Anglican Diocese
of Adelaide

	Policy for the Application of Net Proceeds of Sale of Parish Trust Property		
Body adopting policy:	Diocesan Council	**Date of adoption or last review:**	13th July 2022
Related Documents:	Parochial Administration Ordinance 1985	**Review schedule:**	Every 5 years

1. OVERVIEW

This Policy is intended to provide guidance for the Synod in determining the application of net proceeds from the sale of Parish Trust Property in certain circumstances.

Under section 28 of the Parochial Administration Ordinance 1985 ("the Ordinance"), management of Parish Trust Property lies with the Parish Councils.

Section 79aa of "the Ordinance" provides:

79. Where it is desired to sell or transfer any Parish Trust Property the following provisions shall apply –

(aa) An amount-

(i) equal to 40% of the net proceeds of sale shall be retained by the Synod for the purposes of ministry development determined by the Synod; and

(ii) equal to an additional 5% shall be set aside for the support of ministry and mission in areas of need beyond the Diocese at the discretion of the Bishop of the diocese after consultation with the Parish Council,

unless the Synod determines either generally or in a particular case that a lesser or no amount shall be so retained.

While the 40/5/55 split in s.79aa is the general position of Synod, there are circumstances where it is appropriate for the Parish to receive a greater share of the net proceeds from the sale of any Parish Trust Property.

Further, the monetary proceeds from any sale of Parish Trust Property are also held in trust by the Synod for the benefit of the Parish. Synod has a legal duty to not only preserve these proceeds but to properly invest them to ensure growth.

2. SCOPE

This policy applies to all Parishes subject to the Ordinance and for all parish real property which form part of Parish Trust Property held on trust by the Synod. Real property is defined as land and/or land and buildings.

3. PRINCIPLES

A. Noting that all model trust property is owned by Synod in trust for the parish, and that the long-term missional interests of the Synod are served by the retention of capital assets:
   1. where those assets are real property, and they continue to serve missional need, they ought to be retained and be well maintained;
   2. where the real property is surplus to current missional needs, it should be retained only if it is generating a reasonable commercial return which contributes to mission; and
   3. where the surplus real property is not contributing a reasonable commercial return, it should be <u>either</u>
      a. converted or traded into real property which will contribute to mission by purpose or income generation, <u>or</u>
      b. sold, and the net proceeds invested with AFSA to generate a commercial return.

B. Where surplus real property is to be converted or traded for real property of at least equal value, the parish should retain 100% of the sale proceeds for that reinvestment.

C. Where surplus real property is to be sold (in accordance with 3.A.3.b), the following shall apply:
   1. where a parish is to be deregistered, 100% of the proceeds will accrue to the Synod;
   2. where a continuing parish wishes to realise dormant real property to instead invest the proceeds for missional purpose, the parish should retain 100% of the capital proceeds. The capital proceeds <u>must</u> be invested in an AFSA Endowment account with the capital protected and distributions allocated to the parish's missional need; or
   3. where a parish holds real property as a result of parish amalgamation, the split of net proceeds of sale shall be: 40% to the Synod, 5% set aside for the support of ministry and mission in areas of need beyond the Diocese at the discretion of the Bishop, and 55% to the parish.

4. RESPONSIBILITIES

4.1. Diocesan Council is Responsible for:
- 4.1.1. Policy approval and review; and
- 4.1.2. Determining the split of net proceeds of sale of Parish Trust Property in accordance with this policy

4.2. Secretary of Synod is Responsible for:
- 4.2.1. Assisting Parish Councils understand this policy;
- 4.2.2. Advising on Synod's position in respect of any proposed property development or sale; and
- 4.2.3. Approving appropriate use of income from invested funds

4.3. Parish Councils are Responsible for

4.3.1. Consulting with Secretary of Synod regarding the application of this policy before undertaking plans to redevelop or sell parish trust property; and

4.3.2. Applying to Diocesan Council or its delegate for approval of the allocation of net proceeds before undertaking any redevelopment or sale

5. POLICY REVIEW

This policy will be reviewed every 5 years.