

**Annual Report  
For the Year Ended 31 December 1995**

**Sydney Diocesan Secretariat  
Glebe Administration Board  
Sydney Anglican Church Investment Trust**

(Being bodies corporate under the Anglican Church of Australia (Bodies Corporate) Act 1938 and constituted to manage, govern and control church trust property for the Anglican Church Diocese of Sydney.)

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Abbreviations used in this Report -

"CPT"	means Anglican Church Property Trust Diocese of Sydney
"EOS"	means Endowment of the See
"GAB"	means Glebe Administration Board
"SACIT"	means Sydney Anglican Church Investment Trust
"SAHC"	means St Andrew's House Corporation
"SAPF"	means Sydney Anglican Property Fund
"SDS"	means Sydney Diocesan Secretariat
"SDSF"	means Sydney Diocesan Superannuation Fund

## **Achievements in 1995**

### **Secretarial Division**

#### *Synod/Legal Services*

1. This department is run by the General Manager, Secretarial and the Legal Officer. It provides services to the Synod, Standing Committee, the Archbishop, parishes and Anglican organisations. In 1995, apart from the usual plethora of reports, agenda and meetings, much work was carried out for regionalism which culminated in the passing of an ordinance package at Synod. A significant amount of time was spent in an effort to meet everyone's requirements.

2. The old Income and Expenditure Ordinance was reorganised into the Appropriations Ordinance to make it more user-friendly and to provide better information. In fact, much of the legislation brought to the Synod in 1995 was prepared by this team. A huge amount of research is required to ensure that all relevant laws and case histories have been considered before legislation is tabled before Standing Committee and Synod. The clear and generally simple reports are the result of much effort to refine facts and arguments to the real issues at stake.

3. A significant amount of support was provided to the Sydney contingent of the General Synod held in Melbourne. Practical support was also provided to the Diocese of the Riverina by the secondment of our Legal Officer for 3 months to act as their Registrar while the incumbent was on long service leave. Lastly, through much research several drafts of the sexual misconduct protocol were produced during the year for the Archbishop.

#### *Corporate Services*

4. This department provides property, trust fund and insurance services to parishes and Anglican organisations mainly through the CPT. Their motto is "Serve, Solve, Satisfy". During the year the department reviewed 205 funds held on trust and established a long-term pooling fund with a balanced portfolio of property, equity and fixed interest investments to produce both income and capital growth over the medium term.

5. The Standing Committee's policy on the separation of the responsibility for running pre-schools, kindergartens and long day/before/after school care centres from parishes was implemented by providing parishes with advice, draft rules for the incorporation of pre-schools etc, and licence agreements for use of church premises. Incorporation was required to ensure continued government funding but also to separate the legal and financial risks of the pre-school business from the parish.

6. The church insurance programme and insurance brokering were put out to tender in the second half of 1995 and a saving of over \$600,000 or 29% was achieved for 1996. Jardines Australian Insurance Brokers Pty Limited were appointed for a second term and have proven to be innovative and responsive to the church's

needs. While there is now appropriate insurance cover for almost every activity conducted in the Diocese insurance is never a substitute for proper risk management.

#### *Financial Services*

7. This department provides secretarial support for the Standing Committee's Finance Committee and provides financial services to parishes and Anglican organisations through the Finance and Loans Board and the assessment system. A simplified Annual Financial Return was designed which required 90% of parishes to complete only a 2 page return. Two significant committees were supported during the year namely the Select Synod Committee on Clerical Enquiries and a committee of the Standing Committee to review the composition of school councils.

#### **Finance and Administration Division**

8. During 1995 the offices of the SDS and the Endowment of the See were renovated. This project, controlled by staff within this division, is the first major upgrade since the building was constructed about 20 years ago and the new office layout has brought divisional staff together.

#### *Accounts*

9. The Accounts Department is responsible for the accounting, banking, debtor and creditor requirements for approximately 250 funds, including the preparation of budgets, monthly/annual reporting and analysis of transactions for some funds. In conjunction with the MIS Department improvements in reporting information is constantly under review.

10. More use was made of the direct debit banking system for the collection of assessments to parishes. Some 80% of parishes have taken advantage of it which has significantly reduced both parish and SDS processing time. These improvements have helped keep costs under control.

#### *Clergy and Staff Services*

11. This department manages the SDSF, the Long Service Leave Fund, the Stipend Continuance Plan, the Sickness and Accident Fund and the Car and Insurance Fund. Other responsibilities include payroll, catering, mail, reception and stationery services to various organisations within St Andrew's House. During the year 297 new members were admitted to the SDSF and 134 members exited, giving a total of 1,914 members at the end of 1995. Further, it managed 108 mortgage loans, at competitive rates, totalling \$6.9m to help both clerical and lay members into housing before retirement. To protect member's small account balances, administration fees are no longer being charged direct to individual member's accounts. Finally, the 1994 investment strategy review has proven to be beneficial. A recent survey has ranked the SDSF 12th in a survey of 195 super funds on its 3 year investment performance.

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12. A lower premium for the Stipend Continuance Plan was negotiated and arrangements were made for church organisations and parishes to buy office supplies at competitive rates. SDS is appreciative of the help from rectors and churchwardens in filling staff vacancies by displaying advertisements within their churches and mentioning them in church newsletters and bulletins.

### *MIS Department*

13. The MIS department is responsible for supporting over 80 computer users in St Andrew's House. During 1995 the interconnection of all these computers via local area networks was completed. Other highlights included the enhancement of the operating system and memory management, and increased efficiency in trouble shooting.

### **Investment Division**

#### *Treasury*

14. This department is responsible for investment in the equity, bond, mortgages and cash markets. Extensive research into expanding the range of investment products available to parishioners, parishes and Anglican organisations was finalised in 1995. Further, much time and effort has been expended on trying to increase the income of various investment funds, including the Diocesan Endowment. This work resulted in the launch of the Sydney Anglican Deposit Plan in early 1996. Other new initiatives are being researched.

#### *Property Services*

15. The Property Services department is focused on providing a better standard of service and repairs to all plant, equipment and structural fabric of properties as appropriate to a Christian organisation, and delivering realistic commercial returns.

16. The Property Services team maintains the GAB's and SAPF's properties including multi-storey office towers and industrial sites within budget controls. It complied with all statutory regulations for fire and evacuation procedures, pollution and waste control, public health and work safe practices, and has enhanced energy efficiency by introducing best practice standards. Their motto is "Safety, Service and Customer Satisfaction".

#### *Property Management*

17. During 1995, the property market generally showed signs of improvement and as a result the Property Management team negotiated improved returns on most properties. In particular, within SAPF, market rent reviews at 75 Miller Street, North Sydney resulted in a valuation of \$9 million at the end of 1995 compared with \$7.5 million the previous year. Further, an industrial property at Smithfield was sold (settled in March 1996) for \$915,000 compared with valuation of \$835,000.

18. The feasibility study for a major refurbishment of Town Hall Arcade shopping centre continued during 1995. In December, the

GAB gave approval for this study to move to the second phase, which involves negotiating a new commercial arrangement with Sydney City Council for part of the arcade, commissioning architects to prepare full detailed working drawings and entering into lease negotiations with existing and potential tenants.

19. Finally, the marketing of GAB's office building at 447 Kent Street Sydney continued during 1995. Only one sale was completed due to unfavourable conditions in the strata office market, but several new leases were negotiated and net income was better than budget.

### **Finance in Review**

#### *SDS*

20. The 1995 surplus of \$27,000 was a 90% reduction of the 1994 surplus. The service fees charged by the SDS to other Anglican organisations were reduced by \$266,000, and costs were generally contained.

21. There were 5 claims on the Stipend Continuance Plan and 6 claims on the Sickness and Accident Fund for clergy in parishes. There were 25 claims for part or full reimbursement of removal costs.

22. Further financial information can be found in the Audited Accounts for 1995 attached to this report.

#### *GAB: The Diocesan Endowment*

23. The 1995 distributable surplus of \$8 million was ahead of budget although 10% lower than last year. The accounting surplus of \$12.1M was a good result compared to the difficult investment markets of 1994 which produced only \$7.2M. The losses on sale of equities and fixed interest securities caused a substantial drop in "Net Treasury Income". These sales were necessary to minimize further losses and to take advantage of better investments. This was countered by a write back of the Provision for Deferred Maintenance set aside on buildings, due to a change in accounting policy.

24. Further financial information can be found in the Audited Accounts for 1995 attached to this report.

25. It is worth noting that the Board wishes to have assets in its portfolio that will have prospects of both capital growth ahead of inflation and income growth keeping pace with inflation.

#### *SACIT Capital Fund*

26. The total return to unit holders was 13%, consisting of a 9.4% increase in the capital value of a unit from \$5.24 to \$5.73 and income distributions of 3.6% on the value of a unit at the beginning of 1995. The number of units on issue has more than tripled due to purchases by the Anglican Church Property Trust Diocese of Sydney for its long-term "balanced" investment fund.

27. This Fund, which is managed by the GAB, recorded a surplus of \$267,000 in 1995.

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### SAPF

28. The total return to unit holders was 20.4%, consisting of a 10.5% increase in the capital value of a unit from \$1,245 to \$1,376 and income distributions of 9.9% on the value of a unit as at 1 January 1995. 3,354 units were issued during the year, bringing the number of units on issue to 16,661.

29. This Fund is also managed by the GAB. The 1995 surplus of \$1.72 million was ahead of budget.

### Financial Results

30. In brief, the income and expenditure results for 1995 were -

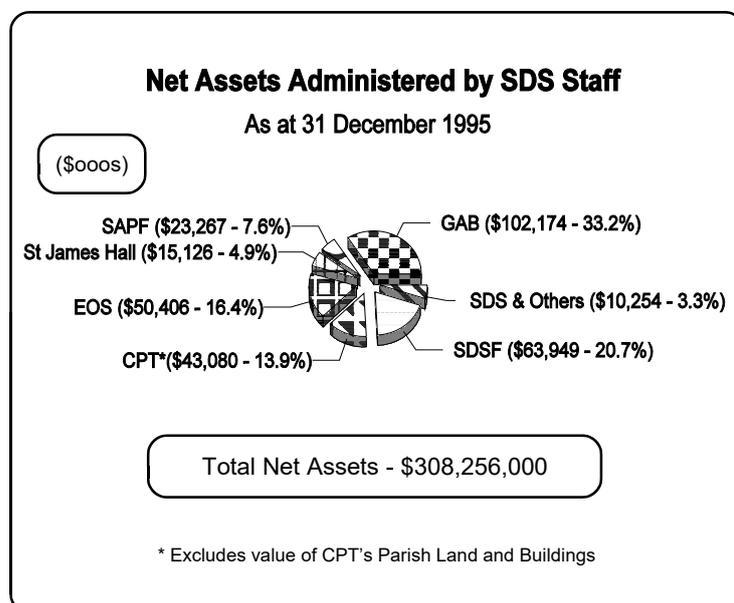
	\$000s			
	<i>Actual</i> 1994	<i>Actual</i> 1995	<i>Budget</i> 1995	<i>Budget</i> 1996
<i>Sydney Diocesan Secretariat</i>				
Total Income	5,005	4,912	4,911	4,972
Expenditure	<u>4,730</u>	<u>4,885</u>	<u>4,911</u>	<u>4,972</u>
Operating Surplus	275	27	-	-
Less Transferred to Reserves	-	-	-	-
Surplus	<u>275</u>	<u>27</u>	<u>-</u>	<u>-</u>
 <i>Glebe Administration Board</i>				
Net Property Income	2,293	2,926	3,045	4,057
Net Treasury Income	2,661	1,111	3,677	3,132
Net Other Income	<u>1,752</u>	<u>1,789</u>	<u>1,123</u>	<u>1,647</u>
	6,706	5,826	7,845	8,836
Abnormal Items	<u>2,207</u>	<u>2,181</u>	<u>-</u>	<u>-</u>
Distributable Surplus	<u>8,913</u>	<u>8,007</u>	<u>7,845</u>	<u>8,836</u>
Accounting Surplus including non-distributable items	<u>7,238</u>	<u>12,107</u>	<u>7,845</u>	<u>8,836</u>
 <i>Sydney Anglican Church Investment Trust Capital Fund</i>				
Income	400	438	*	*
Expenditure	73	171	*	*
Surplus	<u>327</u>	<u>267</u>	<u>-</u>	<u>-</u>

*Sydney Anglican Property Fund*

Income	1,832	2,395	2,454	2,537
Expenditure	<u>688</u>	<u>672</u>	<u>804</u>	<u>701</u>
Surplus	<u>1,144</u>	<u>1,723</u>	<u>1,650</u>	<u>1,836</u>

\* No budgets are prepared for this fund.

31. A pie chart of the Net Assets administered by SDS staff in 1995 is shown below



M.S. FRANCIS

*Secretary*

5 July 1996

## **Annexure A**

### **Constitution and Mission**

The SDS is constituted by the Sydney Diocesan Secretariat Ordinance 1973 to care for the property of the Standing Committee and to regulate the affairs of the Anglican Church within the Diocese of Sydney. It provides services through its personnel to parishes and Anglican organisations.

The GAB is constituted by the Glebe Administration Ordinance 1930 to manage and control the Diocesan Endowment, being the capital from sales of certain glebes granted to the Church in the 19th century. Up to 75% of the annual "net operating income" of the Diocesan Endowment (a higher percentage in some circumstances) is appropriated by the Synod of the Diocese for mission and ministry. The GAB has a secondary role as trustee and manager of the SAPF and St James Hall. It also manages St Andrew's House for the SAHC.

The SACIT is constituted by the Sydney Anglican Church Investment Trust Ordinance 1965 to provide investment services to parishes, churches and organisations of the Diocese of Sydney.

The SAPF is constituted by the Investment Ordinance 1975 to provide a means for church funds to be invested in a property unit trust.

Further information is available in the *7th Handbook*.

## Annexure B

### Membership of the Secretariat Board

The members of the SDS are also the members of the GAB and the SACIT. The names of the members in office at 31 December 1995 and their meetings attendance records follow.

	<i>Meetings Attended</i>	<i>Last Appointed</i>
Mr B.H. Ball	7	1994
Canon B.A. Ballantine-Jones	8	1993
Mr R. Bucknell	7	1994
Mr A.E. Clemens	6	1993
Mr D. Coburn, AM (retired 16 June 1995)	3	1992
Mr J.C. Conde, AO (appointed 26 June 1995)		2
Mr R.C. Corbett 1993		7
Mr R.H.Y. Lambert	8	1994
Mr P.T. Nicholson (Deputy Chairman)	6	1993
Mr W.H. Olson		6 <del>199</del>
Dr L.A. Scandrett	8	1993
Mr P.R. Shirriff	5	1994
Bishop P.R. Watson (Chairman)	6	1993

The Standing Committee of the Anglican Diocese of Sydney appoints the members. One-third retire each year, being the longest in office since their last appointment.

Meetings are held at St Andrew's House, Sydney Square 2000 (PO Box Q190, Queen Victoria Buildings, Sydney 2000): telephone (02) 265-1555. Normal business hours are 9 am to 5 pm.

The SDS, GAB and SACIT had an Investment Committee consisting of-

Mr B.H. Ball (Chairman)	Mr R.H.Y. Lambert
Mr R.E. Bucknell	Dr L.A. Scandrett
Mr R.C. Corbett (retired 13 June 1995)	Mr P.R. Shirriff
Mr D.J. Fairfull	Mr J.S. McSkimming

## Annexure C

[not reprinted here]