

# Anglican Church of Australia Diocese of Sydney

St Andrew's House  
Sydney Square NSW 2000  
Telephone (02) 9265 1555  
Website: [www.sds.asn.au](http://www.sds.asn.au)

PO Box Q190  
QVB Post Office NSW 1230  
Fax (02) 9261 4485

24 July 2013

## 2<sup>nd</sup> Circular to the Members of the 49<sup>th</sup> Synod

### Re: Special Session of the Synod to elect an Archbishop

Contents	Page
9. List of Nominations for the Office of Archbishop of Sydney	13
10. Brief Notes about the Nominees	16
11. Amendment of the Archbishop of Sydney Election Ordinance 1982	16
12. More on Arrangements and Procedures	16
13. More on the Endowment of the See	17
14. More on Terms and Conditions of Appointment	17
15. Meals and Car parking	18
Attachment 1 – Summary of 2010, 2011 and 2012 EOS financial accounts	20
Attachment 2 – Endowment of the See Expenditure Fund Forecasts	21

The first circular dated 11 March 2013 contains items 1 to 8. The items in this mailing supplement that material.

Robert Wicks, the Diocesan Secretary, is pleased to answer any questions about this session of the Synod.

Please bring this with you for use at Synod.



## 9. List of Nominations for the Office of Archbishop of Sydney

### List of Nominations

Under clause 8 of the Archbishop of Sydney Election Ordinance 1982 the Administrator forwards to members of the Synod the following list of the persons nominated for the office of Archbishop of the See of Sydney.

<b>Nominee</b>	<b>Names of Nominators</b>
<b>Davies, Glenn Naunton</b>	See Appendix A for names of nominators
<b>Smith, Richard James</b>	See Appendix B for names of nominators

### Appendices - Names of Nominators

*(Names of nominators are listed in alphabetical order.)*

#### Appendix A: Davies, Glenn Naunton

Abbott, Stephen	Garlato, Amanda	Paget, Michael
Adams, Michael	Gibson, Stephen	Palmer, Michael
Aitken, Michael	Glover, Richard	Parker, Bruce
Anderson, Roger	Glover, Walter	Parkes, Gregory
Armitage, Christopher	Godden, Simon	Paul, John
Bainbridge, Stephen	Gordon, Huntly	Perini, Paul
Barnett, Howard	Gould, Vanda	Peterson, Elaine
Barnett, Jacqueline	Green, Roger	Pitt, Charles
Barnett, Anita	Grugan, June	Pontin, Denis
Bayliss, Katharine	Gunsberger, Rose	Pun, Michael
Beard, Alison	Hammond, Gregory	Rae, Garry
Bellenger, Christopher	Happer, Robert	Reed, John
Bennett, Keith	Hawkins, Stuart	Reid, John
Blake SC, Garth	Head, Ivan	Roberts, Stephen
Bligh, Stephen	Henderson-Brooks, Tom	Robinson, Ramon
Boyce, Elisabeth	Heslehurst, Sean	Robson, Marguerite
Bramley, Beverley	Hindle, Darren	Ross, Gay
Bray, Roger	Holman, Stuart	Rundle, Mark
Burgess, Chris	Holmes, Greg	Sainsbury, Erica
Burke, Gregory	Huang, Tim	Salmon, Steven
Cameron, Robert	Jeffrey, Stephen	Scott, Robert
Carpenter, Emily	Johnson, Lynette	Scott, William
Chandler, John	Jones, Stephen	Segaert, Craig
Chau, Ernest	Judd, Stephen	Shao, Donald
Cheng, Hooi	Katay, Andrew	Smith, Glenn
Chilton, Frederick	Kazogolo, George	Smith, Norman
Chilton, Roger	Kelley, Heather	Sowada, Karin
Clark, John	Kells, Jacqueline	Stanis, Stephen
Clark, Mary	Krzyszowski, Judith	Stanley, Bruce
Clark, Peter	Lake, Denise	Stead, Michael
Collison, Geoffrey	Lane, Richard	Stratton, Clifford
Colman, Helen	Lanham, David	Strickland, Janet
Condie, Michael	Lau, Mee	Syme, Jan

Couch, Robyn	Lau, Clement	Taylor, Sonia
Courtney, Dane	Law, Min-Yaw	Thiem, Joseph
Cousins, Ian	Leader, Geoffrey	Thomas, Christopher
Cowling, Bryan	Leithhead, Malcolm	Thomsen, Gabriel
Cox, Ian	Llewelyn, Janet	Tildsley, Wayne
Crichton, Michael	Loane, Richard	Tonkin, Robin
Crowweller, Jim	Lukabyo, Alan	Tonks, Jeremy
Currie, Alan	Lukabyo, Sheila	Toovey, Graeme
Dalby, Keith	Ma, Nerissa	Turner, Neil
Davis, Steve	Ma, Sebastian	Vaughan, Edward
Davis, Martyn	Maclennan, Douglas	Wallace, David
Dickson, John	Mayhew, Neil	Wares, Kevin
Dickson, Jaime	McAteer, Bruce	Watson, Alicia
Dinning, Stephen	McLaughlin, Brendan	West, David
Doran, Jacqueline	Miller, Ian	Whelan, Ross
Douglas, Anthony	Mills, Richard	Whight, Margaret
Dowthwaite, Allan	Milne, David	Williams, Peter D
Ducker, Brian	Mitchell, Reg	Willsmore, Michele
East, Victor	Moffatt, Justin	Wintle, Graham
Easton, Michael	Moffitt, Alison	Wong, David
Ebsary, Elaine	Mulready, David	Wong, Ka Shuen
Emerson, Neil	Nicholson, William	Wright, Richard
England, Sarita	Noonan, Charles	Yeo, Matthew
Evans, Glynn	Oakley, Trevor	York, Ronald
Flanagan, Kevin	O'Brien, Gary	York, Malcolm
Fox, Stephen	O'Brien, Paul	Young, Philip C
Freeman, Robert	Oliver, Denis	Young (The Hon), Peter
Galea, Anthony	Olliffe, Greg	

#### **Appendix B: Smith, Richard James**

Allan, Christopher	Goldman, Raymond	Poulos, Archie
Allen, Garry	Gooch, Stephen	Ramsay, Jason
Anheluk, Omar	Gordon, Daniel	Rhee, Kyou
Armishaw, Daniel	Graham, Jeff	Roberts, Simon
Aspland, Christopher	Graham, Andrew	Roberts, Craig
Au Yeung, Danny	Grant, Sandy	Robinson, Michael
Bale, Colin	Hall, Bruce	Robinson, Mark
Bates, Geoffrey	Hanger, Christopher	Rowe, Michael
Beaven, Allan	Hannam, Robert	Russell, Adrian
Bergan, Gregory	Hargreaves, Tom	Russell, Darin
Billington, Toby	Hayward, John	Scandrett, Laurie
Blackwell, Scott	Heath, Brian	Scarfe, Ian
Blake, Michael	Heazlewood, Matthew	Schafer, Craig
Blight, Richard	Herrmann, Christopher	Selden, Pru
Bliss, Peter	Hodgkinson, Stephen	Semenchuk, Stephen
Boag, Hayley	Hopkins, Merrin	Sharp, Robert

Bowers, Terence	Howell, Deryck	Sheedy, Michael
Boyd, Mark	Hurley, Caitlin	Sheen, Suzy
Bradfield, Robert	Hutchinson, Peter	Sheen, Annette
Braga, Christopher	Ide, Richard	Shirriff, Phillip
Brown, James	Irwin, Warren	Siemens, Geoffrey
Bruce, Andrew	Jefferson, Matthew	Smith, Claire
Brush, Edward	Jensen, Phillip	Snelson, Matthew
Bryan, Steve	Kellahan, Michael	Snelson, Andrew
Budd, Noella	Kim, Kevin	Squire, Jonathan
Bull, Stefan	Kim, Francis	Stace, Baden
Buultjens, Clive	Kinstead, Robin	Steele, Dominic
Cameron, Neil	Koo, Gary	Stenhouse, Tara
Carlisle, Stephen	Kukulka, Andrew	Street, Allison
Cartwright, Ian	Kwan, Donny	Sung, John
Chappell, John	Kyngdon, Geoff	Sykes, Matthew
Charleston, Mark	Laing, John	Taylor, Adam
Clarke, David	Lavender, John	Thambyrajah, Janette
Cocking, Rodney	Leaver, Robyn	Thomas, Martin
Colgan, Phillip	Lim, Andrew	Thomas, Kerry
Colquhoun, Wendy	Lin, Peter	Thompson, Mark
Cowne, John	Mackellar, Colin	Tong, Peter
Creelman, John	Maltman, Peter	Tong, Sylvia
Crew, Graham	Manchester, Simon	Tonks, Jeremy
Cunningham, Roger	Matthei, Carl	Tooher, Jane
Daley, Elizabeth	McCoy, Peter	Treweek, Danielle
Davey, Paul	McKensy, Ian	Tung, Brian
de Jersey, Warwick	McNeill, Jodie	Turner, Michael
Dimmell, Wayne	Mears, David	Vassallo, Raymond
Dixon, Nigel	Millican, Ian	Veron, Zachary
Dodd, Allan	Moroney, Chris	Warren, Joanna
Dorman, David	Morrison, Bruce	Warren, James
Douglas, Anthony	Murphy, Judith	Warren-Gash, David
Douglas, Brett	Murray, Antony	Watson, Barry
Draney, Andrew	Murray, Margot	Watson, Colin
Driver, John	Murray, Graham	Webb, Nigel
Earnshaw, Deborah	Nagel, Kerry	Wells, Alicia
Ellis, Clive	Napier, Alison	Wenden, Richard
Esdale, David	Newman, Barry	Wenden, Juliet
Fitzpatrick, Neil	Norved, Hans	West, Ken
Flavin, James	Olliffe, Matthew	White, Andrew
Flower, Jennifer	Olliffe, Craig	Whiting, Paul
Fortescue, Nigel	Ould, David	Willis, Tony
Fortescue, Nicola	Parsons, Gavin	Wiltshire, Joseph
Freeman, Jeremy	Pascoe, John	Windsor, Kim
Galea, Raymond	Pears, Christopher	Wong, Sylvia
Ghazal, Moussa	Pearson, Stuart	Woods, Steven

Gilbert, Kara  
Gilbert, Mark  
Glynn, Daniel

Peisley, Greg  
Poole, Gavin  
Potter, Matthew

Wright, Richard  
Young, Stephen

## 10. Brief Notes about the Nominees

**DAVIES, Glenn Naunton** b 1950; Uni Syd BSc 1972; Westminster MDiv (1 Cl Hons), ThM (1 Cl Hons) 1979; MTC DipA 1981; Sheffield PhD 1988; D & P 1981 by Abp Syd; Cons Bp in St Andrew's Cath, Syd on St Thomas' Day 2001, by Abp Syd; C Willoughby 1981 – 82; Lect MTC 1983 – 95; R Miranda 1995 – 2001; Canon Theologian, Dio Ballarat fr 2000; Bishop of North Sydney fr 2002; Archdeacon of North Sydney fr 2009.

**SMITH, Richard James.** b 1964; Syd Uni BA; MTC BD, DipMin 1997; D & P 1997 by Abp Syd; AM St Thomas' North Sydney 1997 – 2000; CIC Naremburn/Cammeray 2000 – 2004; Abp's Min Chap fr 2004; MTC MA 2005; R Naremburn/Cammeray fr 2005; AD North Sydney 2006 – 09; Canon St Andrew's Cath fr 2010.

## 11. Amendment of the Archbishop of Sydney Election Ordinance 1982

- 11.1 The Standing Committee has recently passed an ordinance to amend the Archbishop of Sydney Election Ordinance 1982 (the "Principal Ordinance"). The ordinance has received assent.
- 11.2 Under the Principal Ordinance, in order for a nominee who is on the Select List to be placed on the Final List, it is necessary for a majority of the members in both houses to vote by secret ballot in favour of a motion that the name of the nominee be placed on the Final List (clause 16). Prior to the passing of the recent amendments, clause 17(5) of the Principal Ordinance provided that if no nominee on the Select List received a majority of votes in both houses, the Synod would be required to adjourn and the nomination process start again.
- 11.3 Under the recently passed amendments, if no nominee on the Select List receives a majority of votes in both houses, the Synod is first given the option of voting again to determine whether a majority of both houses might be achieved. If the Synod decides not to vote again it retains the capacity to adjourn the session and start the nomination process again.
- 11.4 A copy of the Principal Ordinance, consolidated to include the recent amendment, is enclosed with this circular.

## 12. More on Arrangements and Procedures

### Mailings to Members

- 12.1 The following material has been sent to members: further copies will be available at the Secretaries' Table in the Wesley Theatre.

*11 March*

The circular including the Archbishop's Summons and details of arrangements and procedures.

*24 July*

This circular, your name tag, follow-on ticket (and instructions) and the business paper for 5 August.

- 12.2 You will need these documents for reference during the Synod session.

### Dates, Times and Venue

- 12.3 Please revisit items 2.1 to 2.3 of the circular of 11 March. The business paper for 5 August repeats some dates and times etc.

### **Name Tags/Public Gallery**

- 12.4 *Please wear your name tag* as it is our major means of ensuring that Synod members only are admitted to the Theatre after the Presidential address on 5 August.
- 12.5 If you lose your name tag or forget to bring it, see the Deputy Registrar, Mrs Catherine Rich, at the Theatre for a temporary replacement. You will need to produce some form of photo ID for the temporary replacement tag to be issued.
- 12.6 There is a public gallery only for the opening sitting of the Synod.

### **Returning Officers/Voting**

- 12.7 John Chapman and Martin Thearle are in charge of vote counting.
- 12.8 The voting procedures for the various stages are printed on the business paper. Please also revisit items 3.1 to 3.42 inclusive of the circular of 11 March.

### **Use of social media**

- 12.9 Under clause 12 of the Archbishop of Sydney Elections Ordinance 1982 the public (including the media) will be excluded from the Synod meeting place at the conclusion of the Presidential address on the first day and will continue to be excluded until the end of the session on a subsequent day. Such exclusion seeks to create an environment in which Synod members can engage in free and frank discussion for the purposes of electing the next Archbishop.
- 12.10 It is considered that free and frank discussion among Synod members could be significantly undermined if Synod members use social media to convey accounts of Synod proceedings to or discuss proceedings with members of the public, particularly the media, before the outcome is known. Accordingly, the Standing Committee has requested that a motion be moved during the formalities on the first day of the session to enable the Synod to put in place a protocol concerning the use of social media and related matters during the period the public is excluded from the session. The motion is set out at item 1.13 of the Business Paper for the first day.
- 12.11 The motion does not propose that Synod members refrain from discussing entirely with non-Synod members the proceedings of the session during the public's exclusion from the meeting place. Rather the focus is communications undertaken by way of social media given its pervasive nature.
- 12.12 Consistent with the arrangements outlined in the first circular sent to Synod members on 11 March 2013, the protocol would not exclude the Chief Executive Officer of Anglican Media, with the approval of the President, to arrange for press releases to be made at appropriate times.

## **13. More on the Endowment of the See**

- 13.1 A summary of the financial accounts for the Endowment of the See for 2010, 2011 and 2012 are included as Attachment 1 to this circular.
- 13.2 A report concerning the financial forecasts for the Endowment of the See Expenditure Fund is included as Attachment 2 to this circular.

## **14. More on Terms and Conditions of Appointment**

- 14.1 Under the Endowment of the See Expenditure Ordinance 2012, the Endowment of the See Committee has determined that the following remuneration package will be provided to for the next Archbishop –
- Stipend – 200% of the clergy minimum stipend as recommended under the guidelines approved from time to time by the Standing Committee, packaged if requested by the Archbishop.
  - Superannuation – 17% of stipend or as recommended from time to time by the Standing Committee.
  - Long Service Leave – provided in accordance with the Long Service Leave Canon 1992.
  - Annual leave – provided in accordance with the Annual Leave Ordinance 1983.

- Motor vehicle – a fully serviced motor vehicle in accordance with the guidelines established for the provision of motor vehicles for senior episcopal staff.
- Accommodation – suitable housing to be leased in consultation with the Archbishop.
- Travelling expenses – necessary intrastate, interstate and overseas travel on official business, apart from those expenses paid by the Work Outside the Diocese Committee.
- Representation expenses – reimbursed for reasonable entertainment and other representation expenses incurred in the performance of his duty.
- Office services – provided in St Andrew’s House, and including but not limited to secretarial assistance, telephone (landline and mobile), computer and tablet.

## 15. Meals and Car parking

### Meals etc

- 15.1 Drinking water dispensers are located in the Wesley Theatre Foyer.
- 15.2 There are a number of small restaurants and cafes in the vicinity of the Wesley Centre where a quick cup of coffee or a meal can be obtained for a reasonable range of prices.

### Parking rates and times

- 15.3 We have negotiated the following car parking rates at 2 car parks for Synod members –

#### **St Andrew’s House (Wilson Parking), Kent Street**

##### *1<sup>st</sup> Day of Election Synod*

Full Day Rate (in before 5 pm and out before midnight)	\$25	(follow-on ticket required)
Evening Rate (in after 5 pm and out before midnight)	\$8	(no follow-on ticket required)

##### *Subsequent days of Election Synod*

Evening Rate (in after 5 pm and out before midnight)	\$8	(no follow-on ticket required)
--	-----	--------------------------------

#### **Piccadilly Car Park (Secure Parking), Pitt Street, underneath Wesley Centre**

##### *All days of Election Synod*

Full Day Rate (in after 2 pm and out before midnight)	\$31.50	(Secure discount ticket required)
---	---------	-----------------------------------

- 15.4 Parking cannot be guaranteed in either of these car parks but if they are full there are other car parks you might use (in Kent Street especially, see overflow parking below). Overnight parking costs extra.
- 15.5 Please note that the St Andrew’s House car park closes at midnight each night during Synod.

### Parking procedure

#### *St Andrew’s House*

- 15.6 For the St Andrew’s House car park, we have included with this mailing one parking “follow-on” ticket (and instructions) which will enable you to obtain the discounted price of \$25 if you park your vehicle before 5.00pm on the first day of the Election Synod.
- 15.7 If you wish to pre-pay your parking on the first day of the Election Synod you will need to see the on-site manager who will, on the presentation of the follow-on ticket and the payment of \$25, issue you with an exit ticket. If you are unable to pre-pay, then before leaving the car park at the end of the evening, you insert the parking ticket into one of the Automatic Pay Stations on Level 2 or 4 followed by the follow-on ticket, then pay the \$25.
- 15.8 No follow-on ticket is required if you park after 5.00pm on any day of the Election Synod, when a flat rate of \$8.00 will apply. This can be prepaid.
- 15.9 The more Synod members that pre-pay their parking, the less time members will spend queuing at the Automatic Pay Stations at the end of each night of Synod.

15.10 Please note that the enclosed follow-on ticket does not guarantee a space at the St Andrew's House car park. As for previous years, you are encouraged to car-pool to maximise the number of car park spaces available.

*Overflow parking*

15.11 The operator of the St Andrew's House car park, Wilson Parking, is offering overflow parking at Citipark, 431 Kent Street (north of St Andrew's House) on **Monday 5 August**. A Wilson Parking manager will be on site at the St Andrew's House car park on the first day of the Election Synod to provide a follow-on ticket for use at 431 Kent Street at the same \$25 rate.

*Piccadilly*

15.12 For the Piccadilly car park, you will be issued with a parking ticket at the entry of the car park. You can then obtain a "Secure discount ticket" from the Clerks' table at the Synod venue for use on the day at the Automatic Pay Station. Before leaving the car park at the end of the evening, you insert the parking ticket into the Automatic Pay Station, followed by the "Secure discount ticket" which will discount the parking fee down to \$31.50. You need a ticket for each day.

15.13 Please note that parking *cannot* be prepaid at the Piccadilly car park.

## Balance Sheet Summary (year end 31 December)

	Year end 31 December		From 14 August Expenditure Fund	Capital Fund
	2010 \$	2011 \$	2012 \$	2012 \$
<b>Current Assets</b>				
Cash and Term deposits	3,471,102	4,695,002	2,210,401	2,468,917
Investments in Long Term Pooling Fund	4,081,635	3,756,000		4,163,503
Other Current assets	82,582	75,755	19,668	51,735
<b>Total</b>	<b>7,635,319</b>	<b>8,526,757</b>	<b>2,230,069</b>	<b>6,684,155</b>
<b>Non Current Assets</b>				
Land and Buildings	30,133,508	24,432,622	257,797	24,290,000
Investment in St Andrew's House	31,629,319	40,948,559		41,580,894
<b>Total</b>	<b>61,762,827</b>	<b>65,381,181</b>	<b>257,797</b>	<b>65,870,894</b>
<b>Total Assets</b>	<b>69,398,146</b>	<b>73,907,938</b>	<b>2,487,866</b>	<b>72,555,049</b>
<b>Liabilities</b>				
Payables	255,587	304,269	68,548	17,129
Provisions for employee benefits	429,824	391,910	370,340	-
<b>Total</b>	<b>685,411</b>	<b>696,179</b>	<b>438,888</b>	<b>17,129</b>
<b>Net Assets</b>	<b>68,712,735</b>	<b>73,211,759</b>	<b>2,048,978</b>	<b>72,537,920</b>
<b>Equity</b>				
Capital	10,684,647	10,684,647	2,801,336	7,883,311
Asset Revaluation Reserve	22,852,045	19,757,858	-	22,231,176
Refurbishment Reserve	1,130,389	2,348,470	-	-
Accumulate surplus	34,045,654	40,420,784	(752,358)	42,423,433
<b>Total</b>	<b>68,712,735</b>	<b>73,211,759</b>	<b>2,048,978</b>	<b>72,537,920</b>

## Income and Expenditure Summary (year end 31 December)

	Year end 31 December		From 14 August Expenditure Fund	Capital Fund
	2010 \$	2011 \$	2012 \$	2012 \$
<b>Income</b>				
Rents, Interest and Dividend income	697,062	572,104	159,929	512,475
Parochial funding	-	896,727	-	-
Grants and donations	522,699	580,680	100,695	364,870
<b>Total</b>	<b>1,219,761</b>	<b>2,049,511</b>	<b>260,624</b>	<b>877,345</b>
<b>Expenses</b>				
Staff costs	1,784,520	1,679,496	638,157	1,159,393
Rent and office costs	514,975	530,696	159,060	359,652
Other costs	1,158,461	914,597	215,765	677,013
<b>Total</b>	<b>3,457,956</b>	<b>3,124,789</b>	<b>1,012,982</b>	<b>2,196,058</b>
<b>Net Income</b>	<b>(2,238,195)</b>	<b>(1,075,278)</b>	<b>(752,358)</b>	<b>(1,318,713)</b>
Value Adjustment for Investments	4,426,051	8,993,875	-	1,039,838
Value adjustment on Properties	(1,779,775)	(3,419,573)	-	2,406,372
<b>Surplus/(deficit) for year</b>	<b>408,081</b>	<b>4,499,024</b>	<b>(752,358)</b>	<b>2,127,497</b>

## Endowment of the See Expenditure Fund Forecast

(A report from the Standing Committee.)

### Purpose

1. The purpose of this report is to inform the Synod of the financial forecasts for the Endowment of the See ("EOS") Expenditure Fund for 2013 to 2017, together with actions taken by the EOS Committee to increase income and reduce expenditure.

### Recommendation

2. It is recommended that Synod receives this report.

### Background

3. For some years the EOS Committee has been aware of the need to ensure that funding for the purposes of the Archbishop's Office is made more sustainable.

4. Different solutions were explored and, in particular, advice given to the EOS Committee indicated that the Greenoaks development would provide a substantial injection of funds which would largely solve the difficulty. However, this proved not to be the case.

5. The Global Financial Crisis occurred in 2008.

6. The Archbishop's office was further affected by the cessation of distributions from St Andrew's House Corporation to the EOS Committee during 2010 to 2012.

7. As a consequence the EOS Committee was forced from 2009 to make some hard decisions to drastically reduce expenditure. A number of measures were undertaken, the most significant of which was to reduce staffing by one-third from 27 to 18. These measures had the effect of reducing expenditure from approximately \$5 million per year to \$3 million per year, but also meant that the Archbishop's office was not able to function as efficiently as before, with added pressure on the workload of bishops and others assisting the Archbishop.

8. In 2012 the Endowment of the See Capital Ordinance and the Endowment of the See Expenditure Ordinance were passed. Anglican Church Property Trust Diocese of Sydney ("ACPT") now has the responsibility of managing the capital of the EOS and the EOS Committee manages the expenditure.

9. The Property Trust has recently considered five year cash flow forecasts for the Capital Fund and the EOS Committee has considered five year cash flow forecasts for the Expenditure Fund.

### Progress

10. The first draft of the five year cash flow forecasts for the EOS Expenditure Fund showed that by the end of 2017, the Fund would have a cash deficit of \$754,027, resulting from expenditure exceeding income in each of the years from 2013 to 2017.

11. As a consequence, the Archbishop and the EOS Committee recognised the need to –

- (a) Reduce expenditure by at least \$200,000 per annum,
- (b) Seek to increase income, either by increasing the income from existing sources, or developing new sources of income.

12. It was also recognised that as well as eliminating the forecast cash deficit, it was desirable to build up sufficient cash reserves. The EOS Committee was advised that a cash reserve equal to the expenditure for 3-4 months was prudent. This is an amount of about \$1 million.

### *Reducing expenditure*

13. It was recognised that 5 regions could not financially be sustained into the future, and that the EOS Committee would only be able to pay for 4 regions.

14. The Archdeacon of Liverpool in the Georges River Region concludes his appointment at the end of June 2013. The Archbishop has put other arrangements into place to provide Episcopal ministry without significant charge to the EOS Committee until the end of 2013.

15. The reduction to 4 regions, together with several other small expenditure savings amounted to a total of \$1,183,704 over the period to the end of 2017. This resulted in a revised forecast of a cash surplus at the end of 2017 of \$429,677.

16. Nevertheless, the forecasts showed that in most years expenditure would still exceed income, necessitating further savings to be made. The Archbishop and the EOS Committee have considered whether further reductions could be made (notably in staffing) and concluded that the running of the Archbishop's office and episcopal ministry would be adversely affected by any such move.

#### *Enhancing income*

17. Consideration was given as to whether additional income could be generated from existing income sources.

18. At a joint meeting of representatives of the EOS Committee, ACPT and St Andrew's House Corporation on 31 May 2013, the members of St Andrew's House Corporation were asked to explore the possibility of making a small increase in distributions from the St Andrew's House Trust. This in turn would increase the distributions able to be made by ACPT from the EOS Capital Fund to the EOS Expenditure Fund.

19. After its meeting of 5 June 2013, the Corporation advised the EOS Committee that a small increase in distributions from 2013 could be made, with the likelihood of further increased distributions in 2014 to 2017.

20. With the incorporation of the increase in distributions, the revised forecasts indicate that the cash surplus at the end of 2017 would amount to \$1,195,080, with income of the Expenditure Fund exceeding expenditure from 2015 onwards. A summary of those forecasts and the main assumptions made in preparing those assumption, is attached.

21. A key assumption in the forecasts is that Bishops court will be sold towards the end of 2014, with the proceeds of sale forming part of the Capital Fund and being invested in their entirety in the Long Term Pooling Fund. This will result in an increase in the distributions from the Capital Fund to the Expenditure Fund which will enable the payment of rent for the residence for the Archbishop and contribute towards the other expenses of the EOS.

22. In addition, five year financial forecasts for the Expenditure Fund have been prepared with alternative assumptions for the timing of the sale of Bishops court. These assumptions show that if the sale of Bishops court is delayed beyond the end of 2014, standby funding is likely to be required for the EOS Expenditure Fund during 2015.

23. In terms of seeking other sources of income, the EOS Committee believes that alternative funding of the Archives should be considered. The EOS has paid the total cost of the Archives for many years, apart from the last couple of years in which there has been a contribution of \$50k from PCR. There is a good argument that the responsibility for Archives is a synodical or parish one, rather than simply the EOS. Accordingly, an increase in PCR funding for Archives is sought by the EOS Committee. This is not factored into the attached cash flow projections.

#### **Summary**

24. The current five year projection which incorporates increased funding from St Andrew's House Corporation and reduced expenditure by having 4 regions rather than 5, indicates that the provision of funding for the Archbishop's office from the Endowment of the See should be possible over the next 5 years and into the future.

25. Those projections anticipate the necessity of selling Bishops court.

26. It will still be necessary for the EOS Committee to watch income and expenditure carefully, particularly so that a cash surplus can be built up to provide a buffer for several months' expenditure should the need arise.

For and behalf of the Standing Committee

PHILIP SELDEN  
*Diocesan Registrar*

11 June 2013

## Summary of forecasts

### Endowment of the See Expenditure Fund

#### Income Forecasts

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
<b>Income</b>					
Rents, Interest and Donations income	\$311,905	\$292,998	\$294,632	\$308,736	\$318,557
EOS Capital Fund distributions	\$1,478,467	\$1,949,483	\$2,677,126	\$2,693,477	\$2,736,527
Grants	\$176,000	\$0	\$0	\$0	\$0
Total	\$1,966,372	\$2,242,481	\$2,971,758	\$3,002,213	\$3,055,084
<b>Expenses</b>					
Staff costs	\$1,718,910	\$1,663,994	\$1,713,914	\$1,765,332	\$1,818,293
Rent and office costs	\$461,807	\$553,859	\$570,476	\$587,591	\$605,218
Other costs	\$497,191	\$499,242	\$514,219	\$529,646	\$545,536
Total	\$2,677,908	\$2,717,095	\$2,798,609	\$2,882,569	\$2,969,047
Net Income/(loss)	<b>(\$711,536)</b>	<b>(\$474,614)</b>	<b>\$173,149</b>	<b>\$119,644</b>	<b>\$86,037</b>
Closing Cash balance	<b>\$1,498,865</b>	<b>\$849,250</b>	<b>\$1,022,399</b>	<b>\$1,142,043</b>	<b>\$1,195,080</b>

#### Key Assumptions

EOS Capital fund distributions reflect increased

St Andrew's House distributions

Long Term Pooling Fund distributions (inclusive of Bishops court sale proceeds from late 2014)

Rental accommodation for Archbishop from 2014

Expenses increase 3% pa