

## Synod Appropriations and Allocations Ordinance 2008

### Explanatory Report

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#### Introduction

1. In 2001 the Synod endorsed a principle of moving to a strategy driven spending model and this principle has been applied for the purpose of the allocation of funds under the control of Synod for each of the years since 2003.

2. In 2004 the Synod adopted a report containing the target allocation percentages proposed by the Standing Committee for the triennium, 2006-2008 and those percentages were incorporated into the Synod Appropriations and Allocations Ordinance 2005.

3. By clause 2(1) of the Synod Estimates and Parochial Cost Recoveries (Alignment of Strategy) Ordinance 2008 the Standing Committee is to prepare an ordinance which authorises appropriations and allocations for 2009. These allocations will be largely based on the allocations for 2008, but with appropriate allowance for important new initiatives such as Connect09.

4. By clause 3 of the Synod Estimates and Parochial Cost Recoveries (Alignment of Strategy) Ordinance 2008 the Standing Committee is to prepare a Strategic Plan for the Mission for the 2<sup>nd</sup> ordinary session of the 48<sup>th</sup> Synod in 2009 and the 1<sup>st</sup> ordinary session of each Synod thereafter. This ordinance also requires the Standing Committee to prepare for the 2<sup>nd</sup> ordinary session of each Synod an Appropriations and Allocations Ordinance for the next 3 years which reflects the strategic plan.

#### Income

5. The main source of income available to the Synod comes from the GAB and is distributed to Synod in accordance with the formula established in 2007 and specified in the Diocesan Endowment Ordinance. That formula is based on a combination of the previous year's distribution indexed for inflation, plus a phased move to 4.2% of

the average net assets of the diocesan endowment over the 3 most recent years.

6. For 2009 this formula yields a distribution to Synod of \$10.630 million, an increase of some \$700,000 over the previous year. This distribution to Synod from the Diocesan Endowment represents more than 92% of the total income available to Synod in 2009.

7. The balance of Synod income in 2009 is made up of distributions from just 7 parish trust ordinances dealing with the income flow from investments or commercial properties. Over recent years the total available to Synod from these specific trust ordinances has been steadily declining and no new parishes have been added to this system as a result of the application of the Standing Committee's "large receipts" policy.

8. Following Synod resolution 25/02 the Standing Committee recommended "that 1% of the total income proposed to be appropriated each year from 2006 onwards be applied as a capital addition to the Indigenous Peoples' Ministry Trust Fund, before any other allocations are determined across mission policy areas". Synod endorsed that policy in 2004 and for 2009 the amount that will be appropriated for this purpose is \$117,000.

### **Allocations**

9. In accordance with the decision to provide just one year's funding for 2009 prior to the adoption of a Strategic Plan for the Mission which will inform the allocations made for the triennium 2010-2012, the Standing Committee recommends that the allocations in 2009 be based largely on a continuation of the pattern and individual allocations for 2008, the last year of the previous triennium.

10. A number of specific adjustments to this policy have been required to accommodate certain new factors in 2009, in particular the incorporation of 2009 funding for administration costs under the Connect09 Ordinance 2007. Other than for the few specific items detailed below the percentages allocated to each policy area and the individual component line items are generally comparable with the corresponding allocations in 2008 –

- (a) Policy 1a – Prayer (spiritual renewal) continues at 0.5% of total funds available.
- (b) Policy 1b – Gospel Work Outside the Diocese continues at 5.0% of total funds available, however instead of the Synod allocating individual amounts to particular projects it is proposed that the whole allocation be made to the Work Outside the Diocese Committee, a subcommittee of the Standing Committee, leaving that committee to determine individual allocations in accordance with its strategic plan.

- (c) Policy 2 – Expand, Plant and Support Congregations receives an allocation of 44.0% of total funds available. This figure is comparable with the aggregation of the previous allocations to Policy 2a – Expand and Plant and Policy 2b – Support Congregations.
- (d) Policy 3 – Multiply Workers (well trained persons) receives an allocation of 32.0% of total funds available.
- (e) Policy 4 – Reform Structures (to remove road blocks to the Mission) again receives an allocation of 0.5% of total funds available.
- (f) Administration (to enable the whole diocese to be more effective for the Mission) receives an allocation of 18.0% of total funds available.

11. The details of each of the individual line item allocations are shown in the attachment to this report.

#### **Policy 1b – Gospel Work Outside the Diocese**

12. The strategic plan developed by the Work Outside the Diocese Committee recognises the committee's intention to continue allocating approximately 40% of its available funds to providing support within Australia. In particular the dioceses of Armidale, North West Australia, Tasmania and Northern Territory will continue to receive support as will organisations such as the National Home Mission Fund and the National Aboriginal and Torres Strait Island Anglican Council. Assistance for ordinands going to other dioceses will also continue.

13. Under the committee's strategic plan the balance of approximately 60% of the funds will be allocated to provide support outside Australia, focussing on projects that deliver sound Bible-based theological education for undergraduate, postgraduate, and lay students, particularly those programs designed to train leaders and heads of Bible schools; and the translation, distribution and delivery of Moore Theological College PTC courses. Financial assistance will be provided as necessary for overseas leaders who are strategically placed for gospel purposes. Additionally there will continue to be support for the Archbishop and other senior leaders travelling to maintain contact with and provide encouragement to overseas leaders, and to attend conferences and speaking engagements. Some support will continue to be provided towards the superannuation contributions for clergy serving as CMS missionaries.

#### **Policy 2 – Expand, Plant and Support Congregations**

14. The direct front-line work designed to equip, nurture and expand churches and congregations (Policy 2a) has been combined with what was the background support provided for congregations and fellowships (Policy 2b). After aggregating the previous allocations made under Policy 2a and 2b, each of the recipient organisations

receives an amount similar to its 2008 allocation plus an allowance of 4% for inflation, except as noted below –

- (a) Youthworks receives \$60,000 additional funding to cover the cost of delivering the safe ministry training program in 2009.
- (b) The Anglican Education Commission receives an increase over its previous allocation in recognition of having received no inflationary adjustment during the whole of the last triennium. In addition, a further \$57,000 is provided to fund a new part time position in 2009 to develop Christian curriculum and training materials for Anglican secondary schools.
- (c) The allocation to Anglicare for research, covering diocesan planning and the National Church Life Survey, etc, is increased to \$180,000. For the last 2 years Standing Committee has approved a special allocation from the Synod fund Contingencies to bring the total allocation for research to approximately \$180,000 per year, in order to adequately fund the work undertaken in support of the Mission Board and parishes.
- (d) No specific funding is provided in 2009 for strategic mission projects such as the support provided recently to new church plants in the north western sector.
- (e) The administration costs for Connect09 are now funded under Policy 2. Under clause 5(4) of the Connect09 Ordinance 2007 the Mission Board has determined that the original estimate of \$358,000 for administration costs in 2009 is insufficient, and has resolved that an amount of \$500,000 should be allocated for this purpose. However, for 2009, the impact of this program on the allocations under Policy 2 has been reduced by the transfer of unspent allocations under Policy 1a from 2007, 2008 and 2009 totalling \$162,000, plus a further \$81,000 not yet applied from Policy 4 funds in 2008 and 2009, and \$14,000 initially earmarked for Synod Fund Contingencies.
- (f) The office of the Mission Executive is now funded under Policy 2 although the anticipated budget costs of \$170,000 for 2009 have been reduced by the application of approximately \$100,000 representing the balance of funds available for appropriation under the Diocesan Mission (Funding) Ordinance 2006 that are expected to remain unspent as at 31 December 2008.

### **Policy 3 – Multiply Workers**

15. Each of the individual organisations and programs funded under Policy 3 in 2008 will receive a similar allocation in 2009, with an allowance of approximately 3.5% for inflation.

16. The only exception to this practice is that the Ordination Training Fund will receive an allocation of \$365,000 based on that committee's budget estimate of the level of bursaries and scholarships required to support the expected number of students seeking ordination.

17. Instead of an allocation of \$310,000 to strategic mission projects the Standing Committee is recommending a figure of \$300,000 be allocated for strategic capital works and infrastructure at Moore Theological College and Youthworks, with the final application of these funds to be determined by the Mission Board.

### **Administration**

18. In keeping with the general policy for 2009, most individual line allocations under Administration have been maintained at levels comparable to those in 2008. The only exceptions to that practice have been –

- (a) St Andrew's House rent subsidies, where a final modest level of subsidy has been provided with the intention that 2009 will be the last year that any such rent subsidy is required.
- (b) The allocation to the Secretariat for servicing Synod, Standing Committee, parishes, etc, in 2009 has been increased to \$971,000 to equal the amount calculated from the analysis provided by the Secretariat of the actual cost of providing the services required. In part the increase this year is due to the previous allocations not keeping pace with inflation during the last triennium and in part because the allocation had never been properly measured against the actual cost of providing the services in question. The Mission Board Strategy Committee intends to closely review both the scope of services provided to the Synod, Standing Committee, parishes, etc and the cost of those services before bringing its recommendations for funding allocations for the 2010-2012 triennium.
- (c) The allocation to the Secretariat for the parish risk management program has been maintained to enable the further development of that program with new modules to –
  - (i) educate parish office holders generally to better manage common risks,

- (ii) assist individual parishes to manage specific issues when they arise, and
- (iii) continue to apply downward pressure on the cost of the Property Trust's insurance program through demonstrated good risk management practices.
- (d) The allocation from the Synod fund for car parking by committee members has been increased to \$25,000 following a detailed analysis of the actual cost of parking by members of Standing Committee and its subcommittees and the nomination boards. Again the previous grant had never been properly assessed against the actual cost of the parking provided.
- (e) The estimate of the General Synod statutory assessment for 2009 is based on the actual invoice for 2008 (\$273,200), less Sydney's share of the cost of the assistant to the Primate (\$23,900) which the Standing Committee declined to pay when it first appeared in 2008 on the basis that it was not an approved component of the statutory assessment, plus an allowance of 3% for inflation.

19. The balance of funds under Administration therefore available for Synod fund Contingencies in 2009 therefore represents \$193,000.

For and on behalf of the Standing Committee

MARTIN THEARLE  
*Manager, Diocesan and Policy Services*

29 August 2008

## Attachment

## Synod Appropriations and Allocations

	Actual for 2006	Actual for 2007	Actual for 2008	2009
<b>INCOME</b>				
<b>Diocesan Endowment Ordinance (distribution from the net assets of the GAB)</b>	8,387	9,013	9,923	10,630
<b><i>distributed direct –</i></b>				
St James Sydney Phillip Street Property Ord 1962 (C/F 022)	265	272	279	281
St Matthew's Manly Ordinance 1988 (C/F 175) – annual income distribution	153	334	305	310
<b><i>distributed through the Synod Fund –</i></b>				
ACPT Synod Fund (C/F 400) – interest earned after distributions from funds listed below	28	65	46	51
CENEF Ordinance (C/F 333) – 75% of the income is paid to Synod, balance is capitalised	94	128	101	102
Hunters Hill (Woolwich) Ord 1994 (C/F 566)	2	5	3	2
Georges River Region (Belfield Proceeds) Ord 1988 (C/F 438)	29	66	44	29
Narellan (Elderslie Lands) Variation of Trusts Ord 1980 (C/F 638)	50	118	75	47
Ryde (Kirkby Gardens, etc) Ord 1968 (C/F 706)	300	327	283	257
St Phillip's Sydney Ordinance 1975 (C/F 757)	10	24	15	9
St Phillip's Sydney York Street Property Ordinance 1966 (C/F 759)	124	-	-	-
<i>subtotal (excluding Diocesan Endowment Ordinance)</i>	1,055	1,339	1,151	1,088
<b>TOTAL INCOME</b>	<b>9,442</b>	<b>10,352</b>	<b>11,074</b>	<b>11,718</b>
<b><i>less</i></b> Income from the CENEF Ordinance has to be applied to AYW for capital expenditure on conference and camping centres	(94)	(128)	(101)	(102)
<b><i>add</i></b> Reversal of part of the reserves in Policy 1b arising from previous year's unspent grants	151	-	-	-
<b><i>less</i></b> 1% of above total income appropriated and added to the capital of the Indigenous Peoples' Ministry Fund – as per Standing Committee's recommendation to Synod in 2003.	(94)	(102)	(110)	(117)
<b>AVAILABLE NORMAL INCOME</b>	<b>9,405</b>	<b>10,122</b>	<b>10,863</b>	<b>11,499</b>
<b><i>add</i></b> Special appropriation of \$1,500k from the assets of the GAB to provide continuing growth of total funds available through the 2006-2008 triennium	700	361	200	-
<b>TOTAL FUNDS AVAILABLE</b>	<b>10,105</b>	<b>10,483</b>	<b>11,063</b>	<b>11,499</b>

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	<b>Actual for 2006</b>	<b>Actual for 2007</b>	<b>Actual for 2008</b>	<b>2009</b>
<b>ALLOCATIONS</b>				
<b>Policy 1a Prayer (Spiritual renewal)</b>	0.50%	0.50%	0.48%	<b>0.50%</b>
Archbishop – as recommended by the Archbishop from time to time	51	52	53	57
<u>less</u> Amounts transferred to partially offset costs of Connect09 in 2009		(52)	(53)	(57)
= Balance remaining to be applied for purposes of Policy 1a				
<b>Policy 1b Gospel work outside the Diocese (ministry support outside the Diocese)</b>	4.00%	4.50%	4.82%	<b>5.00%</b>
<b>Support inside Australia</b>				
Diocese of Armidale	11	11	11	
Diocese of North West Australia	60	60	60	
Diocese of Tasmania	10	10	10	
Anglicare Australia – National Home Mission Fund (Anglican Outback Fund)	60	60	60	
National Aboriginal and Torres Strait Island Anglican Council	7	7	7	
Archbishop – assistance to attend conferences	14	20	20	
Archbishop – training and support for ordinands going to other dioceses		21	45	
<b>Support outside Australia</b>				
Archbishop – Overseas projects (training leaders, heads of Bible Schools, visits of MTC lecturers)	205	246	283	
Archbishop – Superannuation for missionaries	27	27	27	
Archbishop – Translation PTC	10	10	10	
Work Outside the Diocese Committee				575
	404	472	533	575
<b>Policy 2 Expand and Plant and Support congregations (ministries that equip, nurture &amp; expand churches &amp; congregations and provide background support)</b>	44.01%	43.50%	45.07%	<b>44.00%</b>
Georges River Regional Council	543	543	544	566
Policy 2a	448	448	449	
Policy 2b	95	95	95	
Northern Regional Council	399	401	405	421
Policy 2a	319	321	325	
Policy 2b	80	80	80	
South Sydney Regional Council	424	440	458	476
Policy 2a	389	405	423	
Policy 2b	35	35	35	
Western Sydney Regional Council	578	595	614	639
Policy 2a	508	525	544	
Policy 2b	70	70	70	
Wollongong Regional Council	441	431	425	442
Policy 2a	416	406	395	
Policy 2b	25	25	30	
Archbishop – Special Curacies (2a)	130	135	140	146
St Andrew's Cathedral – Ministering to the City of Sydney and special services (2a)	142	142	142	148
Youthworks – Resourcing of children's & youth ministry + Special Religious Education (2b)	510	510	510	530
Youthworks – additional funding for Safe Ministry training in 2009				60

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	Actual for 2006	Actual for 2007	Actual for 2008	2009
<i>Continued...</i>				
AEC – advocacy on Education Policy (for SRE) (2b)	105	105	105	120
AEC – new P/T position to develop Christian curriculum in Anglican secondary schools				57
Evangelism Ministries (2b)	245	250	260	271
AMC – Media relations, public affairs & evangelism (Website & Southern Cross) (2b)	530	545	555	577
Anglicare – Counselling (marriage, family & personal) (2b)	100	105	110	114
Anglicare – Research (diocesan planning/NCLS) (2b)	105	108	116	180
Mission Board – Strategic Mission Projects – continuing support for NW projects (2a)	195	160	75	-
Mission Board – Strategic Mission Projects – new projects (2a)	-	90	125	-
Administration costs for Connect09	-	-	402	358
<u>add</u> Additional amount determined by Standing Committee				142
<u>less</u> Amounts transferred from Policy 1a allocation for 2007, 2008 & 2009				(162)
<u>less</u> Amounts transferred from Policy 4 allocation for 2008 & 2009				(81)
<u>less</u> Amount transferred from Synod Fund Contingencies				(14)
= Net cost to be borne by Policy 2				243
Office of the Mission Executive				170
<u>less</u> Estimate of balance not applied as at 31/12/08 under the Diocesan Mission (Funding) Ordinance 2006				(100)
= Net cost to be borne by Policy 2				70
	4,447	4,560	4,986	5,060
<b>Policy 3 Multiply workers (well trained persons)</b>	<b>33.00%</b>	<b>33.00%</b>	<b>31.80%</b>	<b>32.00%</b>
Archbishop - Pre-ordination conference, assessment & Bibles for ordinands	50	55	60	62
Archbishop – Promotion of women's ministry	65	65	65	67
Regional bishops – Clergy support (professional development & pastoral support)	20	20	20	21
Archbishop – Clergy Mobility Fund (Fund 228)	40	40	40	41
Youthworks – Youthworks College	60	131	133	138
Youthworks – Youthworks College (recruitment – year 13 program)	70	45	25	26
Moore College – General theological education (incl. married student housing)	1,285	1,315	1,365	1,415
Moore College –New library project (infrastructure)	700	500	500	518
Moore College – Faculty post graduate studies	40	45	50	52
Moore College – Ministry recruitment	100	100	100	104
Moore College – Lay development training	80	75	75	78
MT&D – Continuing education for ministers	325	350	375	389
MT&D – Recruitment (ministry apprenticeships)	60	80	100	104
Ordination Training Fund-Bursaries and support for students seeking ordination	420	400	280	365
Ordination Training Fund – Discretionary fund for special cases	20	20	20	-
Mission Board to allocate for strategic capital works/infrastructure at Moore College & Youthworks College	-	218	310	300
	3,335	3,459	3,518	3,680

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	<b>Actual for 2006</b>	<b>Actual for 2007</b>	<b>Actual for 2008</b>	<b>2009</b>
<i>Continued...</i>				
<b>Policy 4 Reform structures</b> (to remove blockages to the Mission)	0.50%	0.50%	0.48%	<b>0.50%</b>
Stan Com/Mission Board – <b>Strategic Policy 4 Mission Projects</b>	51	52	53	57
<i>less</i> Amounts transferred to partially offset costs of Connect09 in 2009			(24)	(57)
= Balance remaining to be applied for purposes of Policy 4			29	-
<b>Administration</b> (to enable the whole Diocese to be more effective for the Mission)	17.99%	18.00%	17.35%	<b>18.00%</b>
<b>Property</b>				
St Andrew's Cathedral – Staff parking (St Andrew's House)	24	25	26	25
St Andrew's House – Rent subsidies	100	95	90	70
<b>Diocesan Administration</b>				
SDS – Servicing Synod, Standing Committee, parishes, etc	850	863	870	971
SDS – Parish risk management program	150	153	155	161
Synod Fund 129 – Car parking for committee members	10	11	12	25
Archbishop's Professional Standards Unit (1/3 <sup>rd</sup> of total cost)	160	163	165	197
<b>Resourcing</b>				
Archbishop/Standing Committee – Researcher and costs of Social Issues Executive	69	71	75	80
Archbishop/Standing Committee – Employment of a fundraising professional			?	-
<b>Membership Anglican Church</b>				
Registrar – Provision for Sydney reps at General Synod	23	23	23	25
Registrar – General Synod	245	255	260	257
Registrar – Provincial Synod	9	10	11	12
Registrar – Anglican Consultative Council	10	10	10	10
Registrar – Defence Force Board	13	13	13	13
Registrar – NSW Council of Churches	9	9	9	9
Registrar – NSW Ecumenical Council	8	8	8	8
<b>Contingencies</b>				
Standing Committee – Synod Fund Contingencies	138	178	192	207
	1,818	1,887	1,919	2,070
<i>less</i> Amounts transferred from Synod Fund Contingencies to partially offset costs of Connect09 in 2009				(14)
= Balance remaining for Administration				2,056
<b>Total allocations</b>				
%	100.01%	99.99%	99.99%	100.00%
\$	10,105	10,483	11,063	11,499