	\$8K	8%	\$11K	10%	\$7K	6%
Peakhurst/Mortdale	\$10K	\$0K	0%	\$0K	0%	\$0K	0%
Penrith	\$139K	\$15K	11%	\$1K	1%	\$0K	0%
Penshurst	\$42K	\$2K	4%	\$1K	2%	\$3K	6%
Petersham	\$22K	\$1K	3%	\$1K	3%	\$0K	0%
Philadelphia Anglican Church	\$2K	\$0K	0%	\$0K	0%	\$0K	15%
Picton	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
Pitt Town	\$27K	\$1K	3%	\$0K	2%	\$0K	0%
Port Kembla	\$89K	\$6K	7%	\$5K	6%	\$11K	13%
Putney	\$0K	\$0K		\$0K		\$0K	
Pymble	\$29K	\$1K	3%	\$1K	3%	\$0K	0%
Quakers Hill	\$0K	\$0K		\$0K		\$0K	
Randwick	\$494K	\$125K	25%	\$138K	28%	\$90K	18%
Regents Park	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Revesby	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Richmond	\$20K	\$1K	3%	\$0K	1%	\$1K	3%
Riverstone	\$25K	\$1K	3%	\$1K	3%	\$2K	10%
Riverwood - Punchbowl	\$41K	\$2K	4%	\$2K	4%	\$0K	0%
Robertson	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Rooty Hill	\$8K	\$0K	0%	\$0K	0%	\$0K	0%
Rosemeadow	\$70K	\$4K	6%	\$5K	7%	\$6K	8%
Roseville	\$19K	\$0K	2%	\$0K	2%	\$0K	0%
Roseville East	\$30K	\$1K	3%	\$1K	3%	\$2K	6%
Rouse Hill	\$13K	\$0K	1%	\$0K	1%	\$0K	0%
Ryde	\$672K	\$196K	29%	\$227K	34%	\$224K	33%
Sadleir	\$53K	\$2K	4%	\$3K	5%	\$5K	9%
Sans Souci	\$36K	\$1K	4%	\$1K	4%	\$1K	3%
Seaforth	\$30K	\$1K	3%	\$1K	3%	\$0K	0%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
Seven Hills	\$4K	\$0K	0%	\$0K	0%	\$0K	0%
Shellharbour	\$8K	\$0K	0%	\$0K	0%	\$0K	0%
Shellharbour City Centre	\$26K	\$1K	3%	\$1K	3%	\$0K	0%
Shoalhaven Heads	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Smithfield Road	\$59K	\$3K	5%	\$3K	6%	\$6K	10%
Soul Revival Church, S. Shire	\$0K	\$0K		\$0K		\$0K	
South Carlton	\$4K	\$0K	0%	\$0K	0%	\$0K	0%
South Coogee	\$20K	\$1K	3%	\$0K	0%	\$0K	0%
South Creek	\$35K	\$1K	4%	\$1K	4%	\$0K	0%
South Hurstville	\$42K	\$2K	4%	\$2K	4%	\$0K	0%
South Sydney	\$87K	\$6K	7%	\$5K	6%	\$4K	5%
Springwood	\$14K	\$0K	1%	\$0K	1%	\$0K	0%
St Clair	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
St George	\$46K	\$2K	4%	\$2K	3%	\$1K	2%
St George North	\$29K	\$1K	3%	\$1K	3%	\$0K	0%
St Ives	\$2K	\$0K	0%	\$0K	0%	\$0K	0%
St Marys	\$7K	\$0K	0%	\$0K	0%	\$0K	0%
Strathfield and Homebush	\$53K	\$2K	4%	\$2K	5%	\$1K	2%
Summer Hill	\$64K	\$3K	5%	\$4K	6%	\$7K	11%
Surry Hills	\$260K	\$45K	17%	\$50K	19%	\$28K	11%
Sussex Inlet	\$0K	\$0K	0%	\$0K	0%	\$0K	0%
Sutherland	\$44K	\$2K	4%	\$1K	2%	\$3K	7%
Sutton Forest	\$40K	\$2K	4%	\$2K	4%	\$0K	0%
Sydney-Cathedral of St Andrew	\$0K	\$0K		\$0K		\$0K	
Sydney-Christ Church St Laurence	\$326K	\$65K	20%	\$71K	22%	\$70K	22%
Sydney-St James King Street	\$864K	\$272K	32%	\$313K	36%	\$325K	38%
Sylvania	\$79K	\$5K	6%	\$6K	8%	\$7K	9%
The Oaks	\$12K	\$0K	1%	\$0K	1%	\$0K	0%
Thornleigh - Pennant Hills	\$6K	\$0K	0%	\$0K	0%	\$0K	0%
Toongabbie	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
Turrumurra	\$78K	\$5K	6%	\$6K	8%	\$0K	0%
Turrumurra South	\$3K	\$0K	0%	\$0K	0%	\$0K	0%
Ulladulla	\$23K	\$1K	3%	\$0K	2%	\$0K	0%
Unichurch (UNSW)	\$0K	\$0K		\$0K		\$0K	
Vaucluse and Rose Bay	\$103K	\$8K	7%	\$10K	10%	\$3K	3%
Wahroonga - St Andrew	\$10K	\$0K	0%	\$0K	0%	\$0K	0%
Wahroonga - St Paul	\$76K	\$5K	6%	\$6K	8%	\$5K	7%
Waitara	\$34K	\$1K	4%	\$1K	4%	\$0K	0%
Watsons Bay	\$55K	\$2K	5%	\$3K	5%	\$0K	0%
Waverley	\$172K	\$21K	12%	\$28K	16%	\$32K	19%
Wentworth Falls	\$15K	\$0K	2%	\$0K	2%	\$0K	1%
Wentworthville	\$1K	\$0K	0%	\$0K	0%	\$0K	0%
West Lindfield	\$32K	\$1K	3%	\$1K	3%	\$1K	3%
West Pennant Hills	\$8K	\$0K	0%	\$0K	0%	\$0K	0%

Parish	Property Income (P.I.)	1. Levy on gross P.I.		2. Levy on net P.I.		3. Levy on P.I. net of all property expenses	
West Pymble	\$5K	\$0K	0%	\$0K	0%	\$0K	0%
West Ryde	\$35K	\$1K	4%	\$1K	4%	\$0K	0%
West Wollongong	\$93K	\$6K	7%	\$7K	7%	\$0K	0%
Westmead	\$36K	\$1K	4%	\$1K	4%	\$1K	2%
Wilberforce	\$28K	\$1K	3%	\$1K	3%	\$1K	2%
Willoughby	\$21K	\$1K	3%	\$1K	3%	\$0K	0%
Willoughby Park	\$67K	\$4K	5%	\$4K	7%	\$5K	8%
Windsor	\$48K	\$2K	4%	\$1K	3%	\$3K	7%
Wollondilly	\$6K	\$0K	0%	\$0K	0%	\$0K	0%
Wollongong	\$198K	\$27K	13%	\$34K	17%	\$21K	10%
Woollahra	\$31K	\$1K	3%	\$1K	3%	\$2K	7%
Yagoona	\$98K	\$7K	7%	\$5K	5%	\$0K	0%

Application of funds from the proposed Property Receipts Levy

(A report from the Strategic Research Group.)

Key Points

- The Strategic Research Group endorses the principles for application of funds outlined by the Large Receipts Policy Review committee, including that funds derived from capital assets should be used to build the capital base of the Diocese.
- The proposed Property Receipts Levy (“PRL”), if adopted by the Synod, is expected to generate additional funds of at least \$500,000 p.a. from 2020. The SRG recommends that additional funds be used to –
 - Create a Parish Property Development Fund (funded by the first \$500,000 of additional proceeds raised by the PRL each year) from which the Mission Property Committee can contribute to the cost of engaging consultants in the early stages of parish projects
 - Create an urban development grant (with any remaining additional proceeds raised by the PRL) administered by the Mission Property Committee to provide capital development grants to stimulate property development of existing parishes

Purpose

1. To provide recommendations to the Synod regarding any application of additional funds raised by the proposed Property Receipts Levy.

Recommendations

2. That the Synod receive this report.
3. That the Synod pass the following motion to be moved “by request of Standing Committee” – ‘Synod, noting the report “Application of funds from the proposed Property Receipts Levy” –
 - (a) supports the creation of a Parish Property Development Fund (“PPDF”) as outlined in the report at paragraph 21(A), funded by the first \$500,000 of additional proceeds raised by the Property Receipts Levy (“PRL”) each year, and
 - (b) supports the creation of an urban development grant administered by the Mission Property Committee as outlined in the report at paragraph 21(B), funded by any additional proceeds raised by a PRL in excess of those required by the PPDF, and
 - (c) requests the Standing Committee to pass an ordinance to implement the PPDF and the urban development grant in conjunction with the implementation of the PRL.’

Background

4. At its meeting on 19 July 2017, the Strategic Research Group (“SRG”) noted a request from the Large Receipts Policy Review Committee (“LRPR Committee”) to provide advice as to the application of any additional funds arising from the proposed Property Receipts Levy (“PRL”).
5. The SRG is aware that, simultaneous to the development of the PRL proposal, the Mission Property Committee (“MPC”) has provided a report which describes barriers and bottlenecks to parishes undertaking infrastructure expansion projects, and what could be done to minimise these impediments.

Discussion

6. The LRPR Committee has not itself been tasked to identify how additional funds may be applied. However, the LRPR Committee provided the following principles as a framework for discussion around a proposal to be put to Synod for the application of any additional funds raised by the PRL –
 - (a) existing Synod commitments should be maintained,
 - (b) funds derived from capital assets should be used to build the capital base of the Diocese, and
 - (c) Funds derived from the PRL should be used for the benefit of developing the property infrastructure of existing parishes.
7. The SRG endorses these principles.

8. Capital projects range in size, and various mechanisms are already available to fund the small and medium projects (parishes often struggle to achieve larger projects). For example –

- (a) Small projects (typically up to \$50,000): The NSW Government Community Building Partnership Grant (CBPG) program is available for smaller projects. Since its inception in 2009, some 463 parishes have been awarded some \$10.12 million in funding. With the average grant awarded being approximately \$20,000, this Government scheme assists (even with 100% of funding in some cases) for smaller projects.
- (b) Medium projects (typically up to \$800,000): The Finance and Loans Board (FLB) typically lends for projects of this size range, and without the need of a mortgage. In 2017, the average initial loan size is \$475,000, and since 2015 the average initial loan size has been \$365,000. These loans must be repaid.

9. At its meeting on 31 July 2017, the Standing Committee agreed that any proposal for a levy which is likely to generate additional funds should be presented alongside a clearly articulated missional purpose for those additional funds. The SRG has formed the view that any additional funds arising from the proposed PRL would best be used to address a key need in our current strategy, by assisting parishes to navigate the path of larger capital projects. To simply divert these funds to reorganise, or even expand the scope of existing activities, would be a lost opportunity.

10. The 2016 Mark Bilton review's first area of recommendation focused on our property infrastructure, stating that "...these physical assets have been the backbone and a facilitator of success for generations. However, there now needs to be a comprehensive review of their role and value." Using additional funds generated from the PRL provides a rare opportunity to assist parishes in this area, and will benefit generations to come.

The Mission Property Committee's proposal

11. The MPC has provided a draft report to the Standing Committee that addresses this matter. According to the MPC report, the number of Diocesan church buildings has declined from approximately 400 (in 1980) to 350 (in 2017). A common scenario is that a parish sells one building to pay for significant upgrades and expansion of another one. However, with 70% of the growth of Sydney projected to be in existing areas with increasing density, there is unprecedented need for the Diocese to assist parishes in their property development and expansion.

12. In a similar vein, the report to Synod in 2016 entitled, '33/14 Ministry progress and brownfields' grants' noted that "the presence of strong leadership and the number of newcomers is critical to parish numerical growth, but well-timed property development to accommodate growth is demonstrably important to stimulate sustained growth."

13. With the rapidly changing "landscape" of Sydney property, opportunities are opening up for rezoning and associated income generation. There may be great prospect to unlock significant value, which can in turn be directed towards ministry outcomes.

14. The MPC report includes that over 25 parishes in the Diocese are known to be seeking to redevelop their church or ministry precinct. The MPC identified a bottleneck that impacts large projects (and potential projects) across the diocese, often preventing them from ever reaching their initial planning approval stage. The bottleneck is that most parishes hesitate or cannot afford to commit any funds for professional consulting to a project which may not reach fruition. The problem is that it is difficult to progress or confirm the viability of a project without engaging appropriate consultants. In the absence of confident support, professionally engaged consultants and appropriate independent advice, most projects falter and stall.

15. The MPC's contention is that this bottleneck will be removed if, in the course of advising parishes at this stage, the MPC could access a fund from which to provide a significant portion of the initial consulting fees. If those projects that the MPC identify as most worthy of investment could be financially supported at the initial stages (where the majority currently falter), it should result in a significant increase of investment in development of the capital infrastructure of existing parishes. The MPC report suggests that such a fund would require approximately \$500,000 per year for maximum effectiveness.

16. The MPC suggests that any of these projects that produce income should then repay the funds utilised from such a scheme, which can then in turn be used to assist others. There would of course be projects in which the MPC's help is limited to getting the parish to "DA Stage", and others still that may be determined as not feasible.

17. The result would be akin to a permanent development fund, similar to those used by other denominations.

18. The proposed fund wouldn't be expected to fund larger scale projects, however it will help to address this issue in that, in some cases, using appropriate consultants early will allow the identification of revenue

generation possibilities. In other cases, project feasibility parameters will be established before further consultants are engaged.

Grant Scheme for mid-sized projects

19. The proposal for the Property Receipts Levy includes a recommendation for the creation of a grant scheme to assist parishes with mid-sized development projects. The LRPR committee suggested that any additional funds not required for the Synod budget and beyond the needs of the MPC proposal for brownfield development, may be provided as grants for capital development to fund urban renewal. The LRPR committee suggested a dollar-for-dollar matching framework administered by the MPC as a mechanism to apply those funds, and included a threshold of \$50,000 matching amount with the intention of ensuring that only projects of a certain size are provided grants and the scheme is not overwhelmed with applicants. A parish with a significantly larger project could apply for a grant up to \$250,000 provided the parish could raise \$250,000 internally.

20. It is noted that loans are also available from the Finance and Loans Board. This aspect of the use of the funds would be particularly advantageous to smaller parishes.

Recommended application of funds

21. The report of the LRPR Committee and the proposal of the MPC both expressed the view that the proceeds from the proposed PRL be used to leverage the expansion of the capital base of the Diocese. The SRG supports this view as well, as recommends the application of funds through two mechanisms as outlined below –

- (A) That the first \$500,000 of additional proceeds from the PRL be used to establish and maintain a Parish Property Development Fund (“PPDF”), as follows –
 - (i) The PPDF is to be administered by the MPC ((which may need to have its terms of reference and membership augmented accordingly to ensure wider ministry expertise; or a new body).
 - (ii) The purpose of the PPDF is to enable the appointment of external advising consultants to provide strategic guidance to parishes, from the point of initial feasibility study to lodgement of Development Application (and in some circumstances, the preparation of a Construction Certificate). The type of expertise required may include property advisors, land economists, development managers, lawyers, town planners, commercial negotiators, architects, project managers, hydrologists, heritage experts, traffic experts, ecologists, structural engineers, geotechnical engineers, or experts in noise, contamination etc.
 - (iii) The first \$25,000 of any funding from the PPDF is to be matched dollar for dollar by the Parish, with any proposed exceptions to be approved by Standing Committee. This is calculated on a project basis (that is, a parish needs to contribute 50% of the first \$50,000 of all of the required consultants, rather than each consultant).
 - (iv) Where a project leads to income generation on completion, the indexed contribution from the PPDF for the project should be repaid into the PPDF as a priority.
 - (v) Projects will be prioritised according to the following criteria –
 - (a) urgency in relation to responding to the timing of adjoining development sites, or rezoning opportunities,
 - (b) potential for return from development proceeds or income generation based on complimentary development of the site,
 - (c) relative forecast population growth within the LGA,
 - (d) ministry priority
 - (e) suitability of land for church use in line with parish ministry strategy,
 - (f) project feasibility and prospects of delivery (with a higher priority to harvesting the low hanging fruit: i.e. those sites with a high chance of success on full or partial redevelopment), and
 - (g) funding feasibility.
- (B) That any remaining additional proceeds generated by the PRL (being any funds beyond the \$500,000 required PPDF and any funds allocated to, but not required for, the PPDF in a given year), be used to provide capital development grants to stimulate property development of existing parishes, as follows –

- (i) Grants are to be administered by the Mission Property Committee (which may need to have its terms of reference and membership augmented accordingly to ensure wider ministry expertise).
- (ii) Any parish may apply for a dollar-for-dollar matching grant, on the following basis –
 - (a) The parish must be able to contribute at least \$50,000 from funds that it has already raised, or will raise, internally for that project (with any exceptions to be approved by Standing Committee).
 - (b) There is no maximum project size, but the maximum grant is \$250,000.
 - (c) Priority will be given to parishes that have not previously received a grant.
 - (d) Priority will be given to projects that increase ministry capacity (e.g., expanded church, new hall) rather than projects which restore or maintain existing capital assets.
 - (e) The Standing Committee may provide further guidelines to the MPC to assist it to assess the priority projects.
 - (f) The MPC will determine a list of priority projects in a given year.
- (iii) If there are insufficient funds for all priority projects, the grants are to be applied in the priority determined by the Mission Property Committee.

For and on behalf of the Strategic Research Group

THE REV DR RAJ GUPTA

8 August 2017