

2013 Report of the Standing Committee

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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 held in the Chapter House, St Andrew's Cathedral. 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 at www.sds.asn.au.

1.3 Meetings and members

Since October 2012 we have met 10 times. The names of the members will be listed in the 2013 Diocesan Year Book and on the website of Sydney Diocesan Secretariat at www.sds.asn.au.

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

- Archbishop Peter Jensen ceased being a member *ex-officio* upon his retirement as the Archbishop of the See of Sydney. The Synod elected Bishop Glenn Davies as the next Archbishop of the See of Sydney.
- Bishop Glenn Davies ceased being a member *ex-officio* as the Bishop of North Sydney upon his election and inauguration as the Archbishop of the See of Sydney.
- Acting Judge Peter Johns ceased being a member *ex-officio* upon his retirement as Chancellor.
- Archdeacon Ian Cox ceased being a member *ex-officio* upon his retirement as Archdeacon of Liverpool for the Georges River Region.
- Archdeacon Kara Gilbert commenced being a member *ex-officio* upon her appointment as Archdeacon for Women's Ministry in the Diocese.
- A vacancy arose in the position of a lay person elected by the Northern Region upon the resignation of Ms Simone Sietsma. The Northern Region elected Ms Nicola Warwick-Mayo to fill the vacancy.

- A vacancy arose in the position of a lay person elected by the Georges River Region upon the resignation of Mr Stephen Mitchell. The Georges River Region elected Mr Robert Bradfield to fill the vacancy.
- The Rev Dr John Woodhouse ceased being a member *ex-officio* upon his retirement as Principal of Moore Theological College. The Rev Dr Mark Thompson became a member *ex-officio* upon his appointment as the new Principal.
- A vacancy arose in the position of a minister elected by the whole Synod upon the Rev Dr Mark Thompson becoming a member *ex-officio* upon his appointment as Principal of Moore Theological College. The Standing Committee elected the Rev Gary Koo to fill the vacancy.
- A vacancy arose in the position of a lay person elected by the Wollongong Region upon the resignation of Mr Peter Kell. The Wollongong Region elected Dr David Nockles to fill the vacancy.
- A vacancy arose in the position of a lay person elected by the Northern Region upon Mr Michael Meek being appointed Chancellor. The Northern Region elected Mr John Driver to fill the vacancy.

1.4 Retirement of Archbishop Peter Jensen

We noted that the June meeting was the last meeting of Archbishop Peter Jensen as a member of the Standing Committee. We recorded our thanks to God and our gratitude for the Archbishop's significant work and ministry over many years including –

- (a) his ministry in the parish of Broadway between 1969 and 1976, and
- (b) his ministry, from 1973 as Lecturer at Moore Theological College and as its Principal between 1985 and 2001, and
- (c) from 2001, his ministry to us as Archbishop, including his chairmanship of the Standing Committee, and
- (d) his leadership of the Sydney Diocese at General Synod, and
- (e) his international leadership through the Fellowship of Confessing Anglicans and the GAFCON movement.

We sent our best wishes to the Archbishop and Mrs Jensen and prayed for God's continued blessing on them and the new ministries they will exercise in the future.

Following the Archbishop's retirement, the Administrator informed us of his intention to grant Bishop Jensen the courtesy title of an archbishop to be used when he judges it fit. In informing us of this proposal, the Administrator noted that the matter had not been raised by Bishop Jensen but purely by him and others.

1.5 Inauguration of Archbishop Glenn Davies

We congratulated Bishop Glenn Davies on his election as the 12th Archbishop of Sydney on 6 August 2013 and noted that Bishop Davies was inaugurated as Archbishop in St Andrew's Cathedral on Friday 23 August 2013.

We assured Glenn and his wife Diane of our prayers, particularly during the time of transition to office.

We welcomed Archbishop Davies to his first meeting of the Standing Committee as Archbishop. We look forward to his ministry to us as Archbishop and Chairman.

1.6 Death of Acting Judge Peter Grogan

We noted with sadness the death of Acting Judge Peter Grogan who served as a Chancellor of the Diocese from 2005 to 2008. We thanked God for Peter's life and witness and extended our prayerful good wishes to his wife and their family.

1.7 The Rev Dr Mark Thompson as the next Principal of Moore Theological College

We congratulated the Rev Dr Mark Thompson on his appointment as the next Principal of Moore College and assured him and his wife of our prayers as he commenced this role.

1.8 Election of the Venerable Ian Palmer as the next Bishop of Bathurst

We noted the election of the Venerable Ian Palmer to be the next Bishop of Bathurst. We extended our prayerful best wishes to Archdeacon Palmer and his wife as they took up this new phase of their ministry.

1.9 Appointment of Mr Michael Meek SC as Deputy Chancellor and Chancellor

We noted Archbishop Jensen's appointment of Mr Michael Meek SC as Deputy Chancellor with the encouragement and good will of the then Chancellor, Acting Judge Peter Johns.

Following the retirement of Acting Judge Peter Johns as Chancellor (see item 1.14), Archbishop Davies announced his appointment of Mr Meek as Chancellor of the Diocese.

On both occasions, we congratulated Mr Meek and assured him of our prayerful support.

1.10 Death of Lady Patricia Loane

We noted with sadness the death of Lady Patricia Loane, gave thanks to God for her life and ministry and sent our condolences to her family.

1.11 Retirement of the Rev Dr John Woodhouse

We recognised that our April 2013 meeting was the last meeting for the Rev Dr John Woodhouse before his retirement as the Principal of Moore Theological College. We thanked God for John's long and faithful service of the cause of Christ as a member of the Synod and of the Standing Committee. We noted that John's personal integrity and his willingness to serve the interests of the Diocese has been an outstanding example to us all and prayed that God will bless all that he gives John to do in the new phase of his ministry.

1.12 Retirement of Archdeacon Ian Cox

We noted that our June 2013 meeting was the last meeting of Archdeacon Ian Cox prior to his retirement as Archdeacon of Liverpool. We gave God thanks for Ian's contribution at our meetings and prayed for God's continued blessing on him and his wife and the ministries they will exercise in the future.

1.13 Retirement of Mr Peter Kell

We noted the resignation of Mr Peter Kell as a member of the Standing Committee, thanked Peter for his service to the Standing Committee and prayed for God's continued blessing on his ministry in this Diocese.

1.14 Retirement of Acting Judge Peter Johns as Chancellor

We noted the retirement of Acting Judge Peter Johns as Chancellor of the Diocese, gave thanks to God for Peter's tireless work as Chancellor and his wise, considered and godly advice, and assured Peter of our sincere appreciation, best wishes and prayers.

1.15 Service of Bishop Robert Forsyth as Administrator

We thanked Bishop Robert Forsyth for his service as Administrator during the vacancy in the See of Sydney and, in particular, gave thanks for his service as President during the session of the Synod to elect the Archbishop.

1.15A Retirement of Dr Philip Selden and appointment of Mr Doug Marr as Diocesan Registrar

We noted the retirement of Dr Philip Selden as Diocesan Registrar and requested that a motion be moved at the Synod giving God thanks for Philip's dedicated and faithful service in this role for almost 12 years. We also noted Archbishop Davies' appointment of Mr Doug Marr as the next Registrar.

1.15B Death of Mr Warren Gotley

We noted with sadness the news of the death of Mr Warren Gotley who held the position of Diocesan Secretary from 1973 until his retirement in 1997. We conveyed our condolences to Warren's wife and family and assured them of our prayers at this time.

1.15C Election of Bishop Greg Thompson as the next Bishop of the Diocese of Newcastle

We congratulated Bishop Greg Thompson, Bishop of the Northern Territory, on his appointment as the next Bishop of Newcastle. We extended our prayerful good wishes to Bishop Thompson and his wife as they take up this new phase of ministry.

1.15D Death of Bishop Dudley Foord

1.16 We noted with sadness the death of Bishop Dudley Foord, gave thanks to God for his significant ministry both in the Diocese of Sydney and the Church of England in South Africa and sent our condolences to Mrs Elizabeth Foord and family and assured them of our prayers at this time.

Management and structure

Each meeting of the Standing Committee is like a small Synod meeting. The major committees are –

Mission Board	Ordinance Reviewers and Panels
Finance Committee	Social Issues Executive
General Synod Canons Committee	Stipends and Allowances Committee
Governance Oversight Committee	Work Outside the Diocese Committee

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.

2. Actions with the Archbishop

2.1 Estate of Late M.A. Grant (Sisters' Endowment)

The Archbishop-in-Council appropriated \$30,000 from this Estate for distribution by the Archbishop to assist clergy, clergy widows and clergy children or orphans who are in need.

2.2 Parramatta '54 Free Fund

The income of this fund is to be distributed among the objects of the Diocese of Sydney as determined by the Archbishop-in-Council. During the year \$6,421 was paid to the General Synod Office for the airfares, accommodation costs and travel equalisation adjustment for the 5 Sydney Bishops to attend the March 2013 Australian Bishops' Conference held in Perth.

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 and a risk management report. The reports must be lodged by 30 June each year. A later lodgement date has been approved for three organisations, Anglicare, Anglican Retirement Villages and Anglican Aid whose financial year ends on 30 June.

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.

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 the auditors have reported according to an agreed review of procedures instead of an audit.

These reports are printed separately.

3.3 Ordination training fund

From this Fund, bursaries are available to –

- (a) candidates studying through Moore Theological College or Youthworks College for ordination in Sydney, and
- (b) candidates studying through Moore Theological College or Youthworks College for commissioning as Diocesan Lay Workers in Sydney.

Bursaries are paid at the end of the academic year. In 2012, \$37,000 was paid (\$145,000 in 2011).

3.4 Ordinances

The following table shows the number of ordinances passed and assented to in 2007 to 2012 and in 2013 up to 23 September –

	2007	2008	2009	2010	2011	2012	2013
Standing Committee	45	38	27	36	40	53	39
Synod	3	6	13	4	10	3	0
	48	44	40	40	50	56	39

A separate report lists the ordinances passed by us since the 2012 session of the Synod. There are 12 ordinances of particular interest.

The *St Phillip's York Street Leasing Ordinance 2011 Amendment Ordinance 2012* extended by a period of 3 years the period in which rental proceeds arising from the lease of 1 York Street, Sydney can be distributed and reduced the proportion of income distributed to the parish from 85% to 60%.

The *Synod (Royal Commission) Special Application Ordinance 2013* provided for the application of an amount of Synod funds for the purpose of preparing and responding to the Royal Commission into

Institutional Responses to Child Sexual Abuse.

The *Wilton Estate Variation of Trusts and Land Sale Ordinance 2013* authorised the sale of certain land at Kingsford and varied the trusts of such land to enable the sale proceeds to be added to the Endowment of the See Capital Fund.

The *St Andrew's House Ordinance 1975 Amendment Ordinance 2013* provided for a 4 year fixed term of office for members of the St Andrew's House Corporation.

The *Special Religious Education (Program Evaluation) Funding Ordinance 2013* permitted the application of Synod funds for the purposes of meeting the costs and expenses of undertaking the professional evaluation of the diocesan Special Religious Education program in 2013.

The *Solemn Promises Ordinance 2011 Amending Ordinance 2013* amended the Solemn Promise to be made before a person is ordained, licensed or consecrated, or elected as Archbishop to make it clear that the elements of bread and wine in the Holy Communion must be separately distributed as well as administered.

The *Archbishop of Sydney Election Ordinance 1982 Amendment Ordinance 2013* amended the *Archbishop of Sydney Election Ordinance 1982* to enable the Synod to take a further vote on which nominees on the Select List should be placed on the Final List where no nominee has received a majority of votes in both houses of the Synod on the first vote.

The *Manly Leasing (Interim Management Arrangements) Ordinance 2013* provided for interim arrangements to permit the wardens of St Matthew's Manly to manage leased property held under the Manly Leasing and Variation of Trusts Ordinance 2006.

The *Macarthur Anglican School Ordinance 1982 Amendment Ordinance 2013* provided for a 3 year fixed term of office for members of the School Council appointed by the Archbishop.

The *Parish Administration (Safe Ministry) Amendment Ordinance 2013* extended the scope of persons required to undertake Safe Ministry Training before working with children in parishes.

The *Sydney Diocesan Secretariat Ordinance 1973 Amendment Ordinance 2013* modified the requirements for the Secretariat to report to and table its minutes at meetings of the Standing Committee.

The *St John's Parramatta Endowment Fund Ordinance 1930 Amendment Ordinance 2013* provided for a 5 year fixed term of office for the trustees of the Parramatta Endowment Fund.

3.5 Parochial cost recoveries - arrears

The following table compares the arrears of cost recovery charges as at 30 June 2012 and 2013 –

	2012	2013
Cabramatta	3,754	-
Chester Hill with Sefton	1,446	1,627
Figtree	-	1,379
Hoxton Park	-	3,961
Richmond	3,057	7,251
Rouse Hill	9,648	-
Shellharbour City Centre	12,710	7,190
Windsor	-	2,511
	<u>30,615</u>	<u>23,919</u>

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 2013, 88 parochial units (33%) had not lodged a set of prescribed financial statements. By 21 August 2013 this had improved so that only 4 parochial units (1.5%) had not lodged their financial statements.

The Finance Committee has processes in place to remind parochial units of their obligations under the Ordinance, assist with any enquiries and review the statements lodged. The Finance Committee also works with the Regional Bishops and the Archdeacon of Liverpool 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 Auburn (St Philips) and Willoughby East had local revenues below the requisite amount in 2012. These parishes have been advised of the importance of ensuring their 2013 and future revenues meet the relevant threshold figures in order to retain their parish status.

3.8 Diocesan Endowment – Review of Performance 2010-2012

Glebe Administration Board is the trustee of the Diocesan Endowment, being the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984*. The principal object of GAB is to maintain the real value of the Diocesan Endowment and provide a reasonable income therefrom.

We received a report from GAB about the performance of the Diocesan Endowment from 30 June 2010 to 31 December 2012, being the period during which the investment objective and current investment management arrangements were in place.

The report showed that the investment return objective of the Diocesan Endowment (being a real rate of return of 5% per annum) was achieved over that period and that, after the payment of costs and the making of distributions to the Synod, the real value of the Diocesan Endowment was maintained.

Further information about the performance of the Diocesan Endowment can be found in the Annual Report of GAB for 2012, which can be found on the website at www.sds.asn.au.

3.9 Diocesan Endowment – Review of the Investment Objective 2013

Every 3 years, Glebe Administration Board undertakes a comprehensive review of the investment objective of the Diocesan Endowment, having regard to the principal object to maintain the real value of the Endowment and provide a reasonable return therefrom, projected asset class returns and risk tolerances.

A review was undertaken in March 2013 with the assistance of Mercer, GAB's asset consultant.

We received a report about the result of the review and the decision of GAB to reduce the investment return objective from a real rate of return of 5% per annum measured over rolling 5 year periods to 4% per annum measured over such rolling periods.

The report also explained the major risks in managing the investments of the Diocesan Endowment, and how GAB seeks to manage those risks within acceptable tolerances.

Further information about the investment objective for the Diocesan Endowment can be found in the Annual Report of GAB for 2012, and the Investment Policy Statement for the Endowment, both of which can be found on the website at www.sds.asn.au.

3.10 Recommended distribution from the Diocesan Endowment for 2014

We noted the advice of Glebe Administration Board that, for the purposes of clause 5(1) of the *Diocesan Endowment Ordinance 1984*, \$3.6 million could prudently be distributed from the Diocesan Endowment in 2013 for spending by the Synod in 2014.

3.11 Property Trust's Long Term Pooling Fund

The Property Trust is the trustee of the Long Term Pooling Fund, being a Fund in which funds held on trust for parishes and organisations are pooled and invested in a portfolio of diversified asset classes.

We received a report from the Property Trust about the performance of the Fund from 30 June 2010 to 31 December 2012, being the period during which the current investment objective and investment management arrangements were in place.

The report showed that the investment return objective for the Fund (being a real rate of return of 5% per annum) was achieved over that period and that, after distributions, the real value of the price of a unit in the Fund was maintained.

The annual accounts of the Fund are now provided to us as required under the *Long Term Pooling Fund Ordinance 2012*.

3.12 Synod Appropriations and Allocations for 2014 and 2015

Under clause 3 of the *Synod Estimates Ordinance 1998* we are required to prepare for the 3rd ordinary session of the 49th Synod a proposed ordinance reflecting the Statement of Funding Principles and Priorities which contains estimates for 2014 and 2015 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.

A bill for the *Synod Appropriations and Allocations Ordinance 2013* and an explanatory report are printed separately.

3.13 Parochial cost recoveries for 2014 and 2015

Under clause 5 of the *Cost Recoveries Framework Ordinance 2008*, we are required to prepare for the 3rd ordinary session of the 49th Synod an ordinance which specifies the cost recoveries charge in respect of ministry costs and parochial network costs to be paid by each parochial unit in the following two financial years.

A bill for the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2013* and an explanatory report are printed separately.

3.14 Stipends, allowances and benefits for 2014

We approved an external review of the basis for setting the level of minimum stipends and allowances paid to parish ministry staff in the Diocese. Pending the outcome of the review, we agreed that the recommended minimum stipend for 2014 should continue to be determined at 80% of Average Weekly Earnings.

A report on stipends, allowances and benefits for 2014 is printed separately.

3.15 Work Outside the Diocese

In the 6 months to 30 June 2013, the Work Outside the Diocese Committee had applied \$150,204 from a total Synod allocation in 2013 of \$175,000. It is expected that further amounts will be applied during the 6 months to 31 December 2013 from the 2013 allocation, and the reserves of \$136,557.

3.16 Gilbulla Memorial Conference Centre Sale Ordinance 2001

Under the *Gilbulla Memorial Conference Centre Sale Ordinance 2001*, we are required to provide an annual report to the Synod on progress in acquiring, constructing, adapting and/or renovating a property or building to be used as a conference centre and retreat house for the Diocese.

In 2007 we agreed to release to Anglican Youthworks, upon its request to the Property Trust, the invested funds from the sale of Gilbulla Memorial Conference Centre in order to purchase a new conference centre.

Anglican Youthworks has not yet been successful in acquiring another conference site. Over the past few years Youthworks has considered several potential sites and most recently (during the winter of 2013) has been actively pursuing a camping and conferencing centre option north of Sydney along the Hawkesbury River. Youthworks is not in a rush to secure another property and remains particular about the requirements for a suitable property.

3.17 Review of Standing Committee's policies concerning parish property

Last year we reported that we had appointed a committee to undertake a review of our large receipts policy and a number of related matters.

The committee provided an extensive report with a number of recommendations. We have not yet completed our consideration of those recommendations. However it is our intention that the operation of any new policy concerning large receipts will be referred to the Synod for its endorsement.

3.18 Request from Diocese of Bathurst for financial assistance

In September 2012 we noted a letter from the Bishop of Bathurst to the Archbishop of Sydney requesting financial support for the Diocese of Bathurst. The Archbishop advised that he had appointed a working party to investigate the background to the request and report to us with recommendations.

We considered the working party's report and recommendations at our meeting in November 2012. In response, we agreed that no financial assistance should be given in the form of cash or bank guarantees. We also referred to Sydney Anglican Schools Corporation the possible acquisition of one or more of the 3 Bathurst schools at a fair market price.

Subsequently, Macquarie Anglican Grammar School at Dubbo and Orange Anglican Grammar School were purchased by Sydney Anglican Schools Corporation. See item 4.16.

3.19 Relief from the variable parish cost recoveries charges payable by the parish of Shellharbour City Centre

In August 2012, we asked the Chancellor to review a request that the parish of Shellharbour City be granted partial relief from the variable parochial cost recoveries charge payable by the parish in 2012 and 2013.

The Chancellor subsequently advised us that he had determined that the parish's request for relief be declined. However, on the recommendation of the Chancellor, we asked the Finance Committee to review and consider several matters, including whether amendments were required to clause 8(1) of the *Cost Recoveries Framework Ordinance 2008*.

After due consideration, the Finance Committee did not propose that any further action be taken.

3.20 Sale of Bishopscourt

The *Bishopscourt Sale Ordinance 2012* authorised the sale of Bishopscourt at any time within 5 years after the date of assent to the ordinance, at such price as we, acting on the recommendation of the Property Trust, approve by resolution.

The sale process is being managed by the Property Trust. The work to date includes undertaking a valuation of the property, undertaking due diligence, obtaining legal advice on the sale process, and seeking and evaluating proposals from real estate agents for the sale of the property. A real estate agent for the sale has been appointed by the Property Trust and it is expected that marketing of the property will commence in the near future.

From March 2013, we have received regular reports from the Property Trust about the progress of the sale. We have also appointed a subcommittee to liaise with the Property Trust on a day to day basis about the progress of the sale. To date, that subcommittee has reported that it is satisfied with progress.

3.21 Endowment of the See finances

We noted that the expenditure of the Endowment of the See in 2014 may exceed the income available in that year to meet that expenditure. In order to address this possibility we requested that the EOS Committee keep us informed as to the possible measures proposed by it to reduce expenditure. We also –

- (a) agreed to a summary of the 2010, 2011 and 2012 audited financial statements for the Endowment of the See being provided to members of the Synod at the 2013 Election Synod, and
- (b) requested that a suitable form of a report concerning the financial forecasts for the Endowment of the See Expenditure Fund be printed for members of the Synod as part of those materials.

A revised seven year cash flow forecast 2013-2019 for the Endowment of the See Expenditure Fund under cover of an explanatory report is printed separately.

3.22 Reserves for Synod

After reviewing the balances in the Synod Fund and the Parochial Cost Recoveries Fund after certain recent payments, the Finance Committee reported that the balance of unallocated funds in those Funds may be insufficient to cover the necessary level of working capital and provide a "risk reserve".

We asked the Finance Committee –

- (a) to assess the appropriate amount of working capital to be held in the Funds under the control of the Synod, and
- (b) to develop a policy for the purposes of establishing and maintaining a "risk reserve" for the Synod, and
- (c) to consider the merits of any unspent surplus accumulated in the Funds beyond reasonable agreed maximum working capital and risk reserve levels being periodically returned to the original source or sources of the funding by an appropriate mechanism.

Subsequently, on the recommendation of the Finance Committee, we agreed that –

- (d) generally, the current balance in each of the Funds under the control of the Synod is reasonable but not excessive, given the expected future commitments and the need for a level of working capital appropriate to the function of each Fund, and
- (e) a new Synod "holding" fund should be established as a "risk reserve" for the Synod, and
- (f) a minimum amount of "risk reserve" should be held in the new holding fund, and that amount should be reviewed annually, and

- (g) the “risk reserve” could be used if there was a material external liability or the imminent risk of such a liability which affects the Diocese as a whole and which is not properly met by other diocesan organisations or funds, and
- (h) if there was an urgent need to replenish the “risk reserve” that be done by way of a combination of a contribution from the funds of the Synod and a levy on parishes, and if there was a surplus it should be reduced by either reducing the next appropriation from the Diocesan Endowment or reducing the future Parochial Cost Recoveries charge.

3.23 Superannuation contributions and stipend continuance

We noted changes in the superannuation guarantee legislation effective 1 July 2013 which –

- remove the age restriction (70 years) for the payment of superannuation contributions, and
- increase the superannuation guarantee contribution to 9.25%.

We have asked the Sydney Diocesan Superannuation Board for its consideration of these changes and whether any amendments to the *Sydney Diocesan Superannuation Fund Ordinance 1961* are required in response. We also noted that there will be an increasing qualifying age for the aged pension with the first increase to 65.5 years in July 2017.

We are considering whether the limit on any stipend continuance insurance obtained for clergy under the Parochial Cost Recoveries program can be increased to match the increased qualifying age for the aged pension.

3.24 Future accommodation for the Archbishop

We received a report from the Endowment of the See Committee about accommodation for the next Archbishop.

In its report, the Committee advised –

- if the next Archbishop was currently serving in Sydney, there may be no immediate urgency in providing accommodation as it may be possible for him to stay in his present residence on a short term basis while the decision regarding new accommodation is made, and
- it is desirable that Bishops court be sold as soon as is practicable and the proceeds invested in the Endowment of the See Capital Fund, and
- the next Archbishop will be provided with rental accommodation but, pending the timing of the sale of Bishops court, he may be invited to move into Bishops court until that property is sold, and
- the Registrar has been requested, together with others co-opted by him, to arrange to lease a suitable residence in consultation with the next Archbishop.

3.25 Archbishop’s remuneration

We also received a report from the Endowment of the See Committee about the stipend, benefits and allowances to be offered to the next Archbishop.

Subject to one matter which we recommended the Committee review, we agreed to information about the remuneration package for the next Archbishop being provided to Synod members as part of the material prepared for the Election Synod.

3.26 Review of Mission Areas

At our request the Mission Board undertook a review of the effectiveness and funding of Mission Areas. The Mission Board reported that good progress had been made in the areas of partnership and networking among churches, growing trust, sharing of resources and prayer. Some progress had also been made in terms of rector training and coaching. We thanked the Mission Area leaders for their work in the growth of gospel partnerships in the Diocese. However, in view of the decreasing funds available, and noting that other clergy give considerable time to wider Diocesan work, we agreed that Mission Area leaders should continue their role on a voluntary unpaid basis from 2015.

We decided not to recommend any new funding for Mission Areas through Synod Appropriations and Allocations in 2014 and 2015. However we agreed that some funding to those parishes whose rector is a Mission Area leader could continue in 2014 out of accumulated reserves of the Mission Areas Fund, with payments to be approved by the Regional Bishop if he is satisfied that good work is proceeding. We also agreed that in 2014 and 2015, specific training initiatives should continue to be funded from the accumulated reserves of the Mission Areas fund, with the approval of the Archbishop or his delegate.

3.27 Parish of Forestville property development proposal

We noted the parish of Forestville is considering the development of its property at 701 Warringah Road,

Forestville. We agreed in principle with the development solely to enable the parish to take the next steps in exploring the practicality and financial viability of the project.

3.28 Financial sustainability of the Cathedral's ministries

We appointed a working group to address the issue of the sustainability of the Cathedral's ministries by our November meeting including preliminary analysis of the Cathedral's long term property maintenance needs. We also agreed in principle that from 1 January 2014 the Cathedral be exempted from all variable parish cost recoveries, levies or assessments (though continues to be liable for all fixed parish cost recoveries relating to ministers' entitlements such as superannuation), and requested that any enabling legislation be brought to our November meeting.

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, and these appointments fall vacant at this coming Synod session. Other appointments are made by the Standing Committee in its own right.

From November 2012 to June 2013, 54 such positions were filled (151 for the same period in 2011 – 2012).

4.2 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. The annual reports are printed separately, together with any reports for reclassification of provisional parishes under the *Parishes Ordinance 1979*.

4.3 Constitution of Blue Mountains Grammar School

Blue Mountains Grammar School Limited proposed an amendment to its constitution, and we appointed a working group to review the amendment. The working group considered that there was a broader range of issues which needed to be pursued with the School concerning its relationship with the Diocese before it could consider the detail of the proposed constitutional change. We authorised the working group to pursue broad discussions with the School about its relationship with the Diocese.

Upon receiving a report from the working group we requested that the Property Trust, a member of the company, be advised that we supported an amendment to the constitution relating to the appointment of the 4 directors by the members of the company.

The amendment was passed at the Annual General Meeting of the company held on 14 June 2013.

4.4 Confirmation as a pre-requisite for Ordination

Noting that there is some doubt as to the necessity of confirmation being a pre-requisite for those to be ordained deacon, we referred the question to the Chancellor for his opinion.

The Chancellor's opinion has not yet been received.

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

We undertook a review of the services provided by SDS during 2012 and confirmed that the services had been provided in a satisfactory manner. We agreed the revised form of the service level standards to be provided by SDS in 2013 and have reviewed the services provided by SDS during the first 4 months of 2013. Those services will be reviewed again later in 2013.

We affirmed the principle previously expressed that SDS should recover from each diocesan organisation it serves, including the Synod and Standing Committee but excluding parishes, the cost of serving that organisation. Noting that this principle would not be achieved in relation to the funding made available by the Synod for the purposes of services to be provided by SDS to the Synod and Standing Committee in 2013, we requested that the Mission Board Strategy Committee consider in consultation with SDS the objective of achieving full funding of the cost of SDS's services to the Synod and Standing Committee as it prepares the Synod's budgets for 2014-2015 and beyond.

4.6 Governance Oversight Committee

Last year we reported that in response to a recommendation of the Archbishop's Strategic Commission on Structure, Funding and Governance, we had agreed to establish a Governance Committee whose function was to monitor the compliance, governance and risk management processes of the central diocesan organisations (Sydney Diocesan Secretariat, Glebe Administration Board, the Property Trust and St Andrew's House Corporation) and the way in which conflicts of interest of members of those

organisations were managed.

We have asked that the committee (renamed the "Governance Oversight Committee") also consider and report back to us about the appropriateness of the current arrangements for the financial oversight of the Property Trust.

4.7 Enhanced reporting from central diocesan organisations

One of the recommendations of the Archbishop's Strategic Commission on Structure, Funding and Governance was the creation of a central investment management board. Last year we reported that we had resolved to reconsider that recommendation after the end of 2013 and, in the meantime, we had requested that Glebe Administration Board, the Property Trust and St Andrew's House Corporation provide us with reports each 6 months about key performance indicators (such as risk, performance, cost and administrative efficiency), with the first of such reports to be provided before the end of 2012.

The Archbishop's Strategic Commission also made recommendations about Sydney Diocesan Secretariat. Last year we reported that we had also resolved to reconsider those recommendations after the end of 2013 and, in the meantime, had requested that Sydney Diocesan Secretariat keep us informed of its operations and plans for the future.

In addition, we also asked the Endowment of the See Committee to provide reports each 6 months about its operations and plans for the future.

Each of the named organisations has reported to us in accordance with our requests. These reports are reviewed by the Governance Oversight Committee (see item 4.6) on our behalf.

4.8 Freedom 4 Faith

Last year we reported about the work of a group of church representatives and Christian academics known as Freedom 4 Faith to advance the cause of freedom of religion in Australia. The Diocese is an affiliate member of Freedom 4 Faith and is represented on its Board by Robert Wicks, the Diocesan Secretary, and on its campaign committee by Bishop Robert Forsyth.

Freedom 4 Faith continues to actively engage in all significant public policy issues which touch on the question of freedom of religion in Australia. In recent times, it has made extensive submissions in relation to proposals to consolidate and amend Commonwealth anti-discrimination laws (see item 5.8) and amend State legislation in a manner which would restrict religious freedom.

Freedom 4 Faith organised a religious freedom conference at the University of Sydney on 15 March 2013. Speakers included Professor Robyn Fretwell Wilson of Washington and Lee University, Professor Patrick Parkinson of the University of Sydney, Dr Ryan Messmore of Campion College Sydney, Andrea Michello-Williams of Christian Concern and the Christian Legal Centre (UK) and Professor Gillian Triggs of the Australian Human Rights Commission.

We agreed to pay Freedom 4 Faith \$10,000 from Synod Fund Contingencies for our 2013 Institution Affiliation Fee.

4.9 Richard Johnson College

Last year we reported about the new direction proposed to be taken by Richard Johnson College Limited and approved a number of amendments to the constitution of the company which would have the effect of severing its ties with the Diocese.

We were subsequently advised that the company went into voluntary liquidation on 17 November 2012 and that the assets of the company had been directed to other organisations with similar objects in accordance with a resolution of the members of the company.

4.10 Employment status of clergy

Generally speaking, parish clergy are regarded as the holders of an ecclesiastical office, and are not workers or employees at general law or for the purposes of legislation.

However, on 20 December 2012 the County Court of Victoria handed down a judgement in relation to whether a clergyman in the Diocese of Gippsland was a "worker" within the meaning of the *Accident Compensation Act 1986* (Vic). This involved the question of whether the clergyman entered and worked under a contract of services or one of employment. The application succeeded with the Court finding that the Bishop of the Diocese was the employer of the clergyman. The evidentiary matters taken into account by the court in determining whether there was an intention to create legal relations between the clergyman and the bishop were not, on the whole, dissimilar to the typical arrangements that are in place in relation to parish clergy in our Diocese, although there were nonetheless some differences which may be significant.

Accordingly, we invited the Chancellor to appoint a committee of lawyers to examine the judgement and report back to us about the potential impact of the judgement on our Diocese and to recommend what action, if any, should be taken in response.

The judgment has been appealed by the Diocese of Gippsland. The committee's examination of the judgment has been deferred pending the outcome of that appeal.

4.11 32/12 United Mission Campaign

By resolution 32/12 the Synod asked us, through the Mission Board, to work with Evangelism and New Churches to co-ordinate a united mission campaign throughout the Diocese around Easter 2014 so that people can be encouraged and enabled to share Christ with their friends and neighbours.

The Mission Board is proposing a united mission campaign around Easter 2014 using the tag line *Jesusbrings*. The campaign will be extensively promoted to all parishes over the next few months and the message reinforced at the Synod in October 2013.

The concept is that participating parishes would “buy in” to receive a suite of resources to use for a set charge. The actual charge is intended to be scaleable, so a parish could choose either the small package or large package.

In order to make it as easy as possible for parishes to agree to be involved and access the resources, it is proposed that they be able to elect to pay for the resources as an addition to their parochial cost recovery charge in 2014.

We requested that a motion be moved at the Synod about the *Jesusbrings* mission campaign.

4.12 NSW Council of Churches

We appointed a group to discuss with our representatives on the NSW Council of Churches and the next Archbishop the future of the Council, and our Diocese's involvement with it, in light of the Synod's decision last year to discontinue funding to pay for the affiliation fee for the Diocese.

The group has also been authorised to have discussions with the NSW Council of Churches about these matters.

In the meantime, we authorised the payment of \$14,822 from Synod Fund Contingencies for the purpose of paying our 2013-2014 affiliation fee for the NSW Council of Churches.

4.13 SCEGGS Darlinghurst Constitution Amendments

Last year we reported that we had deferred consideration of a proposed amendment to the constitution of SCEGGS Darlinghurst Limited until we had the benefit of discussions with the School Council about the amendment. The proposed amendment related to the provision of the constitution which limited to those directors appointed by Sydney Diocesan Secretariat discussion of the business concerning “the instruction or practice of religion or the appointment or removal of the chaplain”.

The discussions with the School Council were subsequently held and a revised form of the amendment was agreed. It was further agreed to also amend the constitution to provide for a fixed term of 3 years for directors appointed by Sydney Diocesan Secretariat, with such directors being eligible for reappointment at the end of their term.

We requested that Sydney Diocesan Secretariat support these amendments which were subsequently made at the Annual General Meeting of SCEGGS Darlinghurst held on 20 May 2013.

4.14 Parish names on the ACNC Register

As a charity, every parish (parish, provisional parish, recognised church etc) is required to be registered with the Australian Charities and Not-for-profits Commission (ACNC). The legal name of a charity appears on both the Australian Business Register and the ACNC Register.

It is readily apparent from a search of the ACNC Register that in most cases the legal name of our parishes is not the name as that last designated by the Archbishop under the *Parish Administration Ordinance 2008*. In other words, the legal name of the parish is not supported by its governing documents.

In addition, there is considered to be value in maintaining a visible Anglican “brand” in the names of parishes which appear in publically available records such as the Australian Business Register and the ACNC Register.

After receiving the comments of the Regional Councils, we have agreed the following naming protocol be adopted as the legal name for each parish –

“**Anglican Parish of**[insert last name designated by the Archbishop, ie, as it appears in the Year Book]”

Each parochial unit will be designated a “parish” for these purposes.

We have also agreed that the former legal name of each parish be added to the “other names” field of the ACNC Register.

We have asked that Sydney Diocesan Secretariat notify the ACNC, and the Australian Taxation Office if necessary, of these changes for each parish, by November 2013.

4.15 Statements of Faith used by New College and Robert Menzies College

In 2007 the Synod passed the Diocesan Policy Statement on Education. Among other things, the Policy Statement required that members of pre-schools, schools or university college councils sign a statement of personal faith, prior to taking up their office, in the form set out in its Appendix.

This requirement is now reflected in the *Synod Elections Ordinance 2000* (in relation to certain bodies whose members are elected by the Synod) and in a regulation made by the Standing Committee (in relation to certain bodies whose members we elect).

We elect the members of Robert Menzies College Council and New College Council. Both organisations include a declaration as to personal faith in their respective constitutions which must be signed by a person before they become a member. However, the form of those declarations is different from that in the Appendix to the Policy Statement of Education. Having reviewed those declarations, we amended our regulation to recognise that the signing of the declaration by a prospective member of Robert Menzies College Council or New College Council in substance satisfies the requirement to sign the statement of faith set out in the Policy Statement on Education.

4.16 Macquarie Anglican Grammar School and Orange Anglican Grammar School

On 22 July 2013, we received notification from Sydney Anglican Schools Corporation under clause 15.2(a) of the *Sydney Anglican Schools Corporation Ordinance 1947* that it had established a provisional school council for each of Macquarie Anglican Grammar School and Orange Anglican Grammar School.

The establishment of these provisional school councils was a consequence of the purchase by the Corporation from the Diocese of Bathurst of the land, buildings and business of each of the schools. The purchase is due to be completed before the end of September this year.

We were assured by the Corporation that while both schools are located beyond the geographic boundaries of the Diocese, the purchases were occurring with the very positive goodwill and support of both the Archbishop of Sydney and the Bishop of Bathurst.

4.17 Discipline Ordinance 2006 Amendment Ordinance 2013

We requested that a bill for the *Discipline Ordinance 2006 Amendment Ordinance 2013* be promoted to the Synod to clarify the recommendations that the Professional Standards Committee can make to deal with complaints and to address a number of other miscellaneous matters.

The bill and an explanatory statement for the bill are printed separately.

5. Relations with Government

5.1 Social Issues Executive

The Social Issues Executive (SIE) is a subcommittee of the Standing Committee. The SIE provides advice to the Archbishop on issues which are referred to it by him. It also provides advice on issues referred to it by the Standing Committee or at the request of the Synod. Within its resource constraints the SIE also identifies and initiates the study and discussion of social issues among Anglicans in the Diocese, and where possible interacts with Government in particular through submissions to various Parliamentary inquiries.

The SIE has published over 100 hundred ‘Social Issues briefings’ on a diverse range of current social issues. These concise and thought provoking pieces are all readily available (www.sie.org.au). The briefings continue to be a great resource for interested Christians wishing to engage meaningfully with current debates and social concerns. They cover many topics, such as Same-Sex Marriage, Euthanasia, Gambling, and the place of a Christian voice in public debate, to name a few. Past reports and submissions to government inquires into policy and legislative reforms, can be found in the same location.

The SIE continues to raise Diocesan awareness of the proposals to broaden marriage laws to encompass same sex couples and the ongoing moves towards legalising euthanasia. This past year a number of individual members have engaged in public discourse on these topics. Some notable examples

throughout the year are, the Rev Andrew Errington's, 'Same-sex marriage - what is really at issue?' published on *ABC Religion and Ethics* 30 Apr 2013; and Dr Megan Best's numerous public speaking engagements on topics such as abortion and euthanasia, including at the NSW Parliament House. Also of particular note at present are the resources and guidance on the SIE website for people who want to write opposing any moves to implement a euthanasia bill in NSW.

Finally the SIE acts as the advisory panel for the Centre for Christian Living (CCL), a centre started in 2011 devoted to examining ethical and moral issues from the perspective of Christian theology. Members of the SIE actively contribute and participate in the ministry and efforts of the CCL. For more information on the Centre for Christian Living, see the Moore Theological College Annual Report to Synod, or visit www.ccl.moore.edu.au.

5.2 Transition to the Australian Charities and Not-for-profits Commission

Last year we reported about the extensive reforms to the charities and not-for-profit sector announced by the Federal Government as part of its May 2011 budget. The key reforms are contained in the *Australian Charities and Not-for-profits Commission Act 2012* which commenced on 3 December 2012. The Australian Charities and Not-for profits Commission (ACNC) commenced operations on that date.

We reported last year that we had expressed our support for the creation of a new full time position within Sydney Diocesan Secretariat for the purposes of managing transitional and ongoing compliance work in relation to the ACNC. We authorised payments totalling \$27,200 towards the cost of the proposed Charities Compliance Officer (being 34% of the total cost) who was employed with effect from 29 January 2013. The balance of the cost is being paid by contributions from other diocesan organisations.

Part of the work undertaken has been to prepare and provide information to parishes and diocesan organisations about the steps they need to take to successfully transition to the new regulatory environment under the ACNC.

We agreed a number of policies to assist the streamlining of administration associated with the ACNC. One of these policies was to require that parishes and organisations put in place a suitable master trust ordinance before we will consider an ordinance to authorise a dealing with or variation of trusts in respect of any property held by the Property Trust or before we or the Finance Committee will consider passing a resolution under such an ordinance.

5.3 Governance standards for charities registered with the Australian Charities and Not-for-profits Commission

In December 2012, the Commonwealth Government issued a consultation paper regarding the development of governance standards for the not-for-profit sector dealing with the following matters –

- Purposes and NFP nature of a registered entity
- Accountability to members
- Compliance with Australian laws
- Responsible management of financial affairs
- Suitability of responsible entities
- Duties of responsible entities

We made a submission in response to the consultation paper, commenting upon the proposed governance standards and suggested other matters which might be considered.

Subsequently, the Government released the final form of the governance standards as a regulation under the *Australian Charities and Not-for-profits Commission Act* which commenced on 1 July 2013. Since the consultation paper, there was some simplification of the standards and a reduction in their number from 6 to 5 dealing with the following matters –

- Purpose and not-for-profit nature of a registered charity
- Accountability to members
- Compliance with Australian laws
- Duties of responsible entities (ie directors)
- Duties of responsible entities.

The regulation provides for a period of transition for registered entities, where necessary to amend their governing rules to comply with these standards.

While it is expected that many diocesan bodies, including parishes, will be exempt from a legal obligation to comply with these standards because they are "basic religious charities", a number of diocesan bodies,

including schools, will be required to comply with the standards to remain registered with the ACNC.

Although some diocesan bodies will be exempt from a legal obligation to comply with the standards, it may nonetheless be desirable for diocesan bodies which are basic religious charities to adopt these standards so far as is reasonably possible and as a matter of diocesan policy to avoid becoming detached from the mainstream regulation of charities.

Accordingly, we asked the Diocesan Governance Committee to look at the appropriate steps that should be taken in response to the governance standards made under the ACNC Act both in terms of legal compliance and policy across the Diocese.

5.4 Statutory definition of “charity”

On 8 April 2013, the Commonwealth Government released exposure draft legislation for a statutory definition of “charity” as part of its ongoing program of reforms for the not-for-profit sector.

The exposure draft was considered to be a considerable improvement on previous attempts to draft a statutory definition of charity to replace the meaning of charity under the common law. In particular, the exposure draft retained the public benefit presumption for a small number of charitable purposes, including the purpose of advancing religion.

Nevertheless we considered that there were several matters which required further consideration, and so we authorised the making of a submission on our behalf on the exposure draft.

The *Charities Act 2013* was subsequently passed by the Federal Parliament and is due to commence on 1 January 2014.

5.5 Not-for-profits Sector Tax Concession Working Group

The Not-for-Profits Sector Tax Concession Working Group, established by Treasury, issued a discussion paper which considered the range of tax concessions provided to the not-for-profit sector and identified options to improve their effectiveness in supporting the work of the sector.

A particular focus of the discussion paper was the proposal to extend gift deductibility to all charities, including churches. However, in order to achieve a revenue neutral outcome, there was also a proposal to wind-back some fringe benefit tax concessions currently extended to charities, particularly public benevolent institutions.

We appointed a committee which prepared a submission on our behalf in response to the discussion paper.

5.6 Income Tax Ruling TR 2013/2 on gift deductible school building funds

A number of our parishes operate school building funds that have been endorsed as deductible gift recipients, meaning that donors receive a tax deduction for donations made. Schools building funds have been used by parishes to raise funds for facilities with an educational purpose such as halls and multi-purpose buildings.

We reported last year that at the end of 2011 the Australian Taxation Office issued a draft Tax Ruling TR 2011/D5 which proposed significant changes to the rules as to when a building would be a “school” for tax deduction purposes. Draft Ruling TR 2011/D5 proposed that a building needed to be used exclusively for education purposes to be a “school”, with any other use being minor or occasional or integral to its use as a school. This was different to the principle set out in existing Tax Ruling TR 96/8 that education only needed to be the “principal and primary use” of the building for it to be a “school” for tax deduction purposes. This was a less onerous test that proposed by the draft Ruling.

We also reported last year that the Property Trust had made a submission that the approach of the ATO in draft Ruling TR 2011/D5 was not consistent with the law.

On 13 February 2013 the ATO released Tax Ruling TR 2013/2 in which it abandoned the test proposed in draft Ruling TR2011/D5. Nevertheless, there are a number of complexities with the new ruling that may mean it is difficult for parishes to comply without significant changes to the way “educational” activities are typically undertaken by them.

The new Ruling does not apply a “principal” use test, nor a sole use test. Instead, it provides –

- the use of a building as a school must be substantial, and
- non-school use must not be of a kind, frequency or relative magnitude as to preclude the characterisation as a school, and
- non-school use must not materially limit, detract from or otherwise be incompatible with school use, and

- where a church carries on a school, it is relevant the extent to which the school is able to control the use of the building.

The new Ruling also provides that there be a “school organisation” with a demonstrable distinct entity, which provides regular and systematic instruction in a course of non-recreational education. The Ruling outlines that a school organisation will ordinarily have its own name, be an institution in its own right (even though it may exist within a broader institution or organisation) and have a governing body which controls its affairs.

While some aspects of this test did not represent a change from the then current position, the new Ruling appears to go much further than TR96/8 in requiring that a school have a distinct identity and separate arrangements for operation and governance.

The Ruling applies to years of income commencing both before and after the date of its issue, but transitional provisions apply in respect of donations applied to meet costs incurred before that date, or binding legal obligations made before that date.

Information has been circulated to parishes about the new Ruling.

5.7 Royal Commission into Institutional Responses to Child Sexual Abuse

On 12 November 2012, the then Prime Minister announced that she would be recommending to the Governor-General the establishment of a Royal Commission into institutional responses to child sexual abuse in Australia. The Royal Commission was subsequently established by letters patent.

A report about the progress of the response of the Diocese to the Royal Commission is printed separately.

5.8 Consolidation of Commonwealth Anti-discrimination Laws

At the end of 2011, the Commonwealth Attorney-General released a discussion paper outlining a proposal to consolidate 5 current Commonwealth anti-discrimination Acts into one Act.

In late 2012, the Government released exposure draft legislation which was referred to the Senate Standing Committee on Legal and Constitutional Affairs for inquiry and report.

The Government stated that the draft legislation would not significantly change existing laws or protections, but was only intended to simplify and clarify the existing anti-discrimination legislation.

However, this was far from the case and, among other things, the draft legislation would have narrowed existing exemptions for religious organisations in certain key areas. Accordingly, we appointed a subcommittee to prepare and lodge on our behalf a submission with the Senate Standing Committee. It is understood that the Senate Standing Committee received a number of submissions about the proposed legislation.

The Senate Standing Committee subsequently released its report and, most significantly for our purposes –

- expressed the view that discrimination on religious grounds is justified if it reasonable and proportionate in the circumstances, and
- recommended that religious organisations and educational institutions should continue to have the right to employ staff in accordance with their founding ethos and values (including requiring a particular faith even if not employed in a specifically religious role), and
- recommended that exemptions that allow religious organisations to discriminate in the delivery of services in the general community should be removed, where that discrimination would otherwise be unlawful. Religious organisations should rely on general exemptions for “justifiable conduct” if they wish to discriminate in the provision of services to the public.

The Government subsequently withdrew the draft legislation, stating that it remained committed to consolidating anti-discrimination laws but that a prohibition on speech that offends or insults goes too far. The Government introduced new draft legislation to amend the *Sex Discrimination Act 1984* to –

- include sexual orientation, gender identity and intersex status as new protected attributes,
- replace the definition of ‘marital status’ with a new definition of ‘marital and relationship status’ which includes same-sex de facto couples, and
- qualify the exemption for religious bodies in section 37 of the Act by providing that the exemption does not apply if the discriminatory act or practice is connected with the provision of Commonwealth-funded aged care (but a provider may still discriminate in the employment of persons to provided that care).

The Coalition did not support the amendment to qualify the exemption for religious organisations that provide Commonwealth-funded aged care. It remains unclear whether the Coalition would seek to repeal the amendment if they are elected to government.

We asked the subcommittee which prepared our submission to keep a watching brief on this matter and interact with the Government as necessary to ensure that freedom of religion is not curtailed.

5.9 Racial vilification

In early 2013, the NSW Government announced an inquiry into the racial vilification provisions in the *Anti-Discrimination Act 1977* (NSW) and invited submissions.

On examination, it appeared that the focus of the inquiry was the criminal offence of serious racial vilification in section 20D of the Act, and was motivated by the fact that there has never been a successful prosecution under the provision. Since the focus was relatively narrow and it did not appear that the inquiry would impact religious freedom, we decided not to make a submission to the inquiry.

However, we had input into submissions made by others to the inquiry.

We continue to monitor the matter. If exposure draft legislation is later to emerge which contains an unwarranted limitation on free speech, we will make representations at that time.

5.10 Working with children check

Last year we reported about legislation being introduced into NSW to extend the screening procedure, known as the Working with Children Check (WWCC), to volunteers who have direct and face-to-face contact with children.

The new WWCC is now being phased in across NSW by the Commission for Children and Young People from 15 June 2013.

In summary, for our parishes, the new WWCC requires –

- All new persons employed after 15 June 2013 who will be in child related work must obtain a WWCC.
- All clergy, and all lay workers (paid or unpaid) working on a staff ministry team, must obtain a WWCC during the period 15 June to 31 December 2013.
- All other persons who are in child related work, including volunteers, must obtain a WWCC during 2014.

A circular has been sent to ministers and wardens explaining the requirements for WWCC and providing advice about implementation and administration.

5.11 Rights of the Terminally Ill Bill 2013

We were informed of a proposal for the introduction into the NSW Parliament of a private members' bill to legalise voluntary euthanasia. We requested that the Social Issues Executive prepare materials outlining our objections to this bill for distribution to parishes and Synod members to assist them in expressing their objections to local members of Parliament.

The bill was not referred to a parliamentary inquiry and was defeated in the Legislative Council on 23 May 2013 with 13 votes for and 23 votes against.

5.12 Freedom of religion and speech

We noted a number of recent developments in the areas of religious freedom and anti-discrimination law which suggest that it has become increasingly difficult to maintain protections for religious freedom. We requested that a motion calling on the recently elected Federal government to take steps to protect and strengthen the freedoms of religion and speech be moved at the forthcoming session of the Synod.

5.13 Exposure draft for a Cemeteries and Crematoria Bill 2013

We noted a proposal of the NSW Government for legislation to regulate the cemeteries and crematoria industry. We approved the lodgement of a submission in respect of an exposure draft for a Cemeteries and Crematoria Bill 2013.

6. The International, National and Provincial Church

6.1 28/11 General Synod assessments and consultation

A report about this matter is printed separately.

6.2 National Bishops' Protocol 15

We noted the National Bishops' Protocol 15 (2012) on Ministerial Appointments which is in the following

terms –

As bishops in the Australian Church we accept the weight of 1998 Lambeth Resolution 1.10 and the 2004 General Synod resolutions 33, 59 and 61-64 [attached to the Protocol] as expressing the mind of the Church on issues of human sexuality.

We undertake to uphold the position of our Church in regard to human sexuality as we ordain, license, authorise or appoint to ministries within our dioceses.

We understand that issues of sexuality are subject to ongoing conversation within our Church and we undertake to support these conversations, while seeking to maintain the unity of the Spirit in the bond of peace.

6.3 16th Session of the General Synod of the Anglican Church of Australia

We have been advised by the General Secretary of the General Synod that the 16th Session of the General Synod is to be held in Adelaide from 30 June to 4 July 2014.

7. Sydney Synod Matters

7.1 Special session of the 49th Synod to elect an Archbishop

A special session of the 49th Synod was held on 5 and 6 August 2013 to elect a new Archbishop of Sydney.

The proceedings of the special Synod are published on SDS's website at www.sds.asn.au.

7.2 38/07 Fellowship Meal for the proclamation of the Lord's Death

By resolution 38/07, the Synod requested that the Diocesan Doctrine Commission consider the appropriateness, with respect to the teaching of scripture and the Anglican formularies, of Anglican churches having a fellowship meal for the proclamation of the Lord's death, and to bring a report to the Synod at a convenient time.

We received a report from the Doctrine Commission and requested that the Commission reconsider the report in light of comments received from members of the Standing Committee.

We await further advice from the Doctrine Commission.

7.3 41/10 Amendments to the *Anglican Church of Australia Trust Property Act 1917*

By resolution 41/10, the Synod requested a number of amendments to the *Anglican Church of Australia Trust Property Act 1917* concerning various governance matters relevant to the proper functioning of the Property Trust.

Consideration of this request was delayed in the Attorney-General's Department.

We have recently been advised that the proposed amendments have been approved and the bill is being drafted by the Parliamentary Counsel's office to implement the amendments. It is hoped that the bill will be introduced into the Parliament in the near future.

7.4 43/10 Governance policy for diocesan organisations

In 2010, the Synod received a draft governance policy for diocesan organisations and passed resolution 47/10 which, among other things, requested that a copy of the draft policy be sent to each member of the Synod and to the board of each diocesan organisation for comment with a view to a revised form of the policy being brought to the Synod in 2011. A number of substantial submissions were received in response.

In 2011, the Synod was provided with a summary of the submissions as part of a progress report on the matter.

Following the 2011 session of the Synod, the Diocesan Governance Committee completed an extensive review of the draft governance policy taking into account 2 significant inputs, first, the submissions made by Synod members and diocesan organisations and, second, the ACNC governance standards which were finalised in early 2013 and came into effect on 1 July 2013.

As a consequence, the Governance Committee has made a number of significant changes to the draft policy. It is proposed that the revised draft policy be considered and adopted as a policy by the Synod this year.

The revised policy and accompanying report are printed separately.

7.5 19/11 Indefinite term of membership on diocesan bodies

By resolution 19/11, the Synod asked us to review the membership of diocesan organisations to

determine any bodies which have members appointed for an indefinite term and to consider whether this is appropriate.

We undertook the review and determined that the some or all of the members of the following bodies hold office for indefinite terms –

- Macarthur Anglican School Council
- St Andrew's House Corporation
- St John's Parramatta Endowment Fund.

We requested that the Diocesan Secretary consult with these bodies and bring to a future meeting suitable ordinance amendments, taking into account any comments received during the consultations.

An ordinance to amend the relevant provisions of the *St Andrew's House Ordinance 1975* has now been passed, and an ordinance to amend the *Macarthur Anglican School Ordinance 1982* has been promoted for our consideration.

Discussions are under way with the Trustees of the St John's Parramatta Endowment Fund, and we have appointed a small committee to assist in that process.

In addition, we noted that the constitutions of SCEGGS Darlinghurst Limited and SCEGGS Redlands Limited did not provide for a fixed term of office for all directors appointed by Sydney Diocesan Secretariat (SDS) on our recommendation.

We requested that SCEGGS Darlinghurst Limited be asked to amend its constitution to provide for a transition to fixed terms for all directors appointed by SDS (with retiring directors being eligible for reappointment). The amendment of the constitution has now been made (see item 4.13).

We also asked that SDS implement a process whereby those SDS appointed directors of SCEGGS Redlands who were not subject to a fixed term of office are transitioned to a fixed 3 year term. SDS has now implemented such a process.

7.6 28/11 General Synod assessment and consultation

See item 6.1.

7.7 29/11 Efficiency and transparency of Synod election processes

By resolution 29/11, the Synod asked us to consider possible improvements to the efficiency and transparency of the Synod election processes without changing the qualifications and composition of the various committees, councils and boards.

We appointed a committee to consider and report to us with proposals. We agreed in principle with the proposals, provided in 2 reports, and requested that the Diocesan Secretary prepare an ordinance to amend the *Synod Elections Ordinance 2000* to give effect to the proposals.

The bill for the *Synod Elections (Efficiency and Transparency) Amendment Ordinance 2013* is being promoted to the Synod at our request. The bill and accompanying explanatory report are printed separately.

7.8 1/12 Review of School Chapels and Chaplains Ordinance 1975

By resolution 1/12, the Synod, noting the report about the review of the *School Chapels and Chaplains Ordinance 1975* –

- (a) encouraged Synod members, school councils and the Sydney Anglican Schools Corporation to consider the report and its recommendations and provide comments to the Diocesan Secretary by 31 March 2013, and
- (b) requested that we bring to the 2013 session of the Synod suitable amendments to the Ordinance having regard to such comments.

We referred the comments received to the committee which prepared the report about the review of the Ordinance and asked the committee to prepare proposals for the amendment of the ordinance.

A report about this matter is printed separately.

7.9 5/12 Reduced number of days for Synod in 2013

By resolution 5/12, the Synod supported the holding of the 3rd ordinary session of the 49th Synod over 3 days and, for this purpose, agreed to commence meeting at 2.00pm and conclude meeting at 10.00pm on each of those days.

A motion is to be moved on the first day of the forthcoming session at our request to suspend all relevant business rules to facilitate the holding of the session of Synod over 3 days.

We also requested that a motion be moved on the last day of the session to enable the Synod to decide whether it wants to hold the Synod in 2013 over a 3 or 4 day period.

7.10 13/12 Electronic distribution of Synod materials

By resolution 13/12, the Synod requested that we bring to the next ordinary session a proposal, together with any necessary changes to our ordinances, to reduce or discontinue the distribution of materials to Synod members in printed form with effect from the 1st ordinary session of the 50th Synod in 2014.

We appointed a committee to consider the Synod's request and report to us about an appropriate proposal. On the recommendation of the committee, we have requested that a bill for the *Synod (Electronic Communications) Amendment Ordinance 2013* be promoted to the Synod at our request.

The bill and the accompanying explanatory report are printed separately.

We have also encouraged our members, where possible, to opt out of receiving printed agendas for our meetings and to request that the Diocesan Secretary report annually on the number of members who have opted out.

7.11 14/12 Special Religious Education

By resolution 14/12, the Synod, noting the report on *Special Religious Education in Government Primary Schools – the Challenge over the next Ten Years* –

- (a) affirmed its commitment to the sustaining of high quality Special Religious Education within all Government primary schools within the Diocese, and
- (b) requested that we address the need for sufficient funds for this ministry in the 2014-2015 budget.

In response to this resolution, we appointed a committee to commission a professional evaluation of the Diocese's SRE program in anticipation of the review of SRE which the NSW Government has announced will be undertaken in 2014/2015.

We passed the *Special Religious Education (Program Evaluation) Funding Ordinance 2013* and, pursuant thereto, resolved to authorise the application of funds to be applied toward the cost and expenses of undertaking that review.

7.12 21/12 Use of distributions from Diocesan Endowment

Resolution 21/12 requested we consider bringing to Synod in 2013 –

- (a) an Appropriations and Allocations Ordinance that utilises the entire Diocesan Endowment distribution amount to be paid into the Mission Property Fund and applied towards church land acquisition projects, and
- (b) a Parochial Cost Recoveries Ordinance and associated schedules such that the annual ministry costs and parochial network costs of the Diocese are no longer aided by appropriations or allocations from the Diocesan Endowment in the next budget.

We received a paper from the mover of resolution 21/12 and referred it to the Mission Board Strategy Committee for its report.

After considering the matter, the Mission Board Strategy Committee resolved to recommend to us that for 2014-2015 the funds available to the Synod from distributions from the Diocesan Endowment be allocated in accordance with the principles outlined in the Statement of Funding Principles and Priorities for 2013 and utilised in the *Synod Appropriations and Allocations Ordinance 2012* and the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2012*.

On the recommendation of the Mission Board, we adopted the Mission Board Strategy Committee's recommendation.

7.13 22/12 Church planting models for greenfields areas

By resolution 22/12, Synod requested that the Mission Board, together with the Mission Property Committee and Evangelism and New Churches and in wide consultation with other interested persons, report to the Synod in 2013 on the proposed ministry model or models – along with alternatives – which underlie the proposed land acquisitions and building plans in "greenfields" areas of the Diocese.

A report about this matter is printed separately.

7.14 27/12 Amendments to the *Faithfulness in Service* definition of bullying

By motion 27/12 Synod resolved to approve amendments to *Faithfulness in Service* with the exception of a new definition of "bullying" and deferred consideration of this definition until the next ordinary session of the Synod.

Two of the reasons put forward for the deferral last year were that Safe Work Australia was yet to finalise its model code on bullying for the purposes of work, health and safety law and that the Diocese of Melbourne had adopted a different, and perhaps more preferable, definition to that recommended by the General Synod Professional Standards Commission.

We are proposing to the Synod that it defer consideration of the definition of “bullying” for a further year. Safe Work Australia is still yet to finalise its model code although a further exposure draft has been released. It may be that *Faithfulness in Service* could cross reference the code rather than adopting its own definition since the code will apply as a benchmark for what is expected of organisations so far as the effects of bullying on work, health and safety is concerned. However perhaps the more significant factor justifying deferral is that the Diocesan Grievance Policy and Procedure is due for review by the Standing Committee after July 2014. The Grievance Policy and Procedure was principally formulated to address bullying. It would seem premature for the Synod to insert a new definition of bullying in *Faithfulness in Service* without having the benefit of the Standing Committee's review of the Grievance Policy and Procedure, especially when this review is due in less than 12 months.

7.15 28/12 Towards 2050

By resolution 28/12, the Synod, noted the terms of resolution 2/10 and the further report of the Standing Committee provided to the Synod in response to its request in resolution 3/11 and, among other things, requested that the Mission Board, on our behalf, bring to Synod in 2013 the suggested shape of the next phase of the mission of the Diocese and its response to the recommendations in the Towards 2050 report.

A report about this matter (dealing also with 31/12 Review of the Diocesan Mission) is printed separately.

7.16 31/12 Review of the Diocesan Mission

By resolution 31/12, the Synod –

- (a) asked that we, through the Mission Board, survey Synod members, parish councils and other diocesan organisations to review and assess what has been achieved and what lessons have been learned in the 10 years of the Diocesan Mission, and
- (b) asked that we, through the Mission Board, bring to Synod in 2013 a detailed report about the work of this review, including specific recommendations as to what policies, structures and implementation strategies should be adopted for the next phase of mission in the Diocese to seek and to save the lost, and
- (c) following feedback from parishes and diocesan organisations, bring to Synod in 2014 for its approval the suggested shape of the next phase of mission within the Diocese.

A report about this matter (dealing also with 28/12 Towards 2050) is printed separately.

7.17 32/12 United Mission Campaign

See item 4.11.

7.18 34/12 Consideration of Synod resolutions 19/11 and 29/11

By resolution 34/12, the Synod requested that we give due consideration to Synod resolutions 19/11 and 29/11.

See items 7.5 and 7.6.

7.19 36/12 Department of Evangelism and New Churches

By resolution 36/12, the Synod, in light of 38/11 Review of the Department of Evangelism and New Churches report –

- (a) requested that ENC consult widely with the parish council, minister, mission area leader, regional council and bishop of the area in which any new fellowship is proposed to be planted, and
- (b) requested that we bring to the next ordinary session of the Synod a redrafted amendment to the *Department of Evangelism and New Churches Ordinance 2010* that would increase effective consultation while maintaining simplicity of process and harmony of relationships between all affected parties.

A report about this matter is printed separately.

7.20 Review of the procedure for a vote by Houses

At the conclusion of the 2012 session, the Synod referred to us for our consideration the following motion which remained on its business paper –

'Synod asks the Standing Committee –

- (a) to consider the matter of a biblical basis for voting by orders,
- (b) to consult with the other dioceses within the province of NSW in order to seek amendment to the Schedule to the Anglican Church of Australia Constitutions Act 1902 to the effect of –

In clause 6 of the schedule, omit the words “any eight members of one order” and substitute instead “any eight members of the order of clergy and any eight members of the order of lay persons”, and

- (c) to report on this matter to the Synod during the session of 2013.'

We asked Bishop Glenn Davies to prepare a report for our consideration. We have approved the printing of a form of Bishop Davies' report for the Synod, but do not make any recommendations. That report is printed separately.

7.21 Further funding sources for Synod

Section 5 of the Statement of Funding Principles and Priorities for 2013 stated that “work needs to be done on how funds can be raised from other sources”. We appointed a committee to consider further funding sources for Synod and to report to us.

We have received the report of the committee and will report at a later time about the outcomes of our consideration of its recommendations.

7.22 Printing of SDS and GAB Annual Reports for Synod

The annual report and annual financial reports for Sydney Diocesan Secretariat and Glebe Administration Board have been available on line since 2010 as part of the material prepared about proceedings of the session each Synod. From 2012, SDS and GAB have also made these reports available on-line prior to their tabling at the Synod session.

In view of the on-line availability of these reports (and consistent with the stated desire of the Synod to reduce the amount of printed material used for Synod sessions) these reports will not be printed in the Synod book from this year. There will however be a suitable reference in the Synod Book to their availability on-line.

7.23 Reconstitution of Regional Councils by reference to Mission Areas

A bill for the *Regions (Mission Areas) Amendment Ordinance 2013* is being promoted to the Synod at our request to reconstitute regional councils by reference to mission areas.

The bill and the explanatory report are printed separately.

7.23 Minutes tabled at the Synod

We noted the particular need for confidentiality associated with certain matters under our consideration, including details of current legal proceedings and matters which are properly treated as commercial-in-confidence. We authorised the Diocesan Secretary to omit such material from the minutes tabled at Synod.

7.24 Resolutions made by the Synod in 2012 and not mentioned in this report

Circulars were sent to parishes and organisations about the matters arising from the 2012 Synod session. Copies of Synod resolutions were sent to appropriate persons and organisations.

7.25 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

23 September 2013