

## DIOCESAN COUNCIL FUNDS STATUTE 2016

### Contents

PART 1 – General Provisions	1
PART 2 – Church Sites Fund	1
PART 3 – Diocesan Development Fund	2
PART 4 – Motor Vehicle Loans Fund	3
PART 5 – Insurance Reserve Fund	3

-----  
**BE IT RESOLVED** by the Archbishop, clergy and laity of the Diocese of Perth in Synod assembled as follows:

#### **1 Short Title**

- 1.1 This Statute may be cited as the Diocesan Council Funds Statute 2016.

#### **2 Repeal**

- 2.1 The Church Sites Fund Statute 1974, The Diocesan Development Fund Statute 1974, The Clergy Motor Vehicle Loans Fund Statute 1973, and The Property Fire Insurance Statute 1979 are repealed.

#### **3 Interpretation**

- 3.1 The meanings of words and phrases given in the Interpretation Statute 2007 apply in this Statute except that for the purposes of this Statute the words and phrases listed hereunder have their meanings given or altered as follows:

**Anglican Community Fund** means the Anglican Community Fund (Inc.);

**Anglican Schools Commission** or **ASC** means The Anglican Schools Commission (Inc.);

**ASC schools** means the Anglican schools in the Dioceses of Perth, Bunbury and Wangaratta and elsewhere which are owned and operated by the Anglican Schools Commission;

**Church Sites Fund** means the fund originally established under the Church Sites Fund Statute 1974;

**Diocesan Office Working Account** means the general working account for the Diocese;

**Diocesan Development Fund** means the fund originally established under the Diocesan Development Fund Statute 1974;

**Diocesan Secretary** means the person appointed by the Trustees as secretary or acting secretary for the time being;

**Fund** means any one or more of the Church Sites Fund, the Diocesan Development Fund, the Clergy Motor Vehicle Loans Fund, and the Property Insurance Fund;

**Insurance Reserve Fund** means the account holding the provision for insurance deductibles on behalf of the Diocese;

**Property Repair and Maintenance Fund** mean the fund originally established under the Property Fire Insurance Statute 1979;

**Trustees** means The Perth Diocesan Trustees; and

**Trustees' Investment Pools** has the meaning given in the Trust Funds Statute 2016;

### **PART 1 – General Provisions**

#### **4 Management of Funds**

- 4.1 All Funds under this Statute are held by the Trustees on behalf of the Diocesan Council as beneficiary.
- 4.2 The Trustees may invest and pool the property and monies the subject of the Funds in the Trustees' Investment Pools, subject always to the terms and conditions of the relevant Fund.
- 4.3 The Funds shall be managed in accordance with rules determined from time to time by the Trustees.
- 4.4 As a contribution towards the expenses of administration, the Funds shall pay up to six percent per annum of the gross income of the fund as determined by the Trustees, or such other amount as may be approved by Diocesan Council. The moneys shall be paid into the Diocesan Office Working Account.
- 4.5 The management of the Funds by the Trustees is subject to other relevant Diocesan statutes and policies, and the Anglican Church of Australia (Diocesan Trustees) Act 1888 (WA) and The Diocesan Trustees Statute.

#### **5 Preservation of Capital**

- 5.1 Unless otherwise provided in this Statute, the income from investments of the Funds and any capital growth in those investments shall be made available to the Diocesan Council, after retention of such monies as the Trustees at their discretion deem necessary to preserve the capital base of the Funds.
- 5.2 The Diocesan Council may allocate the income in such manner as it shall determine for the development of the work of the Church in the Diocese.

### **PART 2 – Church Sites Fund**

#### **6 Composition of fund**

- 6.1 The Church Sites Fund represents the total of:

- the cost of land granted to be purchased or otherwise acquired by the Trustees for church, church hall, parish centre, chapel sites at Anglican Schools Commission schools or rectory sites and held in advance of requirements;
- loans by parishes or ASC schools in relation to church or chapel sites or buildings, which have not been fully repaid;
- moneys held in, or investments made on behalf of, the Church Sites Fund; and
- capital profits on the sale of surplus sites not yet re-invested in other sites.

#### **7 Acquisition of sites**

- 7.1 The purpose of the Church Sites Fund is for the acquisition of church, church hall, parish centre, chapel and rectory sites within the Diocese.

- 7.2 As requested from time to time by Diocesan Council the Trustees shall, subject to the availability of funds, acquire further church, church hall, parish centre, chapel sites at ASC schools and rectory sites by grant, purchase or otherwise.
- 7.3 The Trustees may also acquire land and other investments with a view to generating capital profits and income for the purposes of the Church Sites Fund. For these acquisitions the Trustees shall utilise the amounts paid by parishes or ASC schools in relation to loans to them from the Fund, the capital profits on the sale of surplus sites and, when necessary, appropriate forms of borrowed funds.
- 7.4 The costs of such borrowings shall be a charge on the income of the Church Sites Fund, and any excess of such costs over such income shall be borne by Diocesan Council.
- 7.5 With the approval of Diocesan Council, the Trustees are empowered:
- (a) to develop any site not currently required for a church, church hall, parish centre, chapel site at an ASC school or rectory by borrowing for such development, and to apply the net income from such developed site, after payment of interest, and provision of a capital redemption fund in connection with such borrowing for the purposes of the Church Sites Fund; and
  - (b) to sell, lease, mortgage or otherwise dispose of the land held by it pursuant to this Statute.

## **8 Beneficial ownership of sites**

- 8.1 Except as provided in this Statute, upon the development of a church, church hall, parish centre, chapel site at an ASC school or rectory on a site held by the Trustees pursuant to this Statute:
- (a) the land may be granted to and deemed to belong beneficially to such parish free of charge; and
  - (b) the land may be used by the Trustees as security for borrowing for such development.
- 8.2 The Trustees may from time to time grant the beneficial interest in a church site to the relevant parish and the provisions of section 8.1(b) shall apply in relation to such land.
- 8.3 The Trustees shall maintain a record of those church sites in relation to which the Trustees have divested the beneficial ownership or where the parish acquires or is deemed to have beneficial ownership.

## **9 Disposal of beneficially-owned sites**

- 9.1 If, following development, a parish determines that beneficially-owned land is surplus to its requirements, parish council may request the Trustees to dispose of that land.
- 9.2 If that land is sold by the Trustees, the proceeds of sale shall be applied by the Trustees on the recommendation of the parish council and with the consent of Diocesan Council towards:
- (a) the purchase of other land in the parish to be held by the Trustees pursuant to this Statute;
  - (b) the erection, modification or completion of a building or buildings in the parish; and
  - (c) other purposes in the parish, subject to the requirements of any Diocesan policies.
- 9.3 Any proceeds of sale not applied in accordance with section 9.2 shall be paid by the Trustees into the Church Sites Fund free of any beneficial interest of the parish and may be used for the purposes of the Church Sites Fund as set out in this Statute.
- 9.4 If a parish determines that beneficially-owned freehold land is surplus to its requirements, parish council may request the return of the land to the Trustees. Subject to the requirements of any Diocesan policies, the land shall revert free of charge to the Trustees as land held by the Church Sites Fund and the land shall cease to belong beneficially to such parish.
- 9.5 If a parish determines that beneficially-owned crown land is surplus to its requirements, parish council may request the return of the land to the Trustees. The Trustees, with the consent of Diocesan Council, may deal with the land in accordance with the Land Administration Act 1997 and Diocesan policies and the land shall cease to belong beneficially to such parish.
- 9.6 Diocesan Council may make policies in relation to the disposal of beneficially owned freehold land or crown land, which is surplus to parish requirements, and the application of the proceeds of any disposal of such land.

## **10 Development loans to The Anglican Schools Commission**

- 10.1 The Trustees may make a grant from the Church Sites Fund to the Anglican Schools Commission towards the purchase of land for the development of an ASC school. The Trustees may register a charge over the land purchased as security for the grant.
- 10.2 If the Anglican Schools Commission disposes of the land or no longer utilises the land for an ASC school within 50 years of receiving the grant from the Church Sites Fund, it must repay the grant to the Trustees in accordance with the terms of the grant.
- 10.3 The Trustees may, subject to any Diocesan policies, make a loan from the Church Sites Fund to the Anglican Schools Commission for the development of a chapel at an ASC school. The Anglican Schools Commission must repay the loan in accordance with the terms of the loan.
- 10.4 If the Anglican Schools Commission disposes of the land the subject of a chapel development, it must repay the loan upon demand by the Trustees.

## **PART 3 – Diocesan Development Fund**

## **11 Management of fund**

- 11.1 The purpose of the Diocesan Development Fund is for the development of the work of the Church in the Diocese.
- 11.2 The Trustees may acquire land and other investments with a view to generating capital profits and income for the purposes of the Diocesan Development Fund.

- 11.3 For these acquisitions the Trustees shall utilise the amounts paid by parishes, Church agencies, Church entities, Church schools or other third parties in relation to loans to them from the Diocesan Development Fund, the capital profits on the sale of land and other investments and, when necessary, appropriate forms of borrowed funds.

#### **PART 4 –Motor Vehicle Loans Fund**

##### **12 Management of fund**

- 12.1 The purpose of the Motor Vehicle Loans Fund is to provide collateral for loans through the Anglican Community Fund for the purpose of purchasing motor vehicles by the Trustees, on behalf of the Diocesan Council, for use by the clergy and lay ministry workers.
- 12.2 The Trustees shall administer the Clergy Motor Vehicle Loans Fund for the benefit of clergy and lay ministry workers.
- 12.3 Clergy and lay ministry workers may apply for a motor vehicle loan or grant to assist with the purchase of a motor vehicle for use wholly or partly in their ministry. An application for a loan will be subject to the pre-conditions and terms of Diocesan policies, and subject to approval by, Diocesan Council.
- 12.4 Diocesan Council may make policies in relation to such loans and may delegate its powers in relation to the approval and administration of such loans.
- 12.5 If approved, the Trustees will enter into a loan agreement on the terms stipulated in the Diocesan policy and make the necessary vehicle purchase arrangements with the clergy or lay ministry worker.
- 12.6 The Anglican Community Fund will administer the loan on behalf of the Trustees on the conditions and at the rates of interest agreed between the Anglican Community Fund and the Trustees and otherwise in accordance with Diocesan policies.
- 12.7 The Trustees will be entitled to deduct from, or set off against, any payments due to the clergy or lay ministry worker any moneys which are payable or remain outstanding in respect of any loan to that clergy or lay ministry worker under the Motor Vehicle Fund.

#### **PART 5 – Insurance Reserve Fund**

##### **13 Management of fund**

- 13.1 The Trustees are hereby empowered to make arrangements that all property vested in them as Trustees shall be insured against fire and other risks.
- 13.2 The parishes, church agencies and entities that have the beneficial use of such property are required to make arrangements through the Diocesan Secretary for the adequate and sufficient insurance of such property and shall be liable for the payment of the appropriate premium.
- 13.3 Notwithstanding the requirements of section 13.2 of this Statute, the Trustees shall not be liable for any claim, compensation or loss incurred if and when there has been insufficient arrangements or an omission to insure made by the parishes, church agencies and entities having the beneficial use of such property.

##### **14 Insurance Reserve Fund**

- 14.1 The Insurance Reserve Fund shall be at the disposal of the Trustees and may be applied by them to meet any loss in property vested in them arising from fire or other damage, providing such loss is not otherwise wholly covered by insurance.
- 14.2 All profits accruing from any existing or future scheme of insurance shall be credited to the Insurance Reserve Fund.
- 14.3 The Trustees may declare from time to time what amount standing to the credit of the Insurance Reserve Fund provides an adequate reserve for any insured risks carried by it.
- 14.4 Any amount standing to the credit of the Insurance Reserve Fund in excess of the amount so declared by the Trustees in accordance with section 14.3 may be dealt with and applied by Diocesan Council as follows:
- (a) Fifty percent (50%) shall be transferred to the Property Repair and Maintenance Fund; and
  - (b) Fifty percent (50%) may be applied to any fund or purpose under the administration of Diocesan Council, in its absolute discretion.

##### **15 Property Repair and Maintenance**

- 15.1 Diocesan Council is empowered to make grants at its discretion from the Property Repair and Maintenance Fund, to the beneficial users of Church property which is insured through the Trustees, to maintain and keep the Church property in good repair.
- 15.2 Such grants will be subject to the terms of the relevant Diocesan policies.
- 15.3 The grants in accordance with section 15.1 shall not be made unless the insurance premium or premiums have been paid by beneficial users within the time specified by the Trustees.