

# Cost Recoveries Framework Ordinance 2008

(Reprinted under the Interpretation Ordinance 1985.)

The Cost Recoveries Framework Ordinance 2008 as amended by the Cost Recoveries (Parochial Network) Amendment Ordinance 2011, the Synod Estimates and Parochial Cost Recoveries (Transition) Ordinance 2012, the Parochial Cost Recoveries and Church Land Acquisitions Levy (Exemption of St Andrew's Cathedral) Ordinance 2013, the Parish Financial Statements Amendment Ordinance 2013, the Cost Recoveries Framework Ordinance 2008 Amendment Ordinance 2014, the Cost Recoveries Framework Ordinance 2008 Amendment Ordinance 2015, the Cost Recoveries Framework Ordinance 2008 Amendment Ordinance 2019, and the Parish Cost Recovery Charges and Levies (Intervals) Amendment Ordinance 2019.

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## Long Title

An Ordinance to authorise the recovery of certain costs incurred in relation to parochial clergy and the network of parishes in the Diocese, and to provide for the calculation of the net operating receipts of a parish.

The Synod of the Diocese of Sydney Ordains as follows.

## Part 1 – Preliminary

### 1. Name

This Ordinance is the Cost Recoveries Framework Ordinance 2008.

### 2. Interpretation

(1) In this Ordinance –

**assistant minister** means an assistant minister or a senior assistant minister under the Assistant Ministers Ordinance 1990.

**financial statements**, in relation to a parish, means the audited financial statements forwarded under rules 3.9(5) and 3.10(3) of Schedule 1 or rules 3.8(5) and 3.9(3) of Schedule 2 of the Parish Administration Ordinance 2008.

**financial year** means a period of 12 calendar months commencing on 1 January,

**Synod** means the Synod of the Diocese.

- (2) In Part 2 –
- (a) “ministry costs” means all costs, expenses, charges or contributions which, in the opinion of the Standing Committee, have been incurred or will be incurred on behalf of any member of the clergy licensed to a parish and, without limiting the generality of the foregoing, includes –
    - (i) superannuation contributions for members of the clergy licensed to parishes,
    - (ii) contributions for long service leave for members of the clergy licensed to parishes,
    - (iii) costs and expenses of, or incidental to, the maintenance of stipend continuance insurance for members of the clergy licensed to parishes,
    - (iv) contributions to the fund established by the Sydney Diocesan Sickness and Accident Fund Ordinance 1969, and
  - (b) “parochial network costs” means all costs, expenses, charges or contributions which, in the opinion of the Standing Committee, have been incurred or will be incurred in relation to the network of parishes in the Diocese and without limiting the generality of the foregoing, includes the costs of the parish insurance program administered by the Property Trust for parishes and any officers or employees of parishes.
- (3) For the purposes of Part 3 –
- (a) the receipts of a parish are taken to include the receipts of each church of the parish and any organisation of the church or parish, and
  - (b) the exclusions and deductions for a parish are taken to include the exclusions and deductions of each church of the parish and any organisation of the church or parish, and
  - (c) the term “ministry event” means an irregular or infrequent event, which is usually subject to a specific charge that is designed to recover the direct costs of the event, but excludes services of public worship, and services for baptisms, marriages and funerals and like services.

### **3. Notes**

- (1) Notes in this Ordinance are for explanatory purposes only and do not form part of the Ordinance.
- (2) The Diocesan Secretary is authorised to update the notes when reprinting this Ordinance under clause 8 of the Interpretation Ordinance 1985.

## **Part 2 – Cost recoveries charge**

### **4. Parishes to pay cost recoveries charge**

- (1) Subject to subclause (2), for each financial year, each parish is to pay a cost recoveries charge in respect of ministry costs and parochial network costs specified or determined in accordance with an ordinance referred to in clause 5.
- (2) For each financial year, St Andrew’s Cathedral is to pay a cost recoveries charge in respect of ministry costs specified or determined in accordance with an ordinance referred to in clause 5.

### **5. Determination of charge**

- (1) The Standing Committee must prepare for the second ordinary session of the 49<sup>th</sup> Synod a proposed ordinance for adoption by the Synod which –
  - (a) specifies the cost recoveries charge in respect of ministry costs and parochial network costs to be paid by each parish in the following financial year, and
  - (b) authorises Standing Committee to apply the cost recoveries charges paid by parishes in that financial year towards ministry costs and parochial network costs.

- (2) The Standing Committee must prepare for the third ordinary session of the 49<sup>th</sup> Synod a proposed ordinance for adoption by the Synod which –
- (a) specifies the cost recoveries charge in respect of ministry costs and parochial network costs to be paid by each parish in the following two financial years, and
  - (b) authorises Standing Committee to apply the cost recoveries charges paid by parishes in a financial year towards ministry costs and parochial network costs.
- (3) The Standing Committee must prepare for the second ordinary session of the 50<sup>th</sup> Synod and the second ordinary session of each Synod thereafter a proposed ordinance for adoption by the Synod which –
- (a) specifies the cost recoveries charge in respect of ministry costs and parochial network costs to be paid by each parish in each of the following 3 financial years, or the method or methods by which such charge may be determined by the Standing Committee, and
  - (b) authorises the Standing Committee to apply the cost recoveries charges paid by parishes in a financial year toward ministry costs and parochial network costs.
- (4) The Standing Committee must arrange for the distribution of a copy of the proposed ordinance to all members of the Synod not less than 14 days before the first day of the session.
- (5) If, in relation to a financial year, the Standing Committee expects that the total of the cost recoveries charges to be received from parishes will be insufficient to meet the total of the ministry costs and parochial network costs for that year, it may bring to the Synod an ordinance containing a proposal to meet that insufficiency.

#### **6. Payment of charges**

All cost recovery charges imposed by or pursuant to an ordinance of Synod, unless the ordinance otherwise directs, are payable by 12 equal monthly instalments, the first due and payable on 1 January and subsequent instalments due and payable on the first day of each succeeding month.

#### **7. Visit from Archdeacon if charge not paid**

If a parish fails for any reason to pay any instalment of a charge for a period of 3 months after the due date the Archdeacon of the area in which the parish is situated is to confer with the minister and wardens with a view to finding a solution to the situation in which charges have not been paid and is to report the result of such consultation to the Standing Committee.

#### **8. Relief from charges**

- (1) In any case where –
- (a) 2 or more parishes are amalgamated,
  - (b) a parish is dissolved, or
  - (c) the area of a parish is changed,

the Standing Committee may provide such relief from charges made as it considers equitable in the circumstances.

- (2) The Standing Committee has the power to enter into an arrangement with a parish for the payment of accumulated arrears of charges over a period of time.
- (3) The Standing Committee is authorised to remit the whole or any part of the arrears of charges owing by any parish if it declares by resolution the circumstances which in its opinion make it expedient so to do.
- (4) The Standing Committee is to report to the Synod on all relief provided and all remissions made under this clause.

#### **9. Control of expenditure**

The Standing Committee has control of all expenditure on account of the Synod in all cases where such control has not been exercised by the Synod itself and is responsible for collecting all moneys charged and for distributing and applying such moneys.

#### **10. Calculation of charges by reference to net operating receipts**

If a charge is calculated under any ordinance by reference to the net operating receipts of a parish, the net operating receipts are those determined under Part 3.

## Part 3 – Net operating receipts

### 11. Net operating receipts

The net operating receipts of a parish in a financial year (“N”) is the amount calculated in accordance with the following formula –

$$N = G - E - D$$

where –

- G** is the total amount of gross operating receipts of the parish in the financial year as defined in clause 12,
- E** is the total amount of exclusions for the parish in the financial year as defined in clause 13, and
- D** is the total amount of deductions for the parish in the financial year as defined in clause 14.

### 12. Gross operating receipts

The gross operating receipts of a parish is the total amount of all receipts of the parish less any of the following receipts included in that amount –

- (a) proceeds from the redemption of investments,
- (b) proceeds from the sale of assets,
- (c) new or additional borrowings,
- (d) money received as an endowment to be held for the benefit of the parish or a church of the parish,  
*Note: This would include testamentary dispositions. (Any income generated from such an endowment should be shown as item number 4-5200 and be included in gross operating receipts.)*
- (e) receipts to contra non-parish payments,
- (f) insurance claims received,  
*Note: Presently this is shown under item number 4-6100 in the Prescribed Financial Statements.*
- (g) receipts from other churches, funds and organisations within the parish.  
*Note: Presently this is shown under item number 4-8000 in the Prescribed Financial Statements.*
- (h) receipts representing the parish portion of money from the Long Service Leave Fund established under the Long Service Leave Canon 2010, and
- (i) payments received pursuant to the *Paid Parental Leave Act 2010 (Cth)*.

**Note:** Except for the amounts noted above the figure for gross operating receipts is the amount shown as “total revenue” at the foot of page 1 of the Prescribed Financial Statements

### 13. Exclusions

The exclusions for a parish are –

- (a) money received as a grant from an organisation listed in a Schedule to the Accounts, Audits and Annual Reports Ordinance 1995, a trust under the control of the Archbishop, a Minister of the Crown or an instrumentality of the Commonwealth of Australia or the State of New South Wales, a local government council, or any other person or body or class of persons or bodies approved by resolution of the Standing Committee.  
*Note: Presently shown under item numbers 4-4000 in the Prescribed Financial Statements. This would include grants from most diocesan organisations and Federal, State or local government departments.*
- (b) any gift received which is specifically designated for the purpose of –
  - (i) the purchase of land,
  - (ii) the purchase, construction or renovation of buildings, fixtures or fittings situated on church trust property held for the purposes of the parish, or
  - (iii) the reduction of debt undertaken for purposes (i) or (ii).

**Note:** This does not extend to gifts for day to day maintenance expenditure. Presently shown as item number 4-1300 in the Prescribed Financial Statements.

- (c) for each leased property: the lesser of the lease rental income and the expenses of that leased property.

**Note:** Presently shown as item numbers 4-3100 and 6-7000 respectively.

- (d) for each fundraising event or series of similar events: the lesser of the event income and the associated expenses.

**Note:** Presently shown as item numbers 4-7200 and 6-8200 respectively. Examples of fundraising events would include a parish fair, opportunity shop, market day, garage sale, 2<sup>nd</sup> hand book sale and garden/craft/antique/collectables sale.

- (e) for each 'ministry event' or series of similar events: the lesser of the event income and the total of expenses which are directly attributable to the event and would not have arisen but for the event.

**Note:** Presently shown as item numbers 4-7100 and 6-8100 respectively. Examples of ministry events would include a house party, parish or congregation weekend away/at home, youth camp, children's holiday club, BBQ to watch a sporting final, gingerbread house evening, parenting course, marriage enrichment course, evangelistic course over dinner, coffee and dessert with a Christian speaker, and church anniversary dinner.

- (f) where –

(i) the rector and/or any assistant minister in a parish is, for any reason approved by the parish council, unable to occupy a ministry residence or residences held for the purposes of the parish, and

(ii) the parish leases one or more ministry residences and an exclusion is not claimed under clause 13(c),

any amount of rental income received from the leasing of such ministry residences up to the aggregate amount paid or provided as a housing allowance or benefit to the rector and/or any assistant minister who is unable to occupy the ministry residence or residences.

#### 14. Deductions

The deductions for a parish are gifts made to any Christian organisation outside the control of the parish from funds held for the general purposes of the parish.

**Note:** Presently shown as item numbers 6-2310 and 6-2330 in the Prescribed Financial Statements. This would include amounts paid to missionary societies, local area scripture boards, other diocesan organisations, and other parishes.

#### 15. Estimates and disputes

(1) If the wardens fail to forward all the audited financial statements in the form prescribed by the Standing Committee to the Diocesan Secretary on or before 15 April, the Standing Committee may estimate the net operating receipts of that parish for the preceding financial year and such estimate is taken to be the actual net operating receipts of that parish for that financial year.

(2) If the Standing Committee considers that any of the financial statements are incomplete or inaccurate, it is to request the minister and wardens concerned to complete or correct the financial statements and, if they fail so to do within one month of such request, the Standing Committee may make such adjustment to the net operating receipts disclosed in the financial statements as it thinks fit and the net operating receipts as adjusted are taken to be the net operating receipts of the parish concerned for the financial year to which they relate.

(3) If the Standing Committee makes an adjustment to the net operating receipts under subclause (2) it is to give notice of such adjustment to the minister and wardens concerned. Unless the minister and wardens, within 2 months of the Standing Committee giving such notice notify the Diocesan Secretary that they consider the change made by the Standing Committee is inconsistent with this Ordinance and give their reasons for that view, the net operating receipts of the parish for that financial year are the amount after such adjustment has been made. If the minister and wardens so notify the Diocesan Secretary, a dispute is taken to exist unless such

dispute is resolved by agreement between the Standing Committee and the minister and wardens within 1 month of the date on which such notification is given.

#### Part 4 – Miscellaneous

##### **16. Settlement of disputes**

If a dispute arises as to the meaning or application of this Ordinance the dispute is to be determined by the Chancellor or by some person appointed by him and the decision of the Chancellor or that person is final and binding on the parties involved.

##### **17. Delegation**

The Standing Committee may delegate all or any of its powers under this Ordinance to a committee appointed by the Standing Committee.

##### **18. Amendment of the Parish Administration Ordinance 2008**

The Parish Administration Ordinance 2008 is amended by –

- (a) adding to the end of rule 3.10(2)(a) in Schedule 1 and rule 3.9(2)(a) in Schedule 2 the following –  
“in the form last prescribed by the Standing Committee, and”, and
- (b) adding to the end of rule 3.10(3) in Schedule 1 and rule 3.9(3) in Schedule 2 the following –  
“and, at or within 7 days after the annual general meeting of parishioners, are to forward copies of these financial statements to the Diocesan Secretary”.

##### **19. Repeal**

The Assessment and Charges Ordinance 1975 is repealed provided that such repeal does not affect any act done under or obligation imposed by that ordinance.

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#### **Notes**

1. The date of assent of this ordinance was 22 October 2008.
2. The amendments made by Ordinance No 48, 2013 apply to cost recoveries charges payable from 2014.
3. The amendments made by Ordinance No 23, 2014 have effect from 1 January 2014.
4. The amendments made by Ordinance No 15, 2015 apply to a financial year commencing on or after 1 January 2015.

#### **Table of Amendments**

Long Title	New Long Title inserted by Ordinance No 22, 2011.
Clause 2	Amended by Ordinances Nos 22, 2011; 23, 2014 and 15, 2015.
Clause 4	Amended by Ordinances Nos 22, 2011 and 48, 2013.
Clause 5	Amended by Ordinances Nos 22, 2011 and 8, 2012.
Clause 6	Amended by Ordinance No 68, 2019.
Clause 12	Amended by Ordinances Nos 53, 2013; 15, 2015 and 26, 2019.
Clause 13	Amended by Ordinances Nos 53, 2013; 23, 2014 and 15, 2015.

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23 December 2019

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