



Presbytery Funding Model Proposal

EXECUTIVE SUMMARY

At the Presbytery and Synod meeting on 15-17 November 2018 it was agreed to structurally separate the Presbytery and Synod. It was also agreed that the existing structure of one synod and one presbytery in South Australia would be modified to allow for more than one presbytery. The structural separation of Presbytery and Synod and the establishment of multiple presbyteries will require changes to the current funding arrangements particularly with regard to congregation contributions to the Mission and Service Fund (M&SF) and Mission Networks.

The current structure of one synod and one presbytery together with 13 (now 7) Mission Networks was implemented at the Synod meeting of 5-7 November 2005, when a decision was made to dissolve the Presbyteries of Adelaide North West, Eyre, Fleurieu, Frome, Mt Lofty, The Coorong and Wakefield and form the Presbytery of South Australia.

A paper was presented to the Standing Committee on 3 May 2019, to allow the Committee to make a decision as to how the Church would be funded into the future.

The paper presented to Standing Committee outlined possible models to fund the work of presbyteries and the Synod which are based on a number of key assumptions. The key assumptions have previously been presented to the Restructuring Task Group, the Non Geographic Presbytery Task Group and the Resources Board for comment, and were noted by Standing Committee at its meeting in April. These are available on the Presbytery Restructure page:

<https://sa.uca.org.au/presbytery-and-synod/restructure>

After various presentations and conversation about these models, the Standing Committee agreed that the **Blended Pool and Flow Model** would be applied to fund the life of the Synod and Presbyteries into the future.

DISCUSSION

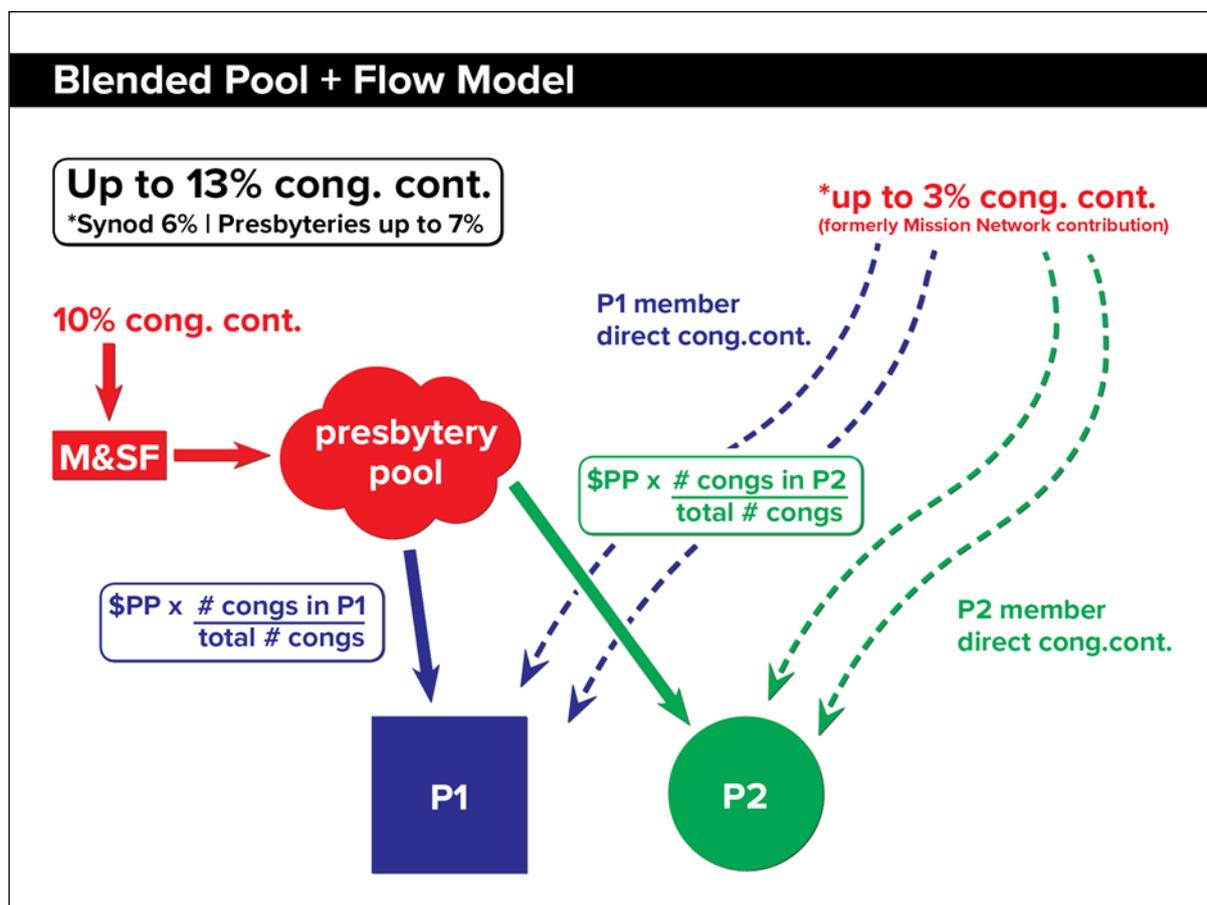
The re-establishment of multiple presbyteries will require changes to current funding arrangements. The requirement for Congregations to be affiliated with, and make contributions to, a Mission Network will cease.

Mission and Service Fund contribution recent history

In 2000, when there were seven Presbyteries and prior to the establishment of Mission Networks, congregation contributions to the M&SF totalled 18% (of the congregation's income). This reduced to 12% in 2001. In 2004, Synod approved the move towards a new Mission Network structure with changes formalised at the Synod meeting in November 2005. The proposed changes took effect from

January 2006 and included a change in the compulsory contribution to the M&SF from 12% to 7% and the other 5% was allocated to fund the networks. In January 2007 the Synod resolved to increase the congregational contribution rate required to be paid (under then Regulation 5.5.3) to the M&SF from 7% to 9% and alter the congregational finance requirement in the Mission Networks Rules (3.7.1) from a maximum of 5% to 3%. (S06.09). More recently, as part of suite of measures to achieve a financially sustainable future, it was agreed to increase congregation contributions to the M&SF to 10% with Mission Network contributions remaining at maximum of 3%, thus making the maximum total financial contribution from congregations 13%.

The agreed Model: Blend of Pool and Flow Funding Model



(* **These indicative percentages are to be finalised after further work is undertaken**)

Under this model presbytery funding arrives in two parts. (Part 1) The portion of the current congregation contribution to the M&SF that is allocated to agreed presbytery responsibilities would be directed to a central, presbytery pool which is then distributed to presbyteries based on the number of congregations within each presbytery. On this basis this portion of the congregation contribution would be shared across the state on a pro-rata by congregation basis. (Part 2) In addition, presbyteries could expect to receive funding contributions directly from congregation of up to 3% of the congregation’s income. This is equivalent to the funding currently directed to Mission Networks.

In this model a presbytery could self-determine what additional funding it required (if any) above the funds transferred from the Synod.

ADVANTAGES

- Guarantees a commonwealth base funding level and also allows congregations to feel that their contribution is directly supporting their chosen presbytery
- Congregations can differentiate between their contribution to Synod and their contribution to Presbytery
- Each presbytery has the flexibility to determine its congregation contribution up to a maximum amount of 3%
- Provides a 'safety-net' should a presbytery contain primarily small, less-resourced congregations

Other Considerations

It is expected that it would be the responsibility of each Presbytery to agree how this funding is used to undertake its responsibilities; noting according to the Regulations, a Chair, Secretary and Treasurer would be appointed, with each Presbytery determining the level of resourcing and whether the positions are voluntary or stipended. This will be reflected in the Presbytery's annual budget that is presented to the Synod. It may be helpful to note, that the Chairs of existing Boards and Committees within the church structure, such as Mission Leadership Development Board, Property Trust, Resources Board, Pastoral Relations Committee and Placements Committee currently are resourced by volunteers. Whilst these positions are substantial in responsibility, they remain filled on a voluntary basis.

It is recommended, unless otherwise agreed, that should a congregation not contribute the full required contribution rate, the Synod has the first priority to congregation contributions to ensure the agreed executive functions are adequately funded. This ensures that regulatory, statutory and other necessary compliance responsibilities are fulfilled.

With regard to how and by whom the contributions shall be collected it appears sensible that the funds continue to be collected centrally and distributed from this repository as is the practice now. This is a mechanical task and as such does not fit within the premise used to establishing multiple presbyteries for a missional purpose. It is noted that Synod collected Congregation contributions when there were multiple presbyteries and has continued to collect Congregation contributions for the majority of Mission Networks over the past 15 years. Therefore adopting this approach is consistent with current practices and creates less change and disruption for congregations. This approach is also consistent with the assumptions concerning minimising or avoiding duplication of effort, avoiding the creation of structural inefficiencies and avoiding changes where no value-add can be demonstrated. Furthermore, anecdotally, collection rates are consistently higher from congregations under the centralised approach that previously with a segmented presbytery context.

It is noted that the decision made in November to separate the Presbytery from the Synod and establish new presbyteries by 1 July has imposed short time frames to achieve the necessary structural changes including the development and implementation of new funding models. It is expected that some transition time will be require to set in place the required framework and establish new practices to adjust to multiple presbyteries. The funding model adopted, will be implemented from 1 January 2020

Resolution of the Presbytery and Synod Standing Committee

It was resolved by consensus that the Standing Committee:

APPROVE the adoption of the Blended Pool and Flow Funding Model to fund presbyteries and the Synod within South Australia, effective from 1 January 2020.

Rob Brown

Acting General Secretary