



**This document outlines the various buildings, structures and other facilities typically found on church property and the appropriate procedures for their use.**

**It also covers a number of important factors such as heritage considerations and insurance requirements.**



OVERVIEW.....	2
TYPES OF PARISH PROPERTY.....	4
HERITAGE.....	16
INSURANCE .....	19
UNDERTAKING PROPERTY ACTIVITIES.....	24
BUYING AND SELLING CHURCH PROPERTY...	29

# OVERVIEW

## RESPONSIBILITIES AND APPROVALS

The Synod has determined (through the Parish Administration Ordinance 2008) that the wardens are responsible for the care and repair of parish buildings and their furniture.

However, **the approval of the Archbishop is required** before a building intended for use as a church or hall may be erected or altered, or before a house for the use of diocesan clergy may be erected or altered structurally.

The Archbishop's approval is in addition to any necessary approvals from the local council or other relevant statutory body.

Information on appropriate construction, alteration, repair, maintenance and approval procedures is available in the **Parish Building Kit**.

## FIRE SAFETY

Wardens must also ensure that the parish property for which they are responsible has the appropriate fire safety measures in place. The SDS **Parish Risk Management** material (available on the SDS Extranet) has important information on these requirements and further information is available at [www.fire.nsw.gov.au](http://www.fire.nsw.gov.au)

If you are in any doubt regarding your parish's compliance with fire safety legislation, please contact your SDS Parish Property Services Relationship Manager for assistance (see back cover for details).



## **GOVERNMENT GRANTS**

Financial assistance may be available for the maintenance and upgrading of community facilities such as parish property from several different sources – including NSW Government grants via the Community Building Partnership program.

The ACPT has successfully applied for a number of grants on behalf of parishes through this program since its inception in 2009. So if you are considering undertaking building or maintenance works, please read the program information and contact your SDS Property Services Relationship Manager to discuss the project's eligibility.

The ACPT can also provide information on other potential funding sources, including heritage grant funding.

# TYPES OF PARISH PROPERTY

## CHURCHES

***What is a church?*** When talking about property (as opposed to the body of Christ), a church is considered to be a building that has been duly consecrated or licensed by the Archbishop for the celebration of “Divine Service”.

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“Divine Service” is a service provided for in the Book of Common Prayer or An Australian Prayer Book, or such variations as are permitted in the relevant parish.

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***Approvals to provide land*** If a person or corporation intends to grant land as the site for a church, or a building that includes a church, the approvals of the Archbishop and the Anglican Church Property Trust (“ACPT”) must first be obtained and title to the land subsequently transferred to the ACPT.

These requirements do not apply if a person bequeaths land to a parish or the ACPT.

***Licensing and consecration*** No building intended to be used regularly for Divine Service may be used for that purpose unless it has been licensed or consecrated as a church.

The minister or trustee of the building may apply for a licence or sentence of consecration. If the Archbishop approves the application, a licence is prepared and read during the first service in the building.

An application form is available from the Registrar.

**Name of a church** The name of a church is that specified in the licence or sentence of consecration. The name may only be changed by the Archbishop at the request of the minister and wardens.

**Use of a church** A church and associated land may only be used for one or more of the following purposes:

- The celebration of Divine Service,
- The giving of religious instruction in accordance with the fundamental Declarations and Ruling Principles of the Anglican Church of Australia as specified in the 1961 Constitution,
- The conduct of a vestry or prayer meeting, and
- Such other purpose or purposes as the Archbishop may approve in writing from time to time.

The rector is entitled to access the church at all times and, in the church, may celebrate divine service without interference. The church is not to be used for a purpose not sanctioned by the rector.





The Archbishop may use St Andrew's Cathedral, St John's Cathedral Parramatta and St Michael's Cathedral Wollongong for ordinations and on all other occasions appointed by him, and may officiate and preach in those buildings. The Bishop of Western Sydney has similar rights in relation to St John's Cathedral Parramatta and the Bishop of Wollongong has similar rights in relation to St Michael's Cathedral Wollongong.

***Persons permitted to officiate in a church*** A person cannot celebrate divine service or preach a sermon in a church unless:

- in the case of a bishop or priest, the person has been licensed or approved by the Archbishop or a Regional Bishop, or
- in the case of a deacon, the person has been licensed or approved by the Archbishop or a Regional Bishop, or
- in the case of a lay person, the person has been authorised to celebrate divine service or preach under the Deaconesses, Readers and Other Lay Persons Ordinance 1981.

***Use of a church by other denominations*** A church of another denomination which professes the apostolic faith may use an Anglican Church if the requirements of the Use of the Church Property Ordinance 1995 are satisfied. In brief, that ordinance requires the following:



- The use of a church by another denomination requires the prior approval of the Archbishop. An application for approval is to be accompanied by the written consent of the minister and the majority of the parish council (if any) or, if there is no parish council, a majority of the wardens of the parochial unit in which the church is situated.
- In the case of non-occasional use, the Regional Archdeacon is to report to the Archbishop about the basis of the faith held by the group seeking to use the church building.
- In the case of non-occasional use, the Regional Archdeacon is to confirm to the Archbishop that he/she is in possession of a draft agreement relating to the proposed use. The agreement is to be in a form approved by the ACPT.
- If the Archbishop is satisfied that the profession of faith of the other church is Bible-based, he may approve the use.

A Regional Bishop may give approval on behalf of the Archbishop if authorised by the Archbishop.

This procedure shows that early consultation with the Regional Bishop or his assistant is vital in ensuring that applications for approval are dealt with expeditiously. Information about the appropriate form of a draft agreement is available from the ACPT.

## ***Closing a church***

If the rector or wardens of a church, or the Regional Bishop or his assistant, come to the view that a church should be closed they should:

- discuss the proposal with the parish council of the relevant parochial unit, and
- consult with the rector of the parish and/or the Regional Bishop and obtain his or their views, and
- convene a vestry meeting of the parish to ascertain the views of the parishioners, and
- if considered appropriate, recommend to the Archbishop that services be discontinued and the church be closed.

A recommendation to the Archbishop that a parish church be closed should contain:

- the reasons for closure, and
- an assurance that there is no disagreement over the proposal or, if there is disagreement, details thereof, and

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- a declaration from the wardens of the other or another church in the parochial unit and the parish council that they will assume responsibility for the payment of rates and other outgoings, and the care of the property, buildings and furnishings, and
  - a report on any funds for which the wardens of the other or principal church and the parish council are to become responsible, and
  - a list of any valuable items and details of where they will be stored, and
  - the arrangements made for the removal of any memorials and for their storage, and
  - an indication of a possible future of the property, and
  - the consent in writing of a minister (if any) of the parish in which the church is situated.

After receipt of the recommendation, the Archbishop may revoke the church's licence or sentence of consecration. Upon the revocation of the licence or sentence of consecration, the church is considered to have been closed.

In the event of sale of a church and/or hall the church will be required to have had a revocation of licence or sentence of consecration formally revoked by the Archbishop.



## PARISH HALLS

*Use of a hall* The rector is entitled to free use of the hall for such parish purposes as he determines, subject to the trusts of the property and any legally binding arrangements made by the trustee of the property with the approval of the parish council.

The hall is not to be used for any purpose not sanctioned by the rector and the wardens acting together. In any decision about the use of a hall the minister has both a deliberative and a casting vote.

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Care must be taken to ensure that halls (or any other church property) are not used for public entertainment without the appropriate statutory approvals, for example from the local council. Please contact your SDS Property Services Relationship Manager if you require further information on the regulations regarding places of public entertainment.

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***Use of halls by non-parish groups*** Requests from non-parish bodies or groups to use a hall are common. If a request is received, the wardens of the church with which the hall is associated should consider, among other things:

- Whether the use of the hall is permitted by the trusts on which the land is held, and
- Whether the use is consistent with the zoning of the land, and
- Whether the use of the hall will render the land liable to rates, and
- Whether the hall is required to be licensed for public entertainment, and
- Whether the proposed use will prejudice property and legal liability policies insurances and whether the user is required to effect his or her own insurances, and
- The ACPT's guidelines and policy on leasing and licensing church property.

## RECTORIES

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The rectory is the home of the parish rector and his family, who are entitled to free use of the rectory, its garden and outbuildings. The rectory is not to be used for any purpose not sanctioned by the rector.

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***Requirements for a rectory*** A rectory is to comply with guidelines relating to size and construction, which can be obtained from the Regional Bishop. Additionally, the rectory is to be maintained in good repair and:

- have the floors covered or finished with suitable material in good condition, and
- have curtains or blinds, in good condition, fitted to appropriate windows, and
- have suitable light fittings, in good condition, in each room.

If a parish does not have a rectory that complies with the prescribed rectory standards, the following consequences result:

- if the parochial unit is a provisional parish, it will be ineligible to obtain parish status, and
- if the parochial unit is a parish, it may not elect representatives under clause 8 of the Presentation and Exchange Ordinance 1988.

Approval for a rector to reside other than in a rectory

The Archbishop will consider an application from a parish for a rector to live in a residence other than in a parish rectory, provided that the parish maintains ownership and availability of a rectory-standard residence.

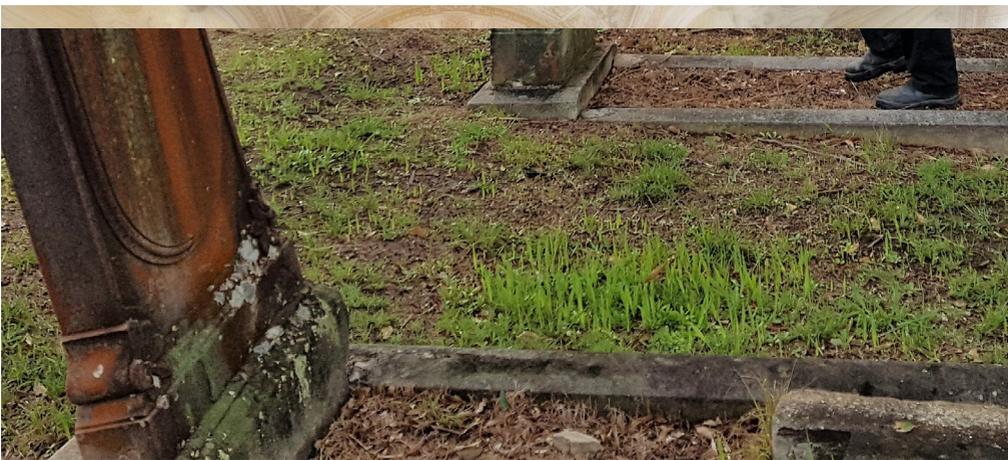
## BURIAL GROUNDS

A burial ground is defined as parish land (including church grounds) which has been consecrated for use as a burial ground or is being used as such.

A burial ground is under the charge and administration of the rector and wardens of the parish in which it is located and must not be used for any purpose other than the burial of the dead according to the rites and ceremonies of the Anglican Church of Australia.

The Archbishop and the trustees of a burial ground together may make and from time to time alter rules, regulations and scales of fees:

- for the management of the burial ground and any columbarium (see below) on the burial ground, and
- for interments in the burial ground and the placing of any ashes in a columbarium on the burial ground, and
- for the enclosure of land in the burial ground by kerbing or otherwise, and
- for any matters including the application of any such fees.



## COLUMBARIA

A columbarium is any building, wall or other improvement of any description, or part thereof, in which ashes of a deceased person are placed or stored or are intended to be placed or stored.

A columbarium erected on church property is under the charge and administration of the rector and wardens of the parish in which it is situated.

A columbarium may not be erected on land which is Church Trust Property unless:

- the land on which the columbarium is erected comprises a separate lot in a plan registered at the NSW Land & Property Information office and is a burial ground, or the ACPPT has granted an exemption for good reason, and
- the Archbishop has given his approval by faculty (see below).

Where a columbarium is erected on church property land that is not a burial ground, the Archbishop and the trustees of the church property together may make and from time to time alter rules, regulations and scale of fees:

- for the management of the columbarium, and
- for the placing of any ashes in the columbarium, and
- for any other matters including the application of any such fees.

The Diocese has prepared a set of Regulations for Columbaria that will assist relevant parish officers in their oversight and management of columbaria.

## MONUMENTS, MEMORIALS OR TABLETS

No monument, memorial or tablet can be placed in or on any part of church property (including a church), or be removed from church property, except with the approval of the Archbishop by faculty (see below).

However, the parish council may permit an alteration to an existing monument, memorial or tablet in a burial ground without a faculty.

## FACULTIES

A faculty is a consultative process that a parish must undertake if it intends to make any alterations within a church building or place any monument, memorial etc. within or on parish property.

The ACPT generally does not become involved with consideration of faculty matters. Please contact the Sydney Diocesan Registry or your regional bishop for further information.



# HERITAGE

It is not uncommon for church buildings to be identified as having historical or cultural significance to the broader community. As a result, a number of buildings within the Diocese are subject to legislation for the preservation of their heritage value.

Heritage protections can apply at local, state or national level, and substantial penalties can apply for non-compliance. So it is important to be aware of any heritage regulations that apply to church property within your parish and ensure any actions taken are in full compliance with the legislation.

In particular, parish officers should be fully aware of the heritage status of any church property before undertaking building, demolition or maintenance works and must contact their SDS Property Services Relationship Manager **before any works are considered**.

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If you are in any doubt regarding heritage restrictions that may apply to parish property, please contact your SDS Parish Property Services Relationship Manager.

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## **NSW HERITAGE ACT**

The main piece of heritage legislation that applies in New South Wales – and therefore to church property within the Diocese – is the Heritage Act 1977. This act provides for two actions to be undertaken to protect heritage items:

- the making of an interim heritage order, or
- listing on the State Heritage Register.

Both of these actions severely restrict the type of works that can be done to the item without approval. These restrictions can limit what may even seem like very minor activities such as moving an item, displaying a notice on an item or removing a tree. As such, parish officers should contact the ACPT to determine what, if any, restrictions apply to their parish property.

To undertake works without the necessary approvals can result in a fine, imprisonment or both.

Local government may also impose local heritage status to parish property.

## **INTERIM HERITAGE ORDERS**

A listing on the State Heritage Register can involve a lengthy process including consultation and other involvement by parish office holders. However, an interim heritage order can be imposed immediately should the NSW Government or its delegate feel that an item requires protection while its heritage significance is investigated further.

The order, and the restrictions it imposes, take effect on the date of its publication, so if a parish officer receives notice of an interim heritage order, they should contact their SDS Property Services Relationship Manager immediately.

Any existing or proposed works on the item to which the interim heritage order relates must cease immediately upon receipt of the order.

## **MINIMUM STANDARDS**

As well as imposing restrictions on the works that can be undertaken, NSW heritage regulations also require the owners of heritage items to maintain the items to minimum standards. These can – amongst other things – include periodic inspections, fire and weather protections, additional security measures and certain maintenance requirements.

The minimum standards required are set out in the Heritage Regulation 2012. Significant financial penalties and/or orders to close the building can be made if heritage regulations are breached.

Accordingly, the ACPT undertakes a detailed annual survey of wardens in regards to State heritage items to ensure compliance with these standards.

## **FINANCIAL ASSISTANCE FOR HERITAGE ITEMS**

Financial assistance for the maintenance, preservation or restoration of heritage items may be available from Commonwealth and State Governments as well as local councils.

The ACPT needs to be engaged with regard to any funding applications and, as the legal owner, must consent to all such applications. Please contact your SDS Property Services Relationship Manager for further information.

# INSURANCE

A key responsibility of the ACPT is to ensure that certain insurance policies are effected on behalf of parishes and some diocesan organisations in accordance with the Church Insurances Ordinance 1981.

**Please note** that Workers Compensation insurance does not form part of the ACPT's suite of insurance products. Workers Compensation is the responsibility of each parish.

This section relates to building insurance matters only. For information on all other insurance types, please visit the Insurance section of the SDS website.

As the scope and details of certain policies may change from year to year, queries about insurance should be directed to SDS's Manager, Insurance Services.

## **REPLACEMENT COST ASSESSMENTS – BUILDINGS**

Periodic replacement cost estimates are arranged by the ACPT via a third party insurance valuation firm. An accurate cost assessment of asset values is required by the insurer.

To ensure that replacement cost estimates are current SDS's Manager, Insurance Services must be advised of any significant changes to parish buildings.

Formal inspections for the purposes of cost assessments are generally arranged every three years by the ACPT.



## FREQUENTLY ASKED QUESTIONS – BUILDINGS

***What does the policy cover?*** The policy covers all church buildings, halls, residences, shops, offices, garages, carports, sheds and monuments owned by the church against loss or damage caused by specific events.

***What are some of the specified events?*** Fire, earthquake, storm & tempest, glass breakage, water damage, vandalism, impact.

***What type of events are NOT covered?*** Wear & tear, design faults, scratching & marring, unsuitability for the purpose, damage by pests, normal upkeep, making good, gradual deterioration, developing flaws, fading, mildew, rot, asbestos or other hazardous material removal. (Please note that this is not an exhaustive list).

***What is the amount of the cover?*** Buildings are insured for their full replacement cost at the time of loss although special rules apply to heritage buildings. Cover extends to architect's fees, estimating costs, consultant's fees, council fees and charges, demolition, site clearance, temporary safety measures and temporary accommodation.

***Is there an excess?*** Yes. The excess is generally \$500 although higher excesses will apply in certain circumstances.



## **REPLACEMENT COST ASSESSMENTS – CONTENTS**

At intervals not exceeding three years, the wardens are required to provide the Manager, Insurance Services with a written estimate of the total replacement cost of all items kept on parish premises, or off parish premises but belonging to the parish.

An estimate is required for each building in the parish. Contents that are on permanent loan to the church for use by the church should be included in the estimate unless the owner has its own insurance for the goods while on church premises. These estimates are relevant in determining the total insurance value for contents.

If an item of property is acquired (whether by purchase, donation or otherwise) and the replacement value of that item is \$5,000 or more, the wardens must advise the Manager, Insurance Services of the nature of the property and its replacement value.

Where the new item of property replaces another item which has been disposed of, details of the replacement cost of that item, immediately prior to disposal, are also to be advised.

## FREQUENTLY ASKED QUESTIONS – CONTENTS

***What does the policy cover?*** The policy covers all goods owned by a parish and goods on loan to (and accepted by) that parish against loss or damage caused by specified events. The cover includes goods in parish buildings, in the grounds, in transit (limited cover) or elsewhere, including goods owned by a parish on loan to others. The policy does not cover the personal goods of any person unless the goods are on loan to (and accepted by) the parish. Details of goods accepted by the parish on loan should be conveyed to SDS's Manager, Insurance Services before they are received.

The cover includes theft of, or accidental damage to, a computer owned by or on loan to a parish. Internal malfunction or failure is not covered although if it is due to a source external to the computer there may be some cover. Theft of standard proprietary software is covered, but not its installation on the computer.

Goods donated to a parish for its use or sale at street stalls, fairs, and fetes are automatically covered by the policy.

Money, including offertories, is insured from when it is received until it is banked. Money must be banked promptly. It is not insured if it is left in an unlocked motor vehicle or in a safe and the key or combination number of the safe is left in the same building.

***What are the specified events?*** The policy cover includes loss or damage caused by:

Fire, physical damage, water damage, fusion, burglary/theft, vandalism, accidental breakage, breakage of glass.

The policy **does not** cover events such as:

Employee dishonesty, developing flaws, theft by church officers, design faults, wear & tear, unsuitability for the task, scratching & marring, normal upkeep & making good, damage by pests, unexplained or inventory shortage, gradual deterioration, fading, mildew, rot.



***What is the amount of the cover?*** All goods owned by or on loan to a parish are insured for their full replacement cost at the time of loss.

Goods or equipment brought onto church premises for profit are to be adequately insured for their full replacement cost by the owners of those goods. This may apply to musicians at concerts, arts and crafts etc.

***Is there an excess?*** Yes. For the current level of excess, please contact SDS's Manager, Insurance Services. Excesses may vary depending on circumstances.

***Certificates of Currency*** Certificates of Currency evidencing that Public Liability cover is held by a parish are usually required by third parties before a parish is able to undertake any meeting/mission activity outside the parish land – for instance, a carols service in a local park.

The Public Liability Insurer has delegated approval authority to issue a Certificate of Currency to the Insurance Manager. Accordingly, requests for a Certificate of Currency should be emailed to SDS's Manager, Insurance Services with the following details:

- Name of the parish.
- Name of the event.
- Precise location of the event.
- Date and time of the event (ensuring sufficient time is allowed for set up and pack up).

# UNDERTAKING PROPERTY ACTIVITIES

## INITIAL CONSULTATION

Most parish property within the Diocese is held by the Anglican Church Property Trust Diocese of Sydney ("ACPT") on trust for each parish rather than being owned directly by the parish itself. As a result, parish officers should consult the ACPT in the first instance when considering activities such as selling, leasing, mortgaging, developing or granting an easement over church property.

Contact with the ACPT should be made through your SDS Property Services Relationship Manager in the first instance.

The Regional Bishop or his assistant, as well as the Standing Committee of Synod, should also be consulted early in the process.

Such consultations should be in addition to discussions at the local level with the wardens and wider parish council – all of whom should be fully involved in the decision-making process. These discussions should give consideration to the application of any money (such as sale proceeds) arising from the proposed activity (see p 32 for Policy on Preservation of Capital).

## PROFESSIONAL ADVISERS

When dealing with parish property, ACPT requires the engagement of professional advisers such as solicitors, surveyors, architects or engineers, who should always be instructed in accordance with a formal written contract before they act. These instructions should also specify who the adviser should consult for further instructions.

The persons or body giving these instructions are responsible for the payment of any fees and the basis of these fees should be clearly evidenced in writing before any instructions are given.

## **BUILDING WORKS**

One of the most common property-related activities undertaken by parishes is building work. To assist with this process, the ACPT has put together a helpful Parish Building Kit which guides parish officers through the necessary administrative and legal steps.

## **EXECUTION OF CONTRACTS**

The ACPT delegates authority to wardens to sign building contracts for repairs or renovation works up to \$100,000 in contract value.

Contracts for the purchase of land or for building or maintenance works above \$100,000 in contract value must be executed by the ACPT.



## DRAFTING OF LEGAL DOCUMENTS

All legal documents forwarded to the ACPT for execution must be certified by an independent, registered lawyer as being “in order for execution by the Trust”. This is achieved by the lawyer executing an Australian Lawyer’s Certificate. This certification is intended to indicate that he/she has:

- explained the risks involved in the proposed transaction to the relevant parish or diocesan organisation;
- satisfied him/herself that the parish or diocesan organisation understands such risks; and
- ensured that the document is complete and ready for execution, and is not inimical to the interest of the parish or the ACPT.

Lawyers should ensure that the words “pursuant to the provisions of the Anglican Church of Australia Trust Property Act 1917” appear in the relevant place in documents such as leases, grants of easements and transfers, as this can preclude the Registrar General from making certain requisitions. The standard trustees limitation of liability clause is also required.

The full name of the ACPT is “Anglican Church Property Trust Diocese of Sydney” and this name should be used in all legal documents. The relevant ABN is 95 690 399 815.

## **TITLE DOCUMENTS**

When property-related activities are planned, the documents evidencing title to the relevant land should be located and their efficacy confirmed. SDS Property Services, on behalf of the ACPT, holds the title documents to land for which it is trustee (i.e. most parish property). Parish officers should contact their SDS Property Services Relationship Manager in this regard.

## **POWER TO ACT**

Given that most parish property is held on trust by the ACPT, the trustee must ensure it has the power to act in the way proposed in any planned property activity. This will be outlined in any written trust document that applies to the land. These include the Anglican Church of Australia Trust Property Act 1917, the Church of England Property Trust Diocese of Sydney Ordinance 1965 or other specific ordinances relating to the particular parish.

Your SDS Property Services Relationship Manager can advise whether there are any written trusts that apply to the proposed activity. A legal interpretation may be required and if there is any doubt regarding the power to act, an independent, registered lawyer should be consulted.

## **RESTRICTIONS ON USE**

There are certain restrictions placed on the uses to which church trust property can be put.

Restrictions relevant to a particular property will be identified in the relevant trusts for that property while a list of general restrictions is available in the Leasing & Licensing Guide.



## THE NEED FOR AN ORDINANCE

Ordinarily there will not be any existing authority for property dealings (sale, mortgage or lease). As such, steps must be taken to obtain the specific power required for the planned dealing. Such powers are most commonly achieved via the passing of an ordinance by the Standing Committee of Synod.

An ordinance is a formal document that deals with the order and good government of the church. Ordinances are required whenever a parish wants to sell, mortgage, lease or otherwise vary the permitted uses of parish property. Once passed by the Standing Committee, the ordinance provides the Property Trust with the authority it needs to deal with parish property in a particular way.

The process for promoting an ordinance is set out in detail in the Ordinance Procedure Ordinance 1973 and outlined on the Parish Property Section of the SDS website.

# BUYING AND SELLING CHURCH PROPERTY

From time to time, parishes may determine that existing parish property that is surplus to requirements should be sold. Alternatively, parishes may feel a need to acquire additional property for ministry use.

Certain processes must be adhered to when such actions are undertaken and these are outlined below.

## **EVIDENCE OF VALUE**

The ACPT requires professional evidence of market value before it will execute any legal document concerning the lease, purchase or sale of real estate. As such, when contemplating the sale or purchase of land, a parish must obtain a written market valuation from an independent registered valuer.

Likewise, when contemplating leasing or licensing church property, a parish must obtain a written market valuation of rental/licence fee.

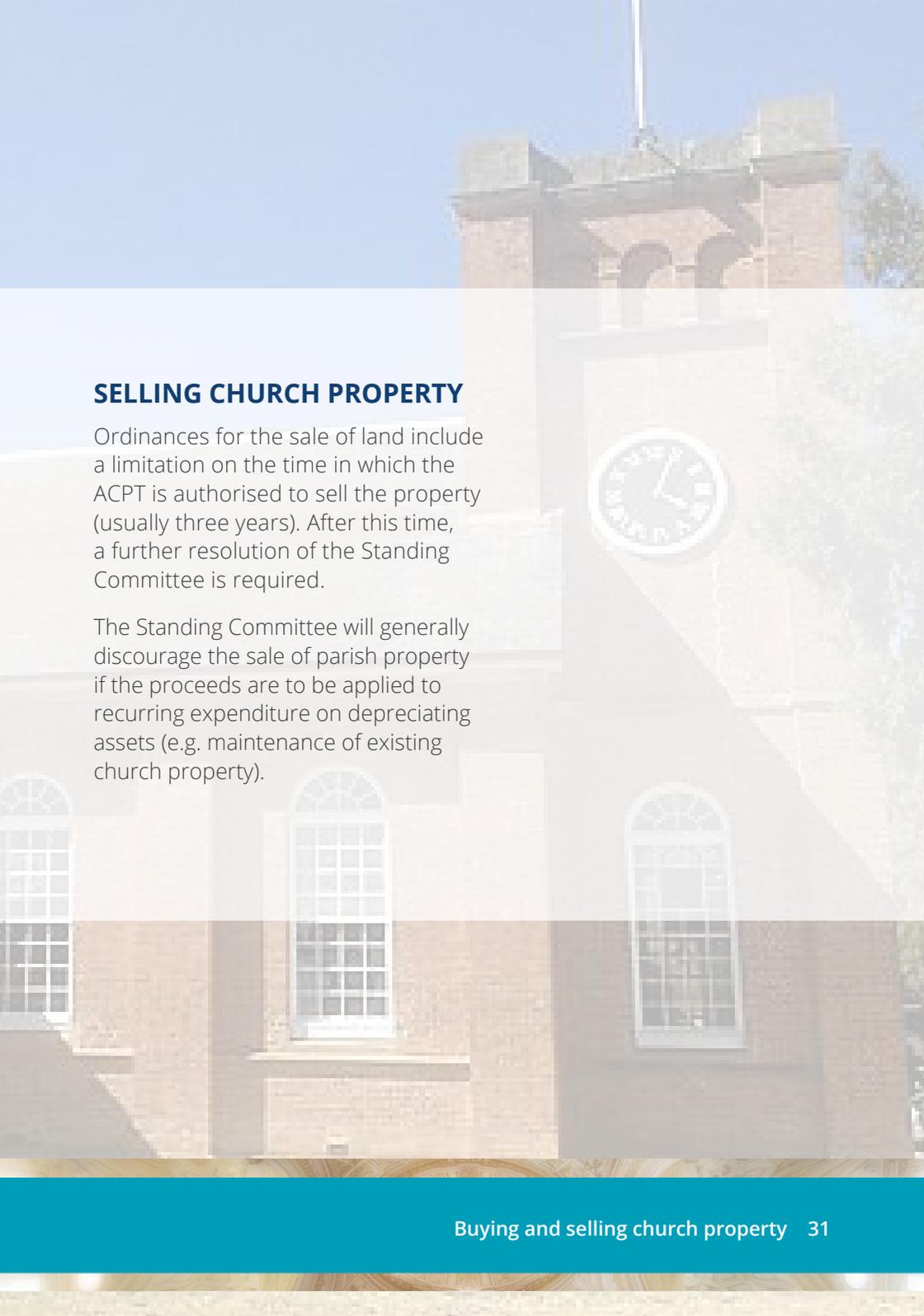
Further, if the transaction depends upon the promotion of an ordinance, the question of value is a matter which will be taken into account by the ordinance reviewer or review committee.

## **PURCHASING PROPERTY FOR CHURCH PURPOSES**

Where property is to be purchased as a site for a church, the approval of the Archbishop and the ACPT must be obtained and the land must be transferred to the ACPT.

Finance for the purchase of a property – which may be considered by Sydney Anglican Loans – must be held by the ACPT in a suitable ACPT client fund. This must be held either in cash, or in an unconditional/irrevocable bank guarantee, or in an unconditional/irrevocable loan from a financial institution acceptable to the ACPT (or a combination of these).

Before the ACPT will consider executing a contract, the contract – including any contract forwarded for execution prior to the finalisation of borrowing arrangements – must contain a special condition making completion conditional upon finance being obtained.



## **SELLING CHURCH PROPERTY**

Ordinances for the sale of land include a limitation on the time in which the ACPT is authorised to sell the property (usually three years). After this time, a further resolution of the Standing Committee is required.

The Standing Committee will generally discourage the sale of parish property if the proceeds are to be applied to recurring expenditure on depreciating assets (e.g. maintenance of existing church property).



## **POLICY ON PRESERVATION OF CAPITAL AND CAPITALISATION OF INCOME**

The Standing Committee's policy concerning the use of the proceeds from the sale of church property is:

- Where funds are held in order to purchase, replace or develop real property, 100% of the income should be capitalised, and
- Where funds are held to provide an endowment or income stream, 30% of the income should continue to be capitalised until such time as the ACPT has completed its review of the most appropriate investment vehicle for such funds, and then the capitalisation policy should be reviewed in the light of the expected income and capital growth prospects applicable to the chosen form of investment.

The relevant ordinance generally provides for periodic review of the use of the proceeds.



## **MORTGAGING, GRANTING EASEMENTS AND DEDICATING CHURCH PROPERTY**

Unless the power already exists, parishes seeking to mortgage, grant an easement over or dedicate parish property/land for public purposes must promote an ordinance.

For further detail on the processes for these particular property dealings, contact your SDS Property Services Relationship Manager.

Likewise, any procedures for government resumption of church property are to be referred through the ACPT.

## CONTACT US

The following SDS staff can help with parish property and insurance related inquiries:

### **Scott Lincoln**

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