

# Toward the Development of a Diocesan Property Strategy

(A report from the Standing Committee.)

## Key Points

- On advice from the Archbishop's Property Forum and the Diocesan Property Directions Committee, the Standing Committee recommends the development of a diocesan-wide ministry-directed property strategy that encourages fellowship in the mission in the whole Diocese in relation to property decisions.
- Our Synod and parishes have a long and commendable history of giving generously to establish new churches in new communities (e.g., Vision for Growth in the 1980's and 1990's). More recently, the Synod has enacted mechanisms to enable parishes to contribute to ministry property needs across the diocese, such as the 2% Church Land Acquisition Levy and the Property Receipts Levy.
- The purpose of this report is to advise the Synod that the Standing Committee intends to develop a diocesan-wide ministry-directed property strategy, to be brought to the next session of the Synod. The Standing Committee seeks to develop this in consultation with members of the Synod, and invites all members of Synod to provide feedback on this report.

## Purpose

1. To advise the Synod about the development of a diocesan-wide ministry-directed property strategy, and to invite members of the Synod to be involved in a consultation process in the development of the report.

## Recommendations

2. Synod receive the report *Toward the Development of a Diocesan Property Strategy*.
3. Synod note that the members of Synod have been invited to contribute to the development of a diocesan-wide ministry-directed property strategy that will encourage fellowship in the mission in the whole Diocese in relation to property decisions, and that they can send their feedback on the report to the Diocesan Secretary ([DiocesanSecretary@sydney.anglican.asn.au](mailto:DiocesanSecretary@sydney.anglican.asn.au)) by 31 December 2022.
4. Synod ask the Standing Committee to prepare a diocesan-wide ministry-directed property strategy for the next session of the Synod, having taken into account the feedback from synod members.

## Background

5. In 2021, Archbishop Kanishka Raffel established the Archbishop's Property Forum (**APF**), in recognition that property issues were significant barriers to future ministry, both in the Greenfields, in terms of lack of sites, and in existing suburbs, by way of inadequate or substandard facilities.
6. In relation to Greenfields sites, the APF recognised that we are at a crucial strategic moment for the work of the gospel in the Diocese, because sites for future churches in the Greenfields will not be available once an area has been developed. However, purchasing appropriate sites is not the only issue. The cost of construction of a new church in a new community is well beyond the capacity of an emerging new congregation. We cannot provide new churches in new communities without substantial support from other parishes. One of the recommendations of the APF was to develop a diocesan-wide ministry-directed property strategy that encourages fellowship in the mission in the whole Diocese in relation to property decisions. The Standing Committee has endorsed this recommendation, on advice from an ad-hoc sub-committee (the Diocesan Property Directions Committee).

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7. There is currently no consolidated diocesan property strategy. There are various guidelines, directions, policies and strategies relating to buildings and property that have been developed by Standing Committee, the Anglican Church Property Trust (**ACPT**), the Growth Corporation, Anglicare, Moore College and The Anglican Schools Corporation (**TASC**). Parishes can pursue and implement their own local buildings and property initiatives without any awareness of wider strategic ministry needs.
8. This has resulted in some uncertainty about how to best utilise buildings and property to support and facilitate ministry and evangelism across the Diocese and a likely duplication of effort across organisations. It also means there is a lack of connectivity between strategies and potentially lost opportunities and value.
9. There is a Scriptural basis for the sharing of parish property income: where there are churches who are in circumstances of “plenty”, it is appropriate to encourage them to share this blessing with those who are in need elsewhere.
10. Parishes in the Diocese have a long history of working cooperatively in relation to diocesan-wide property decisions (e.g., Vision for Growth in the 1980’s and 1990’s). More recently, the Synod has enacted mechanisms to enable parishes to contribute to ministry property needs across the Diocese, such as the 2% Church Land Acquisition Levy and the Property Receipts Levy. These initiatives were implemented because the Synod recognised the impossibility of new churches purchasing land and constructing new buildings on their own.
11. The principle of considering the interests of the whole Diocese when making decisions about church trust property has also been reflected in policies of the Standing Committee, such as –
  - (a) a Large Property Sale Receipts Policy, whereby if the anticipated net proceeds of the sale of parish property exceed the expected cost of the intended application(s) of those proceeds, 50% of the ‘excess’ should be shared outside the parish,
  - (b) a Property (Lease, Licence and Investment) Receipts Policy, whereby all property receipts (i.e., lease, licence and investment income) should be subject to the Property Receipts Levy, or otherwise provide at least an equivalent matching amount to be shared with the Diocese, and
  - (c) an Urban Renewal Support Contribution policy, whereby parishes participating in the Growth Corporation’s Urban Renewal Pilot Program will return some of the surplus generated from the development to the Ministry Infrastructure Development Fund (**MIDF**) for the benefit of the wider property needs of the Diocese.
12. The Standing Committee has also –
  - (a) agreed as a matter of policy that the biblical principles of gospel partnership, manifested in generosity and sacrifice, should guide the thinking of both the parish and the Standing Committee with respect to the application of sale proceeds and property income, and
  - (b) adopted procedures in relation to any proposed sale of parish property, including an assessment of the strategic value of retaining the property for the purposes of mission in the whole Diocese.
13. The Standing Committee recognises that as we continue to move forward in this direction, it is imperative that the Synod continues to embrace and endorse the principle of fellowship in mission across the Diocese. The Standing Committee recommends that this be expressed in a diocesan-wide property strategy that is developed in consultation with the members of the Synod.
14. The Anglican Church Growth Corporation (**Growth Corporation**) has also done preparatory work to understand the property challenges facing the diocese. The Growth Corporation, in partnership with the Sustainable Development Group, commissioned a strategic planning study from SGS Economics. The intent of the research was to review the Department of Planning’s population projections out to 2056 and apply a Diocesan and parish lens to provide base information for strategically assessing the need for, and adequacy of, ministry and evangelism infrastructure across the Diocese.
15. This information has enabled a data-driven assessment of where in the Diocese we are ‘over-served’ or ‘under-served’ by ministry infrastructure from a population growth perspective. There are other important lenses needed to assess the appropriate actions we need to take to optimise our

property and built-form resources for the Kingdom, but the information has raised a number of important questions that require discussion across the Diocese.

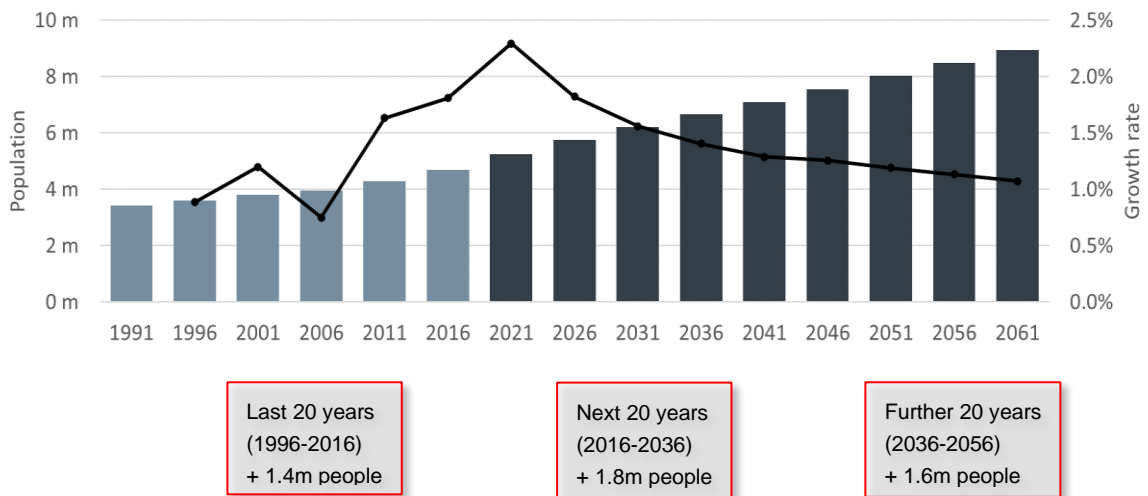
- 16. This report identifies three key issues on which the input of Synod members is sought. This feedback will be used to frame the development of a diocesan-wide ministry-directed property strategy that will be brought to Synod for approval in 2023.

## Discussion

### Issue 1 – Responding to the changing demography of Sydney

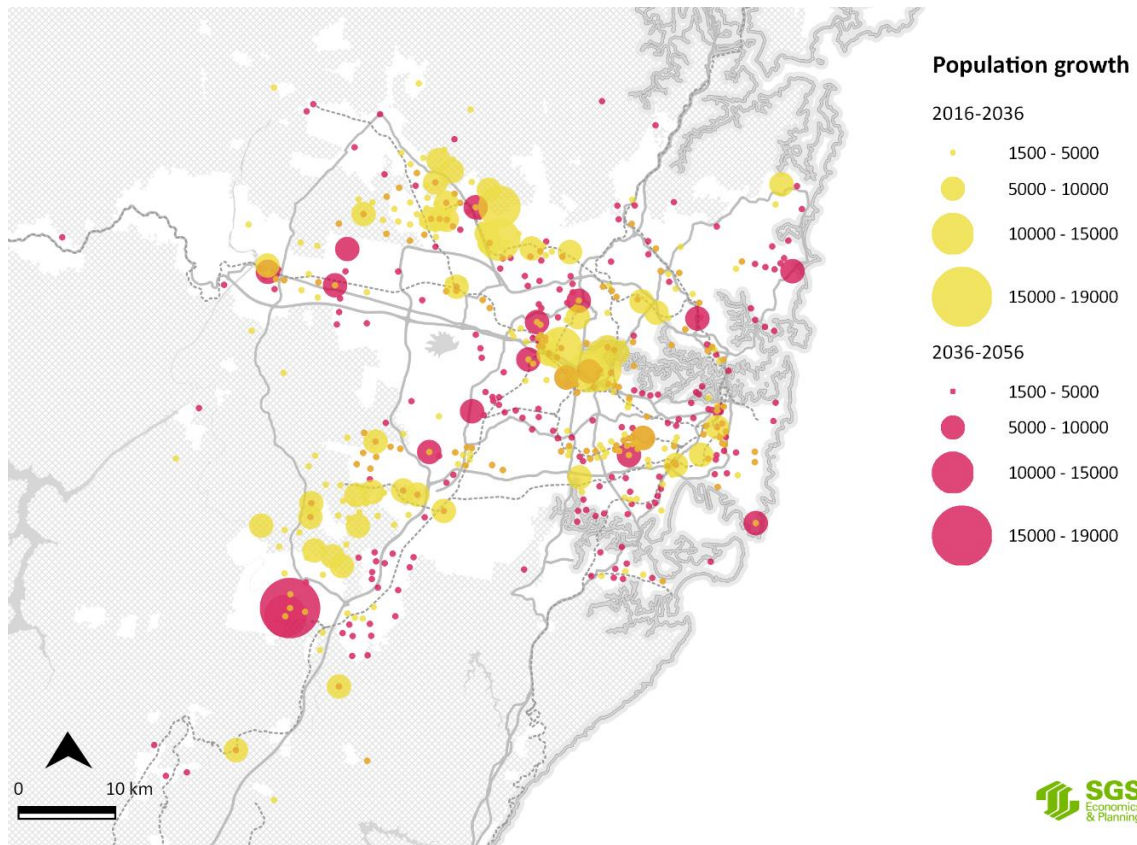
- 17. The first issue is the demographic changes in Sydney. Australia has become increasingly urbanised over the last 30 years, and growth has concentrated in the east coast cities of Sydney and Melbourne. Sydney has experienced dramatic growth and, as it continues to do so, will become a global mega city. By approximately 2056, 50% of the population of Greater Sydney will live west of Parramatta.
- 18. By 2056 there are projected to be more than 8.5 million people in Sydney's Greater Metropolitan Area. Population growth is forecast to increasingly occur in the western and south-western parts of the city, particularly in new land release areas (approximately 50 per cent of future growth). Concurrently, established areas will experience significant growth in urban renewal areas and in town centres, particularly around transport hubs, like train stations. Medium and long-term growth forecasts are illustrated in **Figure 1** and **Figure 2** below.

**Figure 1:** Greater Sydney Population Growth, 1991 to 2061



Source: SGS Economics and Planning 2020

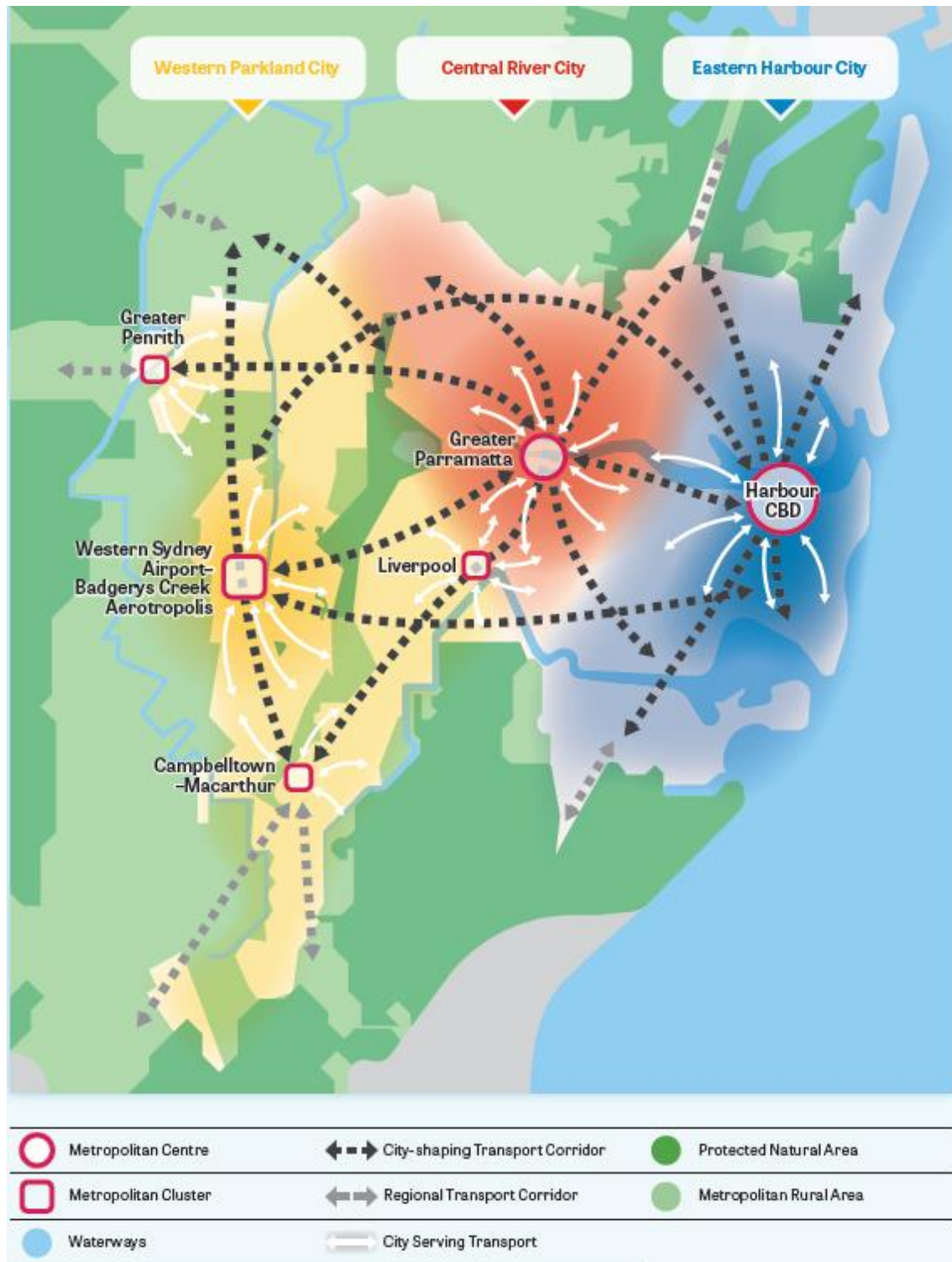
Figure 2: Distribution of population growth



Source: SGS Economics and Planning 2020

19. The Greater Sydney Commission (**GSC**) developed a plan for Greater Sydney in 2017. It positions Parramatta as the new geographic centre of Sydney, and at the heart of the Central River City. The 40-year vision is for Greater Sydney to become a metropolis of three connected cities, (the Western Parkland City, the Central River City and the Eastern Harbour City), by 2056. The boundaries of these three cities have been intentionally kept vague.
20. The GSC identified five districts across Greater Sydney. The five district plans are a pathway to implementing the *Greater Sydney Region Plan - A Metropolis of Three Cities*. The GSC three cities are shown in **Figure 3**. The five districts cover greater Metropolitan Sydney and planned growth areas in the South. They do not include Wollongong or townships and villages in the Royal National Park south of Sydney. The five districts are:
  - (a) Western City District which includes Katoomba and Penrith,
  - (b) Central City District which includes Blacktown and Parramatta,
  - (c) North District which includes Hornsby and North Sydney,
  - (d) Eastern City District which includes the CBD, and
  - (e) South District which includes Sutherland Shire.

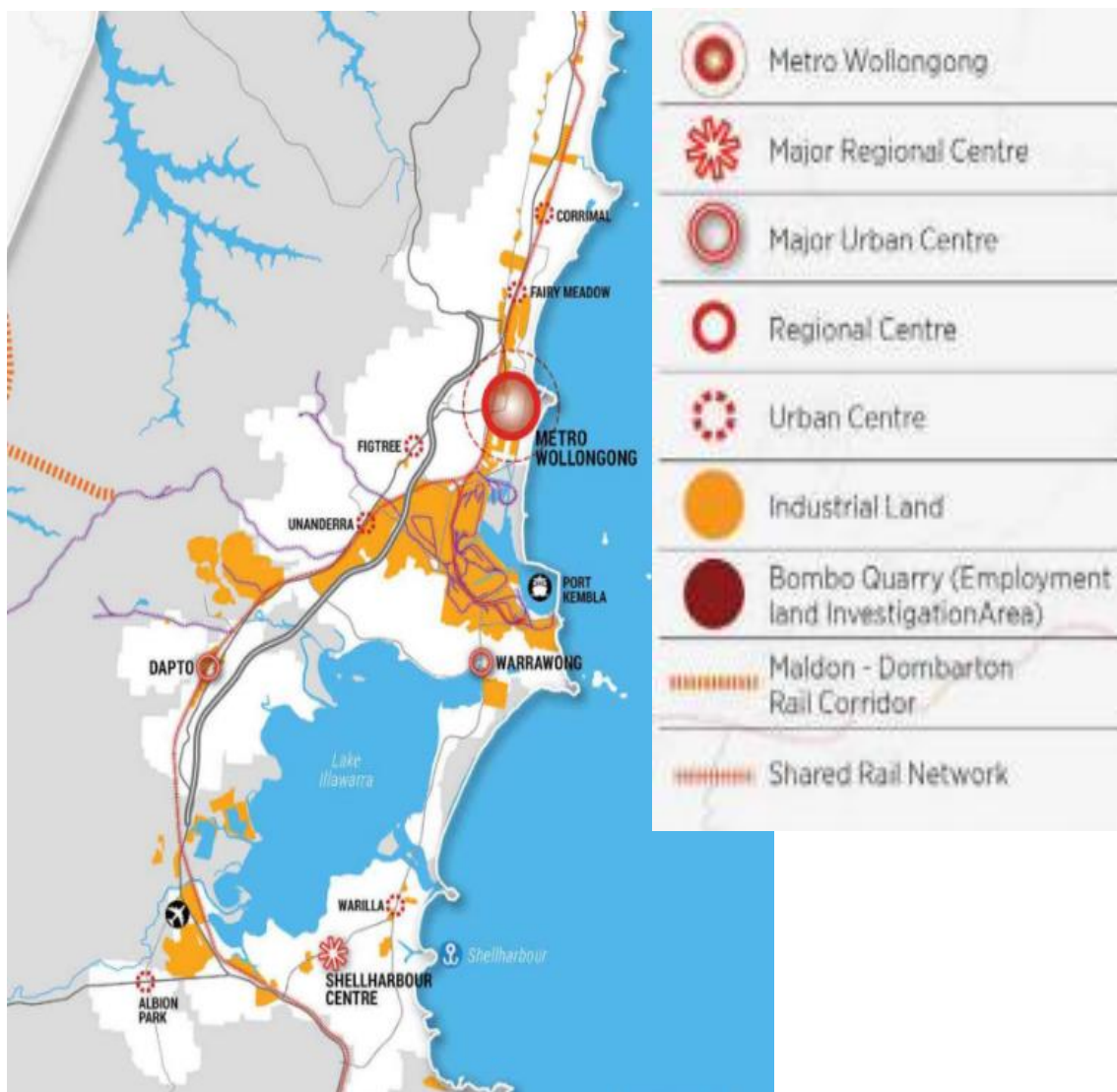
**Figure 3:** The Metropolis of three cities, and five GSC districts



Source: Greater Sydney Commission 2018

21. Most of the Wollongong Region is covered by the State Government's Illawarra Shoalhaven Regional Plan. This plan has a vision to grow Metro Wollongong as a centre for jobs and housing, to transform Port Kembla into an international trade gateway and to drive economic growth across the region as shown in **Figure 4**. Areas further south such as Shellharbour and Kiama are affected by Local Environment Plans prepared by local councils.

Figure 4: Wollongong and surrounds



Source: NSW Government, 2015

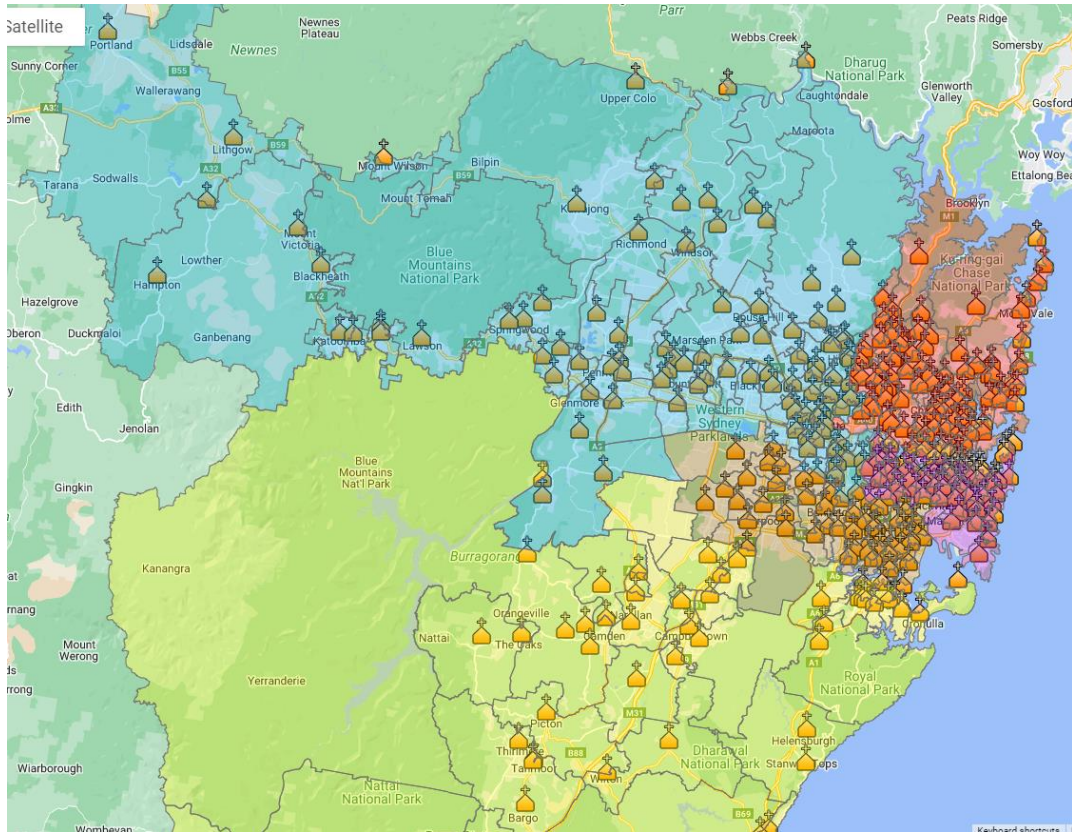
*Feedback sought*

22. The Synod has already indicated its commitment addressing the changing demography in Sydney and recognised the importance of church planting in Greenfields areas, as demonstrated by its commitment to the 2% Church Land Acquisition Levy over the last 10 years.
23. A diocesan-wide mission strategy is predicated on church planting in Greenfields areas continuing to be a strategic priority. To test the mind of the Synod on this, the Standing Committee has brought an ordinance to this Synod to seek a 10-year commitment to the Church Land Acquisition Levy. In addition to the outcome of that debate, the Standing Committee seeks further input from members of the Synod about a strategy which seeks to anticipate the demographic changes to come across the diocese.

**Issue 2 – Location of ministry assets across the diocese**

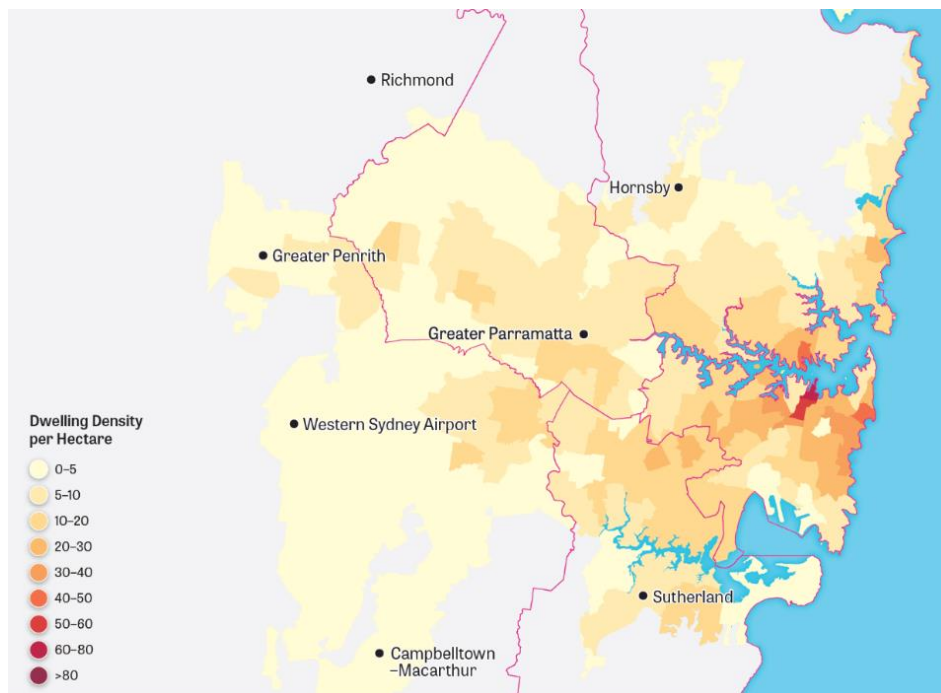
24. As noted above, it is projected that 50% of the population of Greater Sydney will live west of Parramatta by approximately 2056. However, as can be seen in **Figure 5**, approximately 70% of the Diocesan parish assets (in particular, church buildings) are located east of Parramatta.

**Figure 5:** Distribution of ministry infrastructure in Greater Sydney



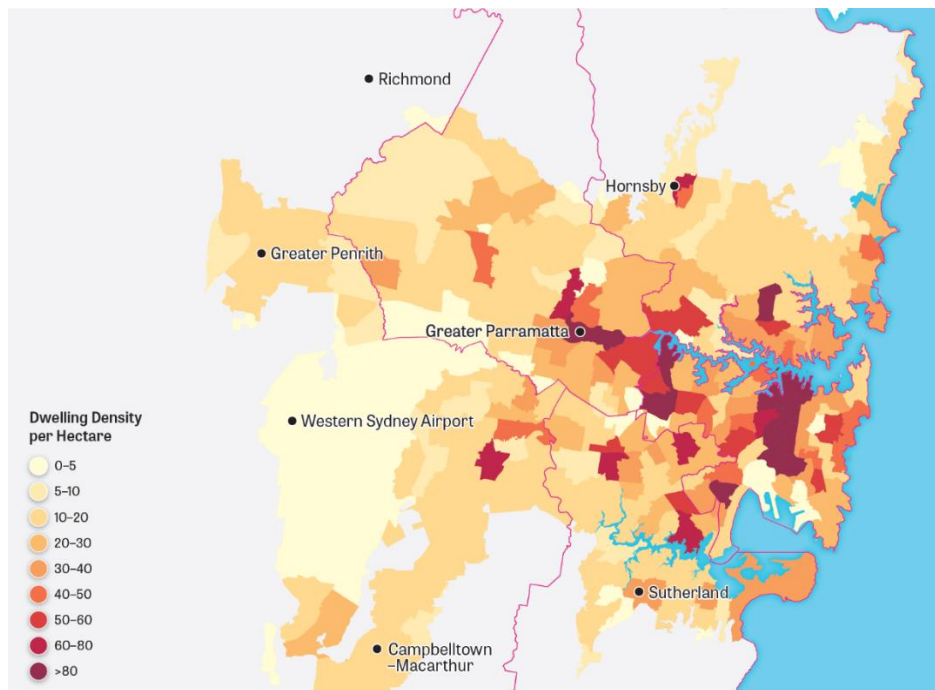
25. There is an increasing mismatch between the location of our churches and where the population of Sydney is and will be located.
26. The number of parishes in our diocese (approximately 270) not changed materially over the past 25 years. However, the population density has changed markedly, and this is predicted to continue to 2056 and beyond. For example, the following two figures (see **Figure 6** and **Figure 7**) contrast the urban density of Sydney in 1996 and 2036.

**Figure 6:** Urban density in 1996



Source: Greater Cities Commission

Figure 7: Urban density by 2036



Source: Greater Cities Commission

*Feedback sought*

27. The Standing Committee is seeking the Synod’s feedback on how to determine the reasonable property needs of a parish for ministry, and how to assess if there are surplus assets that could be shared outside the parish, for use in developing areas. The Standing Committee has already taken some steps towards this, with a proposed policy entitled Variations of Trusts after Parish Amalgamation, which is being presented for endorsement by the Synod. That paper proposes –
  - (a) Where there is uncertainty as to continuing ministry at a site, following a parish amalgamation, the trusts are varied so that the assets are transferred to the ACGC to be held on trust in support of the development of new properties for ministry, but assigned for the exclusive use of the parish for a period of three years, and
  - (b) Where Anglican ministry is to cease at a church site and there is no “successor” ministry for the congregation formerly meeting on that site, the church trust property should be transferred to ACGC, to be held on trust in support of the development of new properties for ministry (rather than a particular parish).
  
28. The debate on this policy will provide Synod members the opportunity to provide their response to this initiative. However, the Standing Committee also seeks further feedback about whether to consider further measures to better align the location of our ministry assets with the location of ministry, and if so what those measures might be.

**Issue 3 – Assessing the future property needs of parishes**

29. The previous discussion has identified that there is already, and will increasingly be, a growing imbalance between where the population is located and where our ministry assets are located. However, there is no simple mechanism to relocate ministry assets from one region to another.
  
30. It is recognised that decisions have been made in the past to sell church sites in developed areas of the city, which we have come to regret. While we are loath to repeat the mistakes of previous generations, as a Synod we must recognise that there is an opportunity cost for doing nothing in the present. A decision to maintain an existing church site which has little or no ministry at present and little prospect of vibrant ministry in the future comes at the cost of initiating ministry in growing areas of Sydney. We must distinguish between being risk averse and being good stewards. Jesus does not commend the servant who buries his Talent in the ground.



31. To minimise the risk of poor decisions about selling property, the Standing Committee has adopted a policy for assessing the strategic mission value of retaining parish property. The policy requires that Growth Corporation provide a recommendation as to whether the retention of the property has strategic value for the purposes of the mission of the Diocese.
32. In assessing the strategic value of retaining property, the Growth Corporation is to have regard to the following –
- (a) any strategic recommendations that have been made previously by the Growth Corporation in relation to the locality of the property,
  - (b) the most recent population data and projections for the parish catchment,
  - (c) the existing and likely future population catchment,
  - (d) whether the property is contiguous with other church property and the potential for any disposal of property impacting on the long-term potential for growth in ministry,
  - (e) other diocesan land-holdings in the vicinity, whether in the parish or adjoining parishes,
  - (f) the strategic nature of the property location (centrality in relation to population, visibility, community profile, travel habits of population),
  - (g) accessibility to the property (vehicular access from all directions to major road network, car parking),
  - (h) suitability and impact of adjoining property uses,
  - (i) land size and whether the ability of the church to expand and provide reasonable flexibility for ministry strategies which might be adopted in the future will be impeded,
  - (j) zoning development controls that are suitable,
  - (k) site constraints including heritage, environmental and developmental, and
  - (l) the strategic value of any alternative use proposed by the parish council of the parish concerned for the capital or income from the proceeds of sale.
33. An issue that is not addressed by the current policy is what level of future population we should be planning for in our churches. This has an obvious impact on the size and scale of development, both in existing church developments and in new parishes.
34. The Growth Corporation has developed three models to project the impact of demographic growth on the need for churches in the various regions of the diocese. In summary, these are –
- (a) adult attendance of each parish remains at its current % of the population (Table 1),
  - (b) adult attendance of each parish equal to 1% of the projected population of the parish (Table 2),
  - (c) adult attendance of each parish equal to 2% of the projected population of the parish (Table 3).
35. Table 1 is based on the assumption that parish will maintain its current “reach” as a percentage of the population over time – that is, a church that currently reaches 0.5% of the parish population will continue to do so, so as the population in the parish grows, the church will grow at the same rate.

**Table 1: Church attendance - each parish maintains its current reach % of parish population**

		2020	2026	2036	2046	2056
South Western Region	Population	1,274,739	1,431,245	1,716,127	1,994,642	2,273,129
	Attendance	6,457	7,208	8,870	10,376	11,882
Northern Region	Population	1,045,430	1,128,066	1,221,375	1,313,270	1,405,128
	Attendance	13,838	14,849	15,999	17,173	18,346
South Sydney Region	Population	1,066,522	1,163,141	1,295,749	1,405,642	1,515,503
	Attendance	7,602	8,186	9,330	10,152	10,973
Western Region	Population	1,416,938	1,658,640	2,012,339	2,296,644	2,580,923
	Attendance	10,191	11,722	14,004	15,623	17,761

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		2020	2026	2036	2046	2056
Wollongong Region	Population	730,308	771,342	821,574	869,891	918,190
	Attendance	8,108	8,555	9,108	9,629	10,151

36. Table 2 is based on the assumption that the adult attendance of each parish is equal to 1% of the projected population of the parish.

**Table 2: Church attendance – each parish has adult attendance = 1% of parish population**

		2026	2036	2046	2056
South Western Region	Population	1,431,245	1,716,127	1,994,642	2,273,129
	Attendance	14,312	17,161	19,946	22,731
Northern Region	Population	1,128,066	1,221,375	1,313,270	1,405,128
	Attendance	11,281	12,214	13,133	14,051
South Sydney Region	Population	1,163,141	1,295,749	1,405,642	1,515,503
	Attendance	11,631	12,957	14,056	15,155
Western Region	Population	1,658,640	2,012,339	2,296,644	2,580,923
	Attendance	16,586	20,123	22,966	25,809
Wollongong Region	Population	771,342	821,574	869,891	918,190
	Attendance	7,713	8,216	8,699	9,182

37. Table 3 is based on the assumption that the adult attendance of each parish is equal to 2% of the projected population of the parish

**Table 3: Church attendance – church adult attendance = 1% of parish population**

		2026	2036	2046	2056
South Western Region	Population	1,431,245	1,716,127	1,994,642	2,273,129
	Attendance	28,625	34,323	39,893	45,463
Northern Region	Population	1,128,066	1,221,375	1,313,270	1,405,128
	Attendance	22,561	24,428	26,265	28,103
South Sydney Region	Population	1,163,141	1,295,749	1,405,642	1,515,503
	Attendance	23,263	25,915	28,113	30,310
Western Region	Population	1,658,640	2,012,339	2,296,644	2,580,923
	Attendance	33,173	40,247	45,933	51,618
Wollongong Region	Population	771,342	821,574	869,891	918,190
	Attendance	15,427	16,431	17,398	18,364

38. Table 3 (based on 2% of population) projects adult attendance of 173,857, which is approximately four times the 2020 figures. The maximum church capacity of all of our existing buildings (assuming 3 services per Sunday) is approximately 158,000, which is not too far off the mark.

39. However, the problem is that our supply of churches is “lumpy” – In 2056, we will have an excess of capacity in some areas of the Diocese, and a deficit in others. When we drill down in the above analysis to the parish level, it is apparent that there are a number of areas where we will have a

significant undersupply of church capacity. For example, the population in the parish of Narellan is projected to grow from 76,153 in 2020 to 194,572 in 2056. 1% of their 2056 population is 1,945 people, and 2% is 3,891 people. However, Narellan Anglican Church currently has a maximum Sunday capacity across 3 services of 900 people.

40. Our priorities for both Greenfield development and infill development across the diocese need to be informed by demographic projections, so that we can be wise stewards of the resources entrusted to us.

*Feedback sought*

41. The direction that the Standing Committee intends to take is to assume attendance of 1% of the population (per Table 2) to determine the size of initial church buildings in Greenfields areas, with buildings designed in such a way that they can be extended beyond this. Similarly, an assessment of the future property needs of existing parishes would be assessed against the 1% benchmark.
42. The Standing Committee seeks feedback from members of Synod as to whether these are appropriate, and what other factors (if any) the Growth Corporation should take into account in assessing the reasonable property needs of a parish.

**Development of a diocesan-wide ministry-directed property strategy**

43. In light of the change that has already occurred, and is predicted to occur, in our Diocese, now is the moment for us as a Synod to prayerfully pause and assess how to be good stewards of the resources entrusted to us. We should adopt a diocesan-wide property strategy that will shape how we maximise the use of the buildings and property assets that previous generations have, under God, provided.
44. The key issue is to enable an appropriate re-distribution of the ministry infrastructure and resources to areas under resourced for gospel ministry. These sorts of structural shifts cannot be done at the parish level and require a coordinated diocesan-wide approach to meet this mission challenge on our doorstep. This challenge needs collaboration across parish boundaries and diocesan organisations. If we keep doing what we have been doing, we will be too slow in establishing a meaningful presence in growth areas, and too cumbersome in enhancing ministry infrastructure in infill areas.
45. The Standing Committee recommends the development of a diocesan-wide ministry-directed property strategy that encourages fellowship in the mission in the whole diocese in relation to property decisions.
46. If we are to meet the challenge of our strategic moment, and reach the lost in every part of the Diocese, we will all need to commit to working together, with a focus that extends beyond the boundaries of our individual parishes.
47. It should be noted that nothing in this strategy is intended to overturn the primacy of ministry in the local parish or the need for appropriate property resources to support the ministry in the parish. The purpose of a diocesan-wide strategy is not to prioritise a central strategy at the expense of a local strategy, but rather to ensure that part of our local strategy is to participate together in a fellowship in ministry in the Diocese. That is, each local church's commitment to this strategy is a reflection of their commitment to the spread of the gospel in this city and beyond.

For and on behalf of the Standing Committee.

DANIEL GLYNN  
**Diocesan Secretary**

22 August 2022